

SECRET

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ARTICLE XXVIII:5 NEGOTIATIONS

SCHEDULE XIII - NEW ZEALAND

The following communication, dated 11 December 1984, has been received from the Permanent Mission of New Zealand.

The Government of New Zealand has notified the CONTRACTING PARTIES that it reserves the right, in accordance with the provisions of paragraph 5, Article XXVIII of the General Agreement, to modify Schedule XIII - New Zealand during the three-year period commencing 1 January 1982 (document TAR/48).

In pursuance of this notification, the Government of New Zealand has decided to modify in Part I, Schedule XIII - New Zealand, the following concessions:

Tariff tem No.	Description of products	Rate of duty bound in existing schedules	Initial negotiating rights
83.02	Base metal fittings and mountings of a kind suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trucks, caskets and the like (including automatic door closers); base metal hat-racks, hat-pegs, brackets and the like:		
83.02.009	- Other: - - 69 other not including coffin furniture	50 per cent	US
87.06	Parts and accessories of the motor vehicles falling within heading numbers 87.01, 87.02 or 87.03: - Other parts		
87.06.059	- - Other	55 per cent	US

The proposed modification to duty rates is one element in the New Zealand Government's decisions in regard to the motor vehicle industry development plan. The overall thrust of the plan is towards trade liberalization. The proposed modification is in respect of goods which will be subjected to a phased liberalization of existing import licensing controls under the terms of the plan. The net effect will be to increase the overall opportunity for trade in this area.

The proposed modification to duty rates will be applicable only to those imports under the tariff items specified above which are to be used as inputs for the assembly of motor vehicles. For the category of goods involved, the proposed new duty rate is subsequently degressive over a three-year period. The long term result will be no change to the prevailing duty rate applicable to the relevant sub-category of goods presently falling under tariff item 87.06.059, and a 5 per cent increase for tariff item 83.02.009 (Stats Key 69). The existing duty rates will be retained for imports under those tariff items which are for use as parts and accessories.

It is particularly important to note that the application of import licensing restrictions has precluded the importation of any products, under the above tariff classification, which would have been used as inputs for the assembly of motor vehicles. Accordingly official New Zealand statistics for the tariff items involved cannot be used as a measure of trade or of the extent of New Zealand's GATT obligations. Separate trade statistics have not been collected for the past three years' trade of any goods for use in vehicle assembly and classifiable under the tariff items concerned, but imported in the CKD Vehicle Pack (tariff item 87.02.021). However, in view of the existence of import licensing restrictions, it is estimated that any imports for this purpose would have been negligible. Thus the trade statistics relate entirely to goods which will not in fact be subject to any duty increase under the proposed modified format. In the circumstances, contracting parties' benefits will not be impaired as a result of the industry plan; indeed the plan will afford greater trade opportunities for contracting parties.

New Zealand is prepared to enter into negotiations or consultations with interested parties in accordance with the relevant provisions of Article XXVIII.