

AGREEMENT ON TRADE AND ECONOMIC COOPERATION  
BETWEEN THE GOVERNMENT OF NEW ZEALAND  
AND THE GOVERNMENT OF CANADA

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The Government of New Zealand and the Government of Canada, hereinafter referred to as the Contracting Parties,

RECALLING the long standing and close association between their two countries as members of the Commonwealth and of the United Nations and as Pacific states;

DESIRING to strengthen friendly relations through the promotion and encouragement of expanded bilateral trade and the facilitation of increased economic and technological cooperation;

RECOGNIZING the desirability of contributing to the development and expansion of international trade through the removal or reduction of barriers to trade;

MINDFUL of the importance of agricultural, horticultural and fishery products to international trade and to trade between New Zealand and Canada and resolving to facilitate and encourage such trade to their mutual benefit;

CONSCIOUS of the broadening of the areas of cooperation that has occurred since the conclusion of the 1932 New Zealand-Canada Trade Agreement, the 1970 Exchange of Letters establishing a Joint New Zealand-Canada Consultative Committee on Commercial and Economic Matters, and the 1973 Exchange of Letters on Rates and Margins of Preference;

MINDFUL also that the full development of the resources of each country is dependent upon long-term and stable economic and trading relationships;

DETERMINED through the encouragement of closer cooperation in commerce and industry, including the promotion of joint ventures, to enhance bilateral trade and economic relations;

Have agreed as follows:

#### ARTICLE I - OBJECTIVES

The Contracting Parties agree that consistent with the laws and regulations in force in their respective countries, the objectives of this Agreement shall be:

- (a) the encouragement, facilitation and diversification of the exchange of produce, goods and services; and
- (b) the promotion and encouragement of economic and technological cooperation.

#### ARTICLE II - GENERAL AGREEMENT ON TARIFFS AND TRADE

The Contracting Parties confirm that the rights and obligations accruing to them as Contracting Parties to the General Agreement on Tariffs and Trade (GATT) shall continue to govern trade relations between them. Nothing in this Agreement shall prejudice the rights and obligations of either Contracting Party under the GATT.

#### ARTICLE III - TARIFFS

1. Subject to paragraph 2 of this Article and to the provisions of Article VIII, neither Contracting Party shall apply against goods originating in the other country tariff rates higher than:
  - (a) those statutory rates on each other's goods on the date of entry into force of this Agreement;
  - (b) such other rates as may be agreed from time to time by exchange of letters between the Contracting Parties; or
  - (c) such other rates higher than those in (a) or (b) as may otherwise be applied from time to time consistent with the Articles of this Agreement.
2. Where either Contracting Party proposes to raise statutory tariff rates or reduce margins of preference (other than on a temporary basis) against the other, it shall:
  - (a) except in cases of emergency, give thirty days' notice of its intention to raise such rates or to reduce such margins of preference;

- (b) consult, on request, on any such action affecting any goods of active trade interest. For the purposes of this Agreement, goods shall be deemed to be of "active trade interest":
  - (i) when there is evidence that commercial transactions have taken place at any time during the two years immediately before the date at which the proposed tariff change is being considered; or
  - (ii) if either Contracting Party has given notification to the other that those goods are of present or potential interest.
- 3. With a view to facilitating trade between the two countries, either Contracting Party may request of the other at any time the reduction of tariffs on goods of active trade interest. The other Contracting Party shall give consideration to such requests taking into account its international obligations.
- 4. Neither this Article nor Article VIII shall apply to tariff rate increases equivalent to increases in excise levies on domestic production.

#### ARTICLE IV - RULES OF ORIGIN

- 1. (a) Goods, the growth, produce or manufacture of Canada imported into New Zealand shall be entitled to the benefits of this Agreement if the goods in the condition as imported were finished in Canada and not less than one-half of their factory or works cost was incurred in that country and/or in New Zealand.
- (b) Notwithstanding the provisions of paragraph 1(a) of this Article, the Government of New Zealand may determine, with respect to specific goods, that the content percentage referred to in that paragraph shall be less than one-half of the factory or works cost of the goods in their finished state.
- 2. (a) Goods, the growth, produce or manufacture of New Zealand imported into Canada shall be entitled to the benefits of this Agreement if the goods in the condition as imported were finished in New Zealand and not less than one-half the cost of production was incurred in that country and/or in Canada.
- (b) Notwithstanding the provisions of paragraph 2 (a) of this Article, the Government of Canada may determine, with respect to specific goods, that the content percentage referred to in that paragraph shall be less than one-half the cost of production of the goods in their finished state.

#### ARTICLE V - DUMPED OR SUBSIDIZED GOODS

- 1. The Government of Canada, in the application of its legislation and regulations relating to dumping, shall accord to goods the growth, produce, or manufacture of New Zealand treatment no less favourable than that accorded to goods the growth, produce, or manufacture of countries signatories to the Agreement on the

Implementation of Article VI of the General Agreement on Tariffs and Trade.

2. The Government of Canada, in the application of its legislation and regulations relating to subsidies granted by foreign governments on goods imported into Canada, shall accord to goods the growth, produce, or manufacture of New Zealand treatment no less favourable than that accorded to goods the growth, produce or manufacture of countries signatories to the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade.
3. The Government of New Zealand shall not take anti-dumping measures in respect of the dumping of goods the growth, produce or manufacture of Canada, or counter-vailing measures in respect of subsidies on goods the growth, produce, or manufacture of Canada unless:
  - (a) the importation of the goods has or is likely to have an effect prejudicial to an industry carried on in New Zealand or to the establishment of an industry in New Zealand;
  - (b) it has afforded the Government of Canada an opportunity to consult regarding the subsidy or dumping in question; and
  - (c) consultations with the Government of Canada have not resulted in a solution satisfactory to the Government of New Zealand within sixty days of the date notice of the initiation of a dumping or subsidy investigation has been given in accordance with paragraph 4.
4. The Government of New Zealand shall give written notice to the Government of Canada, as far in advance as practicable, of:
  - (a) the initiation of any investigation into dumping or subsidization relating to goods imported from Canada; and
  - (b) the imposition of any anti-dumping or counter-vailing duty on goods imported from Canada.
5. Each Contracting Party shall give written notice to the other of any changes in its laws and regulations relating to dumping and to subsidies granted by foreign governments on goods imported into its territory, and of any changes in the administration of these laws and regulations.
6. Each Contracting Party shall afford to the other, on request, the opportunity for consultations on any matter relating to the administration of its laws and regulations relating to dumping and to subsidies granted by foreign governments on goods imported into its territory.
7. Notwithstanding the provisions of this Article, the Government of New Zealand may take anti-dumping measures provisionally without prior consultation where, in its opinion, the circumstances are so critical that delay would have a prejudicial effect on a domestic industry which would be difficult to repair. Upon taking such provisional action under this paragraph, the Government of New Zealand shall enter into

consultations with the Government of Canada as soon as possible.

#### ARTICLE VI - NON-TARIFF MEASURES

1. The Contracting Parties undertake to consult, and to accord full consideration to representations, before promulgating new, or extending existing, non-tariff measures (including quantitative restrictions and licensing requirements) on imports of all products of active trade interest (as defined in Article III) except where such action may be considered necessary for emergency reasons. In cases where prior consultation is not possible for emergency reasons, the Contracting Party taking such action shall immediately notify the other Contracting Party, shall afford the other Contracting Party the opportunity for consultations and shall accord full consideration to the representations of the other Contracting Party.
2. Provided that such measures are not used as a means of arbitrary or unjustifiable discrimination or as a disguised restriction on trade, nothing in this Agreement shall preclude the adoption by either Contracting Party of measures necessary:
  - (a) to protect its essential security interests;
  - (b) to protect public morals and to prevent disorder or crime;
  - (c) to protect human, animal, or plant life or health;
  - (d) to protect intellectual property rights, copyrights, or to prevent unfair, deceptive, or misleading practices; and
  - (e) to secure compliance with laws or regulations relating to customs enforcement, to tax avoidance and evasion, to foreign exchange control, to the application of standards for the classification, grading or marketing of goods, or to the operation of recognized commodity marketing boards.

#### ARTICLE VII - AGRICULTURAL HORTICULTURAL AND FISHERY PRODUCTS

1. The Contracting Parties recognize the importance of trade between their countries in agricultural, horticultural and fishery products.
2. The Government of Canada agrees:
  - (a) to turn to New Zealand as among preferred suppliers when Canada has an import requirement for butter;
  - (b) to consult with the Government of New Zealand if consideration is being given to changing the import regime on cheese, buttermilk powder or casein;
  - (c) to consult with the Government of New Zealand if consideration is being given to introducing a

quantitative limitation on imports of fresh, chilled or frozen lamb;

- (d) for any calendar year in which it restricts imports of fresh, chilled, or frozen beef and veal into Canada, to give notice in writing to the Government of New Zealand as far in advance as may be practicable and to give full consideration to such representations as may be made by the Government of New Zealand in respect of actual levels of permitted imports and arrangements for each year; and
- (e) to give favourable consideration to such representations as may be made by the Government of New Zealand in respect of shortfalls in deliveries of beef and veal from other countries and to reappportion promptly such supplies taking account of New Zealand's position as a traditional supplier.

3. The Government of New Zealand agrees:

- (a) to consult with the Government of Canada if consideration is being given to introducing a quantitative limitation on imports of pork; and
- (b) to consult with the Government of Canada if consideration is being given to changing the import regime on fishery products of active trade interest to Canada (as defined in Article III).

4. The Contracting Parties agree to consult if consideration is being given to changes in existing import regimes, or to the introduction of quantitative limitations, on horticultural products.

5. The Contracting Parties, being concerned with the damage caused to efficient agricultural and horticultural producers through the disruption of markets by subsidized exports, agree to consult with a view to reducing the adverse effects of such export subsidization.

#### ARTICLE VIII - COMPENSATION

- 1. In the event that either Contracting Party increases a statutory rate of duty in accordance with Article III, or takes any action of the type covered by Articles VI and VII, in a manner which substantially impairs the benefits of the Agreement for the other Contracting Party (except where such impairment results from the reduction of a margin of preference), it shall, at the request of the other Contracting Party, consult with a view to providing equivalent compensatory benefits.
- 2. In the event that these consultations do not result within ninety days in agreement on compensatory benefits, the other Contracting Party may withdraw equivalent concessions under the Agreement.

#### ARTICLE IX - COMMERCIAL AND INDUSTRIAL COOPERATION

In furtherance of the objectives of this Agreement, the Contracting Parties shall encourage and facilitate:

- (a) the establishment of direct commercial contacts between firms, enterprises and organizations of the two countries;
- (b) the conclusion of commercial agreements, arrangements or contracts between such firms, enterprises and organizations;
- (c) the establishment of joint ventures between such firms, enterprises and organizations;
- (d) the development of increased and mutually beneficial investment;
- (e) the widening of technological cooperation; and
- (f) trade in services.

#### ARTICLE X - CONSULTATIONS

The Contracting Parties may consult at any time, at the request of either, on any matter affecting the operation or application of this Agreement or on trade, economic and technological relations between the two countries. The Contracting Parties shall continue to consult on issues of mutual interest and concern which arise in multilateral discussions on trade, economic and technological matters.

#### ARTICLE XI - CONSULTATIVE COMMITTEE

1. To promote the objectives of this Agreement, the Contracting Parties agree to establish a joint Canada-New Zealand Consultative Committee (hereinafter referred to as "The Consultative Committee").
2. The Consultative Committee shall consist of representatives designated by the respective Contracting Parties and shall meet at least once every two years, unless otherwise agreed, at a date and venue to be mutually arranged.
3. The terms of reference of the Consultative Committee shall be:
  - (a) To keep under review the possibility of broadening this Agreement;
  - (b) To consider matters affecting relations between New Zealand and Canada, particularly in the trade, economic and technological fields;
  - (c) To exchange information and views on matters which might adversely affect the existing levels or future development of trade, investment and other business activity;
  - (d) To review multilateral trade and economic matters of common interest; and
  - (e) To review progress towards expanding bilateral trade, economic and technological cooperation, and to propose, where appropriate, measures designed to encourage further growth in economic activity or to overcome hindrances to such growth.

ARTICLE XII - TERRITORIAL APPLICATION

This Agreement shall not have effect for the Cook Islands, Niue and Tokelau until the expiration of thirty days from the date of an exchange of notes between the Contracting Parties stating that the Agreement shall apply to these territories.

ARTICLE XIII - ENTRY INTO FORCE AND TERMINATION

1. This Agreement shall enter into force on a date to be agreed in an exchange of notes between the Contracting Parties and shall thereupon supersede the Trade Agreement and Protocol between the Government of New Zealand and the Government of Canada concluded on 23 April 1932 and 13 May 1970, the Exchange of Letters of 13 May 1970 establishing a Joint Canada-New Zealand Consultative Committee on Commercial and Economic Matters and the Exchange of Letters of 26 July 1973 on Rates and Margins of Preference.
2. This Agreement shall remain in force for five years. Thereafter it shall continue in force until the expiration of ninety days from the date on which one Contracting Party informs the other in writing of its intention to terminate the Agreement.



IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in two copies at Ottawa this *25<sup>th</sup>* day of *September* 1981, in the English and French languages, each version being equally authentic.

EN FOI DE QUOI les soussignés, dûment autorisés à cet effet par leurs Gouvernements respectifs, ont signé le présent Accord.

FAIT en deux exemplaires à Ottawa, le *25<sup>ème</sup>* jour de *septembre* 1981, en français et en anglais, chaque version faisant également foi.



*Brian Talboys*

For the Government of  
New Zealand  
Pour le Gouvernement de la  
Nouvelle-Zélande

*G. J. J. J.*

For the Government of Canada  
Pour le Gouvernement du Canada