

- 85.13 Electrical line telephonic and telegraphic apparatus (including such apparatus for carrier-current line systems):
- 85.14 Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers:
- 85.15 Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio-broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus:
- 85.16.000 Electric traffic control equipment for railways, roads or inland water-ways and equipment used for similar purposes in port installations or upon airfields:
- 85.17 Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar and fire alarms), other than those of heading No. 85.09 or 85.16:
- 85.18.000 Electrical capacitors, fixed or variable
- 85.19.061 Printed circuits:
- 85.19.071 Switchboards and control panels
- 85.21 Thermionic, cold cathode and photo-cathode valves and tubes (including vapour or gas filled valves and tubes, cathode-ray tubes, television camera tubes and mercury arc rectifying valves and tubes); photocells; mounted piezo-electric crystals; diodes, transistors and similar semi-conductor devices; light emitting diodes; electronic microcircuits:
- 85.22 Electrical appliances and apparatus, having individual functions, not falling within any other heading of this Chapter:
- 90.28 Electrical measuring, checking, analysing or automatically controlling instruments and apparatus:
- 92.11 Gramophones, dictating machines and other sound recorders or reproducers, including record-players and tape-decks, with or without sound-heads; television image and sound recorders or reproducers:

In undertaking the study the Commission will be required to prepare an industry development plan which outlines an optimal pattern of future development within the industry and which recognises the government's policy as indicated above.

I therefore request the Commission to:

Inquire into and report on—

the present situation of New Zealand's motor vehicle industry, the potential for its development, and the future objectives for the motor vehicle industry.

Recommend—

a development plan for the motor vehicle industry which meets the government's objectives of retaining the motor vehicle assembly and automotive component manufacturing industries, improving its efficiency, and ensuring that future investment within the industry constitutes an efficient use of resources from the national viewpoint, taking into account developments in the international motor vehicle industry.

For the purpose of this inquiry and report, the motor vehicle industry is to be taken to comprise those sectors and products described in the attached Annex A.

In undertaking its inquiry and report the Commission may take evidence on and otherwise have regard to any other material or product it considers relevant to the inquiry under reference, or exclude from its consideration any material or product it might consider not relevant to its inquiry.

During the course of this inquiry and within the general terms of this reference, the Commission may, at its discretion and on its own initiative, further this inquiry or any part thereof by such means as it thinks fit, and give such notification of its intentions as it considers necessary.

The Commission is requested to present its report to the government by 30 April 1982."

(2) It should be noted that the content of this reference is wider than that upon which the inter-departmental study team reported. Copies of the inter-departmental study team report are available from the Department of Trade and Industry. The scope of the Commission's study is set out in detail in Annex A of the Minister's letter repeated as Schedule I to this notice. In brief the Commission sees the study covering cars, commercial vehicles, trucks and all identifiable parts and accessories therefor whether original equipment or replacements. The engine reconditioning industry will be included but the bus and coach body manufacturing industry will be excluded. The following are also excluded from the study:

- (a) Tractors of Tariff heading 87.01 except the road tractors of Tariff items 87.01.001 and 87.01.005.
- (b) Air cushion vehicles of Tariff item 87.02.001.
- (c) Omnibuses of Tariff item 87.02.011. N.B.—an omnibus is defined as a passenger service vehicle the body of which is designed for the carriage of both seated and standing passengers.
- (d) Special purpose vehicles of Tariff heading 87.03, e.g., fire engines, crane lorries equipped to perform certain non-transport functions.
- (e) Motor vehicle bodies of Tariff heading 87.05.
- (f) Work trucks of Tariff heading 87.07, e.g., fork lift, straddle carriers, etc.
- (g) Motor cycles of Tariff heading 87.09.
- (h) Vehicles not mechanically propelled of Tariff heading 87.14, e.g., trailers, semi-trailers, caravans.

The study will cover the assembly, manufacture, importation and distribution of the vehicles, parts and accessories under reference.

(3) The Commission invites parties who have an interest in any of the areas covered by the above reference to register that interest in writing with the Commission not later than 7 July 1981. Registration should include the following:

- (a) Name and address of party registering interest;
- (b) The goods to which the interest relates;
- (c) Status of interest under one or more of the following classes:

New Zealand manufacturer of goods under reference;

New Zealand manufacturer using goods under reference;

Overseas manufacturer;

Importer;

Distributor;

Raw material supplier;

Trade union;

Trade organisation;

Other (specify).

Industries Development Commission Notice No. 1981/8, Study of the Motor Vehicle Industry

(1) In a letter of 6 May 1981, the Minister of Trade and Industry requested the Commission to undertake a study of the above industry and recommend a plan for its future development. The Minister's letter reads:

"In a statement on 24 November 1980 I advised that the government had decided to refer the motor vehicle industry study to the Industries Development Commission. This would be done once the government had decided which development option contained in the inter-departmental study team's interim report on the New Zealand Motor Car Assembly and Component Manufacturing Industries it would adopt as government policy.

The interim report examined the efficiency of the motor car assembly and automotive component manufacturing industries, and presented three basic policy options for their future direction. These options were:

Option I: To allow the industry to continue in its present form, subject to the same government controls, and use as a tool of economic management.

Option II: To phase out c.k.d. assembly over the next 5 to 10 years and meet New Zealand's annual motor car requirements through c.b.u. imports from the cheapest international source.

Option III: To develop, in consultation with the industry, a motor vehicle industry plan which establishes a policy based on the retention of the assembly industry and changes required to improve the industry's efficiency.

Following consideration of the inter-departmental report and submissions received on it from interested parties, the Cabinet Economic Committee on 28 January 1981, adopted an amended option III as government policy for the development of the motor vehicle industry. This decision and the CEC decision of 28 April 1981 recognised the government's wish to maintain the motor vehicle assembly and automotive component manufacturing industries while at the same time ensuring that future investment within the industry is channelled into efficient and productive activities having regard to developments within the international motor vehicle industry.

Enclosed as Annex B is a copy of the inter-departmental study team's interim report together with submissions received from interested parties.