

NOTE: THIS IS A REPRINT FROM THE NEW ZEALAND Gazette OF 12 JANUARY 1989

Gazette NOTICE
INDUSTRY ASSISTANCE POLICY
TARIFF CONCESSIONS REVIEW NOTICE

- 1 I, David Butcher, Minister of Commerce, give notice that a review of Tariff concessions is being conducted jointly by the Ministry of Commerce and the Customs Department.
- 2 The aim of the review is to simplify the Tariff and to restore the pre-eminence of Part I of the Tariff in setting out tariff rates applied to imports. In future, changes to tariff rates will be effected primarily by changing Part I of the Tariff and not through the granting of concessional rates under Part II, as has happened previously.
- 3 A project team made up of officials from the Ministry of Commerce and the Customs Department will redraft affected tariff items focusing on current Reference 25, 26 and 99 concessions.
- 4 Concessions failing to meet the following criteria will not be included in the review and on completion of the exercise will be revoked:
 "the goods must be legally definable in terms of the Customs Tariff: for example, no model numbers, brand names or end-use descriptions will be accepted as part of descriptions;
 the value for duty of goods brought in under the concession must exceed \$10,000 in the 1987-88 trade year."
- 5 Prior to being revoked, these concessions, together with any other concessions that have not been translated into Part I, will be notified in the *New Zealand Gazette* and users of these concessions invited to apply for removal of the Part I tariff rate under the new policy.
- 6 The existing Reference 25, 26 and 99 concessions have been frozen. However, a Reference category 99 will be retained, not as the instrument to administer the Government's policy that goods not made in New Zealand be free of duty, but to provide flexibility through temporary suspension of the substantive duty rate in special cases, for example, if a domestic manufacturer ceases production temporarily for seasonal reasons.
- 7 A new Part II Reference category will be established to maintain the flexibility to grant concessions for domestic shortfalls where there is a domestic manufacture. Concessions granted under this category will have a strict time limit of three months.
- 8 Redrafting of the Tariff will take place Chapter by Chapter, the timetable for the exercise being set out in the Schedule below. Interested parties may make submissions which should be addressed to The Comptroller of Customs, (Attention: Concessions Project Team), PO Box 2218, Wellington. Domestic producers are invited to supply information about the goods they produce and forms for this purpose are held by Customs Ports.
- 9 The tariff items affected will be redrafted to reflect accurately the products produced locally and will, as far as possible, cover the true market in which the local products compete. The market in which goods compete is to be assessed as it would be under competition law, that is with reference to the provisions of the Commerce Act and decisions made under that Act.
- 10 The present level of 25 percent of ex-factory cost will be retained as the domestic content benchmark to be used in the review. It will also be used when applications for lower tariff treatment under Part I are considered under the new policy. The benchmark will be reviewed, however, as part of the long-term tariff programme to apply after 1 July 1992, the date of the last tariff reduction under the present programme.
- 11 As tariff assistance will apply only to goods made in New Zealand it is essential that manufacturers are aware of this exercise and notify their activities to the Customs Department to ensure that existing protective tariff rates continue to apply.

5 January 1989

DAVID BUTCHER, Minister of Commerce

SCHEDULE
CONCESSIONS REVIEW TIMETABLE

TARIFF CHAPTERS	BRIEF DESCRIPTION	OPENING DATE FOR SUBMISSIONS	CLOSING DATE FOR SUBMISSIONS	SUBMISSIONS TO BE SENT TO
84	Machinery and Mechanical Appliances	23 Jan 1989	20 Feb 1989	Collector of Customs PO Box 2218 Wellington
85	Electrical Machinery and Equipment	23 Jan 1989	20 Feb 1989	Collector of Customs PO Box 29 Auckland
86 to 89	Transport Equipment	23 Jan 1989	20 Feb 1989	Collector of Customs PO Box 29 Auckland
28 to 38	Chemical Products including Pharmaceuticals	27 Feb 1989	20 Mar 1989	Collector of Customs PO Box 2218 Wellington
50 to 67	Textiles and Textile Articles including Apparel; Footwear, Headwear, etc	27 Feb 1989	20 Mar 1989	Collector of Customs PO Box 2218 Wellington
72 to 83	Base Metals and Articles of Base Metals	27 Feb 1989	20 Mar 1989	Collector of Customs PO Box 29 Auckland
90 to 92	Optical, Photographic, etc, Measuring instruments, Clocks, Watches and Musical instruments	27 Feb 1989	20 Mar 1989	Collector of Customs PO Box 29 Auckland
39 to 40	Plastics and Rubber and Articles thereof	27 Mar 1989	17 Apr 1989	Collector of Customs PO Box 29 Auckland
47 to 49	Wood Pulp; Paper and paperboard and Articles (including printed matter)	27 Mar 1989	17 Apr 1989	Collector of Customs PO Box 29 Auckland
68 to 70	Articles of Stone etc, Ceramic products, Glass and Glassware	27 Mar 1989	17 Apr 1989	Collector of Customs PO Box 2218 Wellington
2 to 14	Animal and Vegetable Products	24 Apr 1989	15 May 1989	Collector of Customs PO Box 29 Auckland