

New Zealand Gazette

CUSTOMS EDITION

WELLINGTON: TUESDAY, 23 JUNE 1998

TARIFF CONCESSION NOTICES

(INCLUDING OTHER NOTICES UNDER THE TARIFF ACT 1988 AND THE CUSTOMS AND EXCISE ACT 1996)

NEW ZEALAND GAZETTE

TARIFF INDUSTRY ASSISTANCE (ADVERTISEMENT) NOTICE NO. 1998/22

Applications Advertised for Objection Closing Date for Objections 14th July 1998

- Notice is hereby given that the following applications have been made in respect of the goods advertised in the Schedule to this notice. Any person wishing to lodge an objection should do so in writing, to the Ministry of Commerce, PO Box 1473, Wellington, Fax 0-4-474-2843 indicated by the reference number, before 14th July 1998. All submissions should include:
 - the Tariff Industry Assistance (Advertisement) Notice number;
 - the Tariff item; and
 - Reference number.
- 2 All submissions from local manufacturers should include:
 - the range of alternative goods made locally;
 - the grounds on which objection is made (including reasons why the local product is a suitable alternative);
 - present and potential output;
 - details of factory cost in terms of materials, labour, overheads, including the proportion of domestic and imported content.
- All submissions objecting to a request for the withdrawal of a concession should include:
 - reasons why the local product on which protection is sought is not a suitable alternative;
 - full technical details of the goods against which tariff protection is sought.
- Where further information is required in order to make a submission an objector should contact the applicant in writing and refer a copy of the enquiry to the Ministry of Commerce quoting the details in paragraph 1 above.

Tariff			Name and Address	Part II	Appn. Ref.	*Category of
Item	Description of Goods		of Applicant	Ref.	No.	Appn.
3402.12.00	Berol 556 (alkyl polyglycol ethe	er ammonium methyl chloride)	Polychem Marketing Limited PO Box 6435 AUCKLAND	99	996334A	A
3506.10.00	Shoe Goo II polyurethane adhesive suited for use in building up soles of shoes		Vita Shoe Co Ltd C/- PO Box 2367 AUCKLAND	99	996333C	A
3923.50.00		evident, 38mm diameter, permanently f clear polyester coated on the back side nen permanently bonded F.217	Michael O'Brien PO Box 3230 AUCKLAND	99	996337F	A
3926.20.61) 3926.20.69)	One time disposable ponchos of welded construction only and of film not exceeding 0.04mm (40 microns) in thickness		Australasian International PO Box 73-111 AUCKLAND AIRPORT	99	996332E	A
8419.19.00	Sealed-chamber gas fed storage water heaters, wall mounted, of a capacity not exceeding 95 litres		The Hot Water Company C/- Trade Consultants Ltd PO Box 4287 AUCKLAND	99	996336H	A
85.17	Telephones		Alcatel NZ Ltd C/- PO Box 31-387 LOWER HUTT	99	996330J	A
8518.22.00	CURRENT APPROVAL: Loudspeakers of a type designer a central electronics unit that in concession code 990728K viz:	d for use with, and are an integral part of, its own right is admitted under		99	995623K	v
	Model	Speaker Code				
	GR8	SSL90VH				
	GR10AV	SSL100VH				
	EX66	SSMD77				
	MD77	SSMD77				
	XB3	SSXB3	•			
	XB4	SSXB8V				
	XB8AV	SSXB8V				
	R4720	SST471				
	R5750	SST571				
8518.22.00	REQUESTED APPROVAL:					
	Loudspeakers of a type designed	d for use with, and are an integral	Sony NZ Ltd	99	996324D	V
	part of, a central electronics uni concession code 990728K viz:	t that in its own right is admitted under	C/- Schenker International NZ Ltd PO Box 73 012			
		Speaker Code	AUCKLAND AIRPORT			
	Model	SSL90VH	AUCKLAID AIRI ORI			
	GR8 GR10AV	SSL100VH				
	EX66	SSMD77				
	MD77	SSMD77				
		SSXB3				
	XB3	SSXB8V			•	
	XB4					
	XB8AV	SSXB8V				
	R4720	SST471				
	R5750	SST571				
	LBTXB22	SSXB22				

Tariff Industry Assistance (Advertisement) Notice No. 1998/22 - continued

Tariff			Name and Address	Part II	Appn. Ref.	*Category of
Item	Description of Goods		of Applicant	Ref.	No.	Appn.
	r narvnaa	SSVD22				
	LBTXB33 LBTXB44	SSXB33 SSXB44				
	LBTXB55AV	SSXB55V				
	LBTXB88AV	SSXB88V				
	MHCGRX8	SSGRX8				
	MHCGRX10AV	SSGRX10AV				
	MHCW555 MHCW777AV	SS-W77IG SS-W77IG		•		
	MICHITA	33-W / //G				
8525.10.09)	Baby monitors, cordless v	ia radio link	Philips NZ Ltd	99	996325B	Α
8525.20.09)			PO Box 1041			
3527.90.09)			AUCKLAND			
8702.10)	Mini-buses for the transpo	ort of 10-12 persons	Convair Trading Co Ltd	99	996329E	Α
8702.90)			C/- PO Box 37-104			
,			Parnell			
			AUCKLAND			
8716.31.01	C		Aim Timuido Ted	99	996326L	CE
5/10.31.01	Cryogenic storage tanker t	TALLET UILL	Air Liquide Ltd C/- Schenker International	99	990320L	CE
			PO Box 73 012			
			AUCKLAND AIRPORT			
			AUCKLAND AIRPORT			
94.01		ilded rolled edge seats with retracting arm rests,	Balsam Pacific	99	996328G	Α
	seat backs and bottoms		C/- OCTA Associates Ltd			
			PO Box 2506			
	•		CHRISTCHURCH			
9403.70.00	Childrens cot activity cent	re, comprising 10 cots complete with varying	Display Products Ltd	99	996323F	Α
	activity goods and a table	top application	C/- Compass Shipping NZ Agencies Ltd			
			PO Box 22 046			
			CHRISTCHURCH			
403.90.00	CURRENT APPROVAL	.:				
	Component parts for the m			99	881358C	v
9403.90.00	DECLIECTER ADDROSS	AT.				
9403.90.00	REQUESTED APPROV Component parts for the m	AL: nanufacture of coopsette desking systems	January Design Pty Ltd	99	996327J	v
			C/- Aironaut Customs Brokers Ltd			
			PO Box 237712			
			Parnell			
			AUCKLAND			
Categor	y of Application:					
	Gameral Againment	1				
A CE	 General Approva Capital Equipmer 					
IM		cturing – Inability to Supply				
IP	 Inadequate Produ 					
MS	 Manufacturers' Sa 					
RUC	- Revocation of Un	-				
	Chartall					

S SS V Shortfall Special Situation
Variation of Existing Concession W Withdrawal of Concession Denotes amendment or addition

Dated at Wellington this 18th day of June 1998.

V.A. MANKS, Ministry of Commerce.

NEW ZEALAND GAZETTE

Tariff Act 1988

8543.89.90)

system including sensors

TARIFF CONCESSION APPROVALS, WITHDRAWALS AND DECLINES NOTICE (NO. 22) 1998

- I, Vincent Anthony Manks, Executive Officer, Ministry of Commerce, acting pursuant to section 8 of the Tariff Act 1988 under delegated authority hereby:
- (a) In accordance with Part II of the Tariff approve in respect of the entry of goods listed in the First Schedule to this notice the rates of duty or exemptions from duty specified in that Schedule with effect from the first day of the month so specified; and
- (b) In accordance with Part II of the Tariff approve in respect of the entry of goods listed in the Second Schedule to this notice the exemptions from duty specified in that Schedule with effect from the first day of the month so specified subject however to such purposes and conditions which I prescribe; and
- (c) Withdraw with effect fourteen days from the date of this Gazette, or otherwise at the date so specified, the approvals granted in respect of the entry of goods listed in the Third Schedule to this notice
- (d) Decline to approve in respect of the goods listed in the Fourth Schedule to this notice concessions for which application was made.

				FIRST SCHEDULE Concessions Approved						
				Concessions Approved			Part			
	Tariff				Rates o	f Dusty	П	Ref.	Effectiv	
	Item	Description of	of Goods		Normal	•	Ref.	No.	From	To
					. (0				1,044	
x	3916.10.00)	Single piece	injection mouldings, viz: la	ttice panels; C and H channel	Free	Free	99	995676L	11/97	
	3925.90.00)	5		, , , , , , , , , , , , , , , , , , , ,						
	3926.90.69)									
4	3926.90.69	Traffic deline	eators, being reflective posts	of LLDP, incorporating recessed	Free	Free	99	996201J	4/98	
		reflective bar	ads							
A.	4016.93.00		ynthetic rubber with metal b	Pase	Free	Free	99	996218C	4/98	
A	4016.99.99		canised rubber		Free	Free	99	996219A	4/98	••
A	5702.20.09		erings whether or not latex		Free	Free	99	996203E	4/98	••
A	6002.30.12		y polypropylene/spandex fa	bric	Free	Free	99	996213B	4/98	••
A	6805.30.19		abrasive belts		Free	Free	99	996210H	4/98	••
A	70.07	MODEL	e glass, Mazda, viz: Part No	Amiliantian	Free	Free	99	996178L	4/98	••
		MX5	NB39 58 661A	Application R Ventilator						
		MIAS	NB39 59 661A	L Ventilator						
			NC10 58 510B	R Door						
			NC10 58 510B NC10 59 510B	L Door						
			NC10 39 310B NC11 63 900	Windshield						
			NB40 63 931	Back Window						
		626	G14S 58 511	R Front Door						
		020	G14S 59 511	L Front Door						
			GF3H 63 900B	Windshield						
			G14S 63 930B	Back Window						
			G14S 50 G1XB	R Side						
			G14S 50 G2XB	L Side						
			G14S 72 511	R Rear Door						
			G14\$ 73 511	L Rear Door						
			G14S 72 661	R Qtr						
			G14S 73 661	L Qtr						
			GE4T 58 511	R Front Door						
			GE4T 59 511A	L Front Door						
			GE6T 63 900D	Windshield						
			GE6L 63 930A	Back Window						
			GE6T 63 930A	Back Window (5dr)						
			GE4T 50 G10C	R Side Window						
			GE4T 50 G20C	L Side Window						
			GE4T 72 511	R Rear Door (5dr)						
			GE4T 73 511	L Rear Door						
			GE5A 72 511	R Rear Door (4dr)						
			GE5A 73 511	L Rear Door						
			GE4T 72 661	R Qtr Window (5dr)						
			GE4T 73 661	L Qtr Window						
			GE5A 72 661A	R Qtr Window (4dr)						
	7777 00 00	77	GE5A 73 661A	L Qtr Window	F	F	99	0040000	4/98	
A.	7326.90.09		her than leather type	it in compensions callit bearings	Free Free	Free Free	99 99	996208F 996212D	4/98 4/98	••
A.	7616.99.40	and housing	- being a neadsan turing ki	it incorporating split bearings	FIEC	Fice	77	990212D	-4750	••
A.	7616.99.90		ing reels of aluminium		Free	Free	99	996204C	4/98	
A	8409.91.01	Piston ring se			Free	Free	99	996169A	4/98	••
4	8417.80.01			for use with molten aluminium	Free	Free	99	996194B	4/98	••
λ.	8421.99.09	Filtration, co	llection and recycling system	n and parts thereof for coolant used on	Free	Free	99	996187K	4/98	••
				n the manufacture of alloy components						
A	8424.89.18			ited for mounting on helicopters	Free	Free	99	996171C	4/98	••
A	8437.10.09	Seed cleaning	_		Free	Free	99	996170E	1/98	••
A.	8465.99.00		granulator suited for use in g	ranulation of large diameter, thick walled	rree	Free	99	996188H	4/98	••
	9465 00 00	PVC pipe	e the recognizer of sigid DVC	motorial into DVC possider	Eree	Free	99	996191H	4/98	
A	8465.99.00 8479.89.00		r the recycling of rigid PVC or machine suited for brandi	ng wine or champagne corks on side	Free Free	Free	99	996186A	4/98	••
•	U-17.07.00	and/or head	Suite Suite IVI DIAIMI				,,	>>0100A	H 70	••
A	8480.41.00		e mould, suited for use in th	e manufacture of alloy structural chassis	Free	Free	99	996215J	4/98	••
		cross membe		,						
4	8481.80.19	Filtered water			Free	Free	99	996195L	4/98	••
A.	8531.10.00)	Outdoor mic	rowave or vibration sensing	electronic perimeter intrusion detection	Free	Free	99	996192F	4/98	••

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Tariff Concession Approvals, Withdrawals and Declines Notice No. 1998/22-continued

	Tariff		Rates of	Duty	Part II	Ref.	Effective	e
	Item	Description of Goods	Normal	•	Ref.	No.	From	То
	0700 00 00	Mary 111 and 11			00	0000044	1.515100	<i>c</i> (0.5
	8708.99.22) 8708.99.23)	Motor vehicle cuts, not being essentially complete vehicles of tariff headings 87.03 or 87.04	11.5		99	996284A	15/5/98	6/98
	•	67.03 UL 67.04						
	8708.99.25)							
	8708.99.26)	****	_	_				
	9401.80.00	High chair/combination youth chair, rotary moulded plastic type including	Free	Free	99	996197G	4/98	••
		parts and accessories thereof		_				
	9503.49.00	Toys, representing animals or non-human creatures, of any material, excluding	Free	Free	99	996198E	4/98	••
		stuffed toys						
	9506.91.00	Bio-kinetic exercise apparatus, incorporating leg and torso oscillating action	Free	Free	99	996172A	4/98	
	9506.91.00	Electronic interactive workout torso	Free	Free	99	996173K	4/98	
	9608.20.01) 9608.20.09)	Marker pens designed with 72 hours or more dry-out prevention	Free	Free	99	996190K	4/98	••
		SECOND SCHEDULE Concession Approvals Subject to Prescribed Purposes	and Condit	ions				
-	 	- FP			Part		-	
	Tariff		Rates of	Duty	П	Ref.	Effective	e
	Item	Description of Goods	Normal	Pref.	Ref.	No.	From	To
_						,		
Т	3920.10.09	Peelable seal polyethylene film - to cover entry 1678645001 of 17/5/98	Free	Free	99	996335K	5/98	5/98
•	3720.10.07	imported per Ariake voyage 8058	1 100	1100	77	ACCEOLL	J170	שצונ
	4010 12 00		r	5	00	00(2020	4400	
1 1	4010.12.00	Rubber conveyor grade M cut edge 1200mm x 4P EP150 – 90 metres only	Free	Free	99 00	996202G	4/98	5/98
•	4804.51.00) 4804.52.00)	30 tonnes of uncoated cartonboard for supply to Paramount Packaging Limited, for own use in skin packaging	Free	Free	99	996217E	1/98	12/9
	4804.59.00)	remove, for own use in skin backwillik						
	4805.21.09)							
	4805.22.09)							
	4805.23.09)							
	•							
	4805.29.09)							
ſ	4805.80.09)	West 000 leavel 100 200-2		~	00	00/2001	<i>5</i> 100	
Ł	5112.11.08	Wool 99%, polyurethane 10% – 300m ²	Free	Free	99	996280J	5/98	1/99
	5112.19.00	Wool 98%, polyurethane 2% – 300m ²						
	5112.20.08	Wool 71%, rayon 28%, polyurethane 1% – 400m ²	_					
Í	5112.11.08	Wool 100% – 200m ²	Free	Free	99	996283C	5/98	1/99
	5112.11.08	Wool 100% – 200m ²						
	5112.11.08	Wool 90%, polyamide 10% – 1000m ²						
	5112.11.08	Wool 96%, nylon 4% – 750m ²						
	5112.11.08	Wool 100% – 1200m ²						
	5112.11.08	Wool 100% - 6000m ²						
	5112.11.08	Wool 100% - 7000m ²						
	5112.19.00	Wool 92%, polyamide 8% - 720m ²						
	5112.19.00	Wool $100\% - 600\text{m}^2$						
	5112.90.08	Wool 61%, silk 39% – 200m ²						
Į.	5112.19.00	Wool 95%, nylon 5% – 6600m ²	Free	Free	99	996315E	5/98	1/99
	5112.30.08	Wool 60%, polyester 40% – 1700m ²						
	5112.30.08	Wool 60%, polyester 40% - 9900m ²						
	5112.30.08	Wool 80%, polyester 20% - 5000m ²						
	5112.30.08	Wool 80%, polyester 20% – 8300m ²						
	5112.30.08	Wool 80%, polyester 20% – 9900m ²						
	5112.30.08	Wool 80%, polyester 20% – 36,500m ²						
	5515.13.29	Wool 45%, polyester 55% – 2200m ²						
	6002.93.09	Knitted 100% polyester fabric, fluro yellow or orange - 75,000m ² only	Free	Free	99	995813E	12/97	12/9
	7010.93.70	Jars, flint 212ml, Ref 1332, quantity 140,000 units only	Free	Free	99	995463F		12/9
	7607.20.00	Printed 12-15 micron aluminium foil laminated to heat seal lacquer coated	Free	Free	99	995687F		12/9
		polyester film of reel widths of 362mm or 475mm - 20,000 kgs only						
	8403.10.00	One only wood burning central heating unit, 20KW rated output, complete	Free	Free	99	996214L	4/98	5/98
		with hot water storage tank up to 900 litres capacity			,,			J, 70
	8439.10.01	Eight knife wood chipper	Free	Free	99	996066L	3/98	10/9
	8479.89.00	Semi automatic flexing machine suited for use in the manufacture of carbon	Free	Free	99	996185C	3/98	3/98
		brushes					2.70	2.70
S	8703.33.29	One only cross country Mercedes Benz type 290 vehicle for testing and trialling purposes	Free	Free	99	996196J	4/98	6/98
		purposes						
		THIRD SCHEDULE Concession Approvals Withdrawn						
					Part			
	Tariff	Description of Conde	Rates of	•	II	Ref.	Effective	
	Item	Description of Goods	Normal	rtei.	Ref.	No.	From	То
						995676L		
		Single channel						••
	3925.90.00)	Single channel	••	••))30/0L		
	3925.90.00) 3926.90.69)		••	••				
	3925.90.00) 3926.90.69) 7010.93.70	Jars only			••	995463F		
	3925.90.00) 3926.90.69) 7010.93.70 7326.90.09	Jars only Key type				995463F 987087D		
	3925.90.00) 3926.90.69) 7010.93.70	Jars only			••	995463F		

 $Tariff\ Concession\ Approvals,\ With drawals\ and\ Declines\ Notice\ No.\ 1998/22-continued$

Tariff		Rates of Duty	Part II	Ref.	Effect	iv-
Item	Description of Goods	Normal Pref.	Ref.	No.	From	ive T
87.03)	Motor above	,,		991748K	••	
87.04)						
87.05)						
87.11)						
87.03)	Three "Tuk Tuk"	** **		993647F	**	
87.04)						
8703.10.00	Four bags		••	992719A		
8703.10.00	Vehicles snow		••	780921C		
8703.21	Karts, adults		••	991135K		
8703.23.01)	Formula 1990		••	983764H		
8703.23.11)						
8703.21.21)	Four 1000cc			985496H		
8703.21.29)						
8703.21.38)						
8703.21.21)	Historical 1990	**		985818A		
8703.21.29)						
8703.22.11)						
8703.22.19)						
8703.23.11)						
8703.23.19)						
8703.24.11)						
8703.24.19)						
8703.21.21)	Open only		••	987890E	••	
8703.21.38)						
8703.22.11)						
8703.22.29)						
8703.23.11)						
8703.23.29)						
8703.24.11)						
8703.24.29)						
8703.21.21)	Vehicles, wheeled		••	993433C	••	
8703.21.29)						
8703.21.38)						
8703.21.38	Go book			993436H	••	-
8703.21.38	Go types		••	9900093	••	•
8703.23.11)	Open racing	•• ••	••	992441J	••	•
8703.23.19)	_					
8703.24.11)	Drag car		••	993302G		•
8703.24.29)				202225		
8703.24.11)	Drag 1994		••	993397C	••	•
8703.24.29)	The second second			0000517		
8703.31	Farm engines			990351J	••	•
8703.90.29	Electric 1000kgs		**	990333L	••	•
8704.10	Rubber dumper Dumpers, Yanmar		••	993493G 991756L	••	•
8704.10.01	Dumpers, Yanmar Dump truck	** **	••	982869K	••	•
8704.10.01	Off-highway 1000kgs		••	982869K 991026D		•
8704.21.11			••	991026D 992984D	••	•
8704.21.11	Vehicles 1100kg		••	780059C		•
8704.22.11	Self vehicles		••	983774E	••	•
8704.31.11	Off-highway 350cc	•	••	983774E 988687H	••	•
8704.31.11	Vehicles 1000kgs	••	••	701958A		•
8704.90.11	Electricpeople		••	701938A 996284A		•
8708.99.22)	Motor 87.04		••	770464A	••	•
8708.99.23)						
8708.99.25)						
8708.99.26)	Tour greatures			987534E		
9503.49.00	Toys creatures		••	70/J34E	•	•

Applications for Concessions Declined

Tariff		Ref.
Item	Description of Goods	No.
8516.60.19	Induction cooktops	996189F
9501.00.00	Plastic, push along or pedalled ride on toys suited for children up	996193D
	to age 4 years, viz:	
	Ride on all terrain vehicle	
	Ride on dolphin	
	Ride on rocking chopper (helicopter)	
	Ride on rocking horse	

Ride on tipping truck

Rock and scoot soft padded Zebra Fold up walker

CUSTOMS EDITION

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Tariff Concession Approvals, Withdrawals and Declines Notice No. 1998/22-continued

Tariff Item Descrip	tion of Goods	s		Rates of Duty Normal Pref.	Part II Ref.	Ref. No.	Effective From 1
Ride on	soft padded p lion d ride truck	pony					
Category of Approval:	A	_	General Approval				
	CE	-	Capital Equipment				
	GT	-	Goods in Transit				
	IM	-	Inputs to Manufacturing - Inability to Supply				
	IΡ	-	Inadequate Production				
	MS	-	Manufacturers' Samples				
	RUC	-	Revocation of Unused Concession				
	S	-	Shortfall				
	SS	-	Special Situation				
	V	-	Variation of Existing Concession				
	X	-	Administrative Amendment				

NOTE

The concessions approved subject to prescribed purposes and conditions as listed in the Second Schedule to this notice and declined applications for concessions as listed in the Fourth Schedule to this notice will not be published in the Consolidated List of Approvals.

Dated at Wellington this 18th day of June 1998.

V.A. MANKS, Ministry of Commerce

NEW ZEALAND GAZETTE

REVIEW OF TARIFF DEFINITION OF "MANUFACTURER" - BACKGROUND AND ISSUES

1 Introduction

1.1 The Ministry of Commerce invites submissions to a review of the current definition of "manufacturer" for tariff assistance purposes. This is an important border issue, because tariffs can be removed when local production ceases, or New Zealand companies fail to achieve a particular level of local content or (potentially) certain production parameters.

2 Background

- 2.1 Several tariff reviews have taken place over the past decade, and a review is underway to decide a post-2000 tariff policy.
- 2.2 Concurrently, officials are considering options for simplifying Part I of the Tariff ("The Standard Tariff"), such as consolidating duty free tariff items; merging duty free tariff items into the six-digit "Harmonized System" tariff headings which govern those tariff items; and removing the statistical keys from the Tariff. The simplification exercise is aimed at reducing costs associated with entry procedures and improving the transparency of the Tariff.
- 2.3 Any "simplification" changes would not raise tariffs, and statistical keys would remain in a separate document available from Statistics New Zealand.
- 2.4 In association with these "simplification" exercises, the Ministry of Commerce is investigating the extent of New Zealand manufacture in several chapters of the Tariff (covering, for example, excavating machinery; toys/games; sporting goods; electric motors; and certain transport equipment). The intention is to restructure Part I of the

Tariff in those areas. An associated result would be that many New Zealand products which are currently free under Part II ("Concessions") could become duty free in the Part I Tariff document - and both Part I and Part II should become shorter and simpler.

- 2.5 Officials are also participating in a review of international nonpreferential rules of origin, based on a measure of "substantial transformation" which can be expressed in terms of the Harmonized System Tariff nomenclature. Our non-tariff import restrictions have also been reviewed. A review of New Zealand's Generalised System of Preferences for developing countries was completed last year.
- 2.6 The Minister of Commerce, the Hon John Luxton, has now approved a further review process relating to the definition of "manufacturer" for tariff purposes. At present, New Zealand producers can only receive tariff assistance if they achieve a local content equal to or greater than 25 percent of the ex-factory cost of a particular product. Reviewing this definition will assist in the work mentioned above, and will allow us to continue the processes of updating the Tariff and its administration; both in Part I and in Part II.
- 3 Why Review the Definition of "Manufacture"?
- 3.1 New Zealand's 25 percent definition is a one-dimensional measure which might be deemed inappropriate in an environment of increasing globalisation and significant changes to border assistance policies. A clearer and perhaps more broad-based definition should result from this process. Given the inherent unpredictability of a measure based on the relationship between local costs and import costs, a modified rule would ideally provide a more stable operating environment for New Zealand business.
- 4 <u>Issues</u>
- 4.1 Interested parties are asked to consider two sets of issues:
- general issues relating to qualification benchmarks/criteria;
- the specific issue of commercial availability.
- (a) Definition of "Manufacture" for Purposes of Tariff Assistance
- 4.2 An obvious question is whether the 25 percent benchmark indicator is still a helpful measure of "manufacturer", against the backdrop of the Government's general policy on tariffs, its desire to make New Zealand producers as internationally competitive as possible, and the importance of reducing costs to business. Specifically, issues such as the following could be addressed in submissions (but people making submissions need not confine their responses to these questions):
- should the kitset-type assembly of specialised imported components permit a producer to be classified as a "manufacturer" as of right?
- should tariff assistance be provided if local production is based entirely on minimal processes such as (example only) operations based on the attachment of simple fastenings?
- should operations such as mixing, changes of packaging/breaking bulk and preparation for retail sale be taken into account?
- does it make a difference if the process of "manufacture" comprises repairing, refurbishing, overhauling or reconditioning?
- should tariff assistance be retained when local production is insignificant (see "Commercial Availability" below)?
- 4.3 People responding to this call for submissions may like to consider whether it is important that an "irreversible" physical change should occur during the final production process.

(b) Commercial Availability as a Prerequisite for Tariff Assistance

- Apart from "local content" or process definitions, it is important to consider the availability of goods in the local marketplace. Part II concession policy requires a manufacturer to either satisfy the Ministry of Commerce that the product in question is freely available on the open market (eg not restricted to contracted buyers), or, prove that it is both capable of producing and willing to produce. Australia has reviewed this important issue several times, and its definition for tariff concession purposes is that a producer:
- has made goods requiring the same labour skills, technology and design expertise as the substitute goods in the two years before the application was lodged; and,
- could produce the substitutable goods with existing facilities; and,
- is prepared to accept an order to supply the substitutable goods.
- 4.5 An associated issue is whether tariff assistance can reasonably be retained if a local producer only supplies a small proportion of market demand. New Zealand Ministers agreed in 1991 that "inadequate production" could be grounds for allowing a concession for competing imports. This category of concession allows for duty to be waived when tariff assistance is creating an iniquitous situation. The Government intended that such concessions should be granted only in exceptional circumstances supported by compelling evidence (no applications have been approved as yet).
- 4.6 Interested parties are asked to suggest threshold parameters (eg percentage of marketshare; value of production at ex-factory cost level; number of direct full time employee equivalents) which might be used to determine when local production is so insignificant that tariff assistance should be removed.
- 5 How to Contribute
- 5.1 Comments should be sent to:

Graham Webb/Lida Kousary Ministry of Commerce PO Box 1473 WELLINGTON

Telephone: (04) 472-0030 Facsimile: (04) 499-1791

By 5pm on Friday 10 July 1998.

G J Webb Senior Advisor Competition and Enterprise Branch



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