

No. 5062

**NEW ZEALAND
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

**Trade Agreement (with schedules). Signed at Wellington,
on 12 August 1959**

Official text: English.

Registered by New Zealand on 29 March 1960.

**NOUVELLE-ZÉLANDE
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

**Accord commercial (avec annexes). Signé à Wellington,
le 12 août 1959**

Texte officiel anglais.

Enregistré par la Nouvelle-Zélande le 29 mars 1960.

No. 5062. TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT WELLINGTON, ON 12 AUGUST 1959

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the United Kingdom Government) and the Government of New Zealand (hereinafter referred to as the New Zealand Government) having resolved to replace the Agreement between them signed at Ottawa on 20th August, 1932, as modified and supplemented by the Agreement between them signed at London on 28th May, 1957, except so far as is otherwise provided in this Agreement, have agreed as follows :

In this Agreement—

“ New Zealand goods ” means goods grown, produced or manufactured in New Zealand which are entitled, on importation into the United Kingdom, to Commonwealth preference, and excludes goods grown, produced or manufactured in the Cook Islands (including Niue), the Tokelau Islands and the Trust Territory of Western Samoa;

“ United Kingdom goods ” or “ goods of any dependent territory for the international relations of which the United Kingdom Government are responsible ” means goods grown, produced or manufactured in the United Kingdom or in such a territory which are entitled, on importation into New Zealand, to admission under the British Preferential Tariff;

“ an active trade interest ” in goods means that traders in the United Kingdom or New Zealand, as the case may be, can at the time of any proposed tariff change be shown—

- (a) to have contracted to export such goods in more than token quantities to the other country during the two years immediately preceding that time; or
- (b) to be incurring more than nominal expense on endeavouring to promote a trade in such goods with the other country;
“ margin of preference ” means
- (a) in the case of New Zealand goods the difference between the rates at which Customs duties are charged on such goods on their importation into the United Kingdom and the rates at which Customs duties are charged on like

¹ Deemed to have come into force on 25 November 1958, in accordance with article 19.

goods of any country whose goods are not entitled to Commonwealth preference; and

- (b) in the case of United Kingdom goods or goods of any dependent territory for the international relations of which the United Kingdom Government are responsible the difference between the rates at which Customs duties are charged on such goods on their importation into New Zealand and the rates at which Customs duties are charged on like goods of the most favoured nation whose goods are not admissible at preferential rates of duty; and

where a margin of preference is provided for in this Agreement on an *ad valorem* basis, and duty on goods is imposed by reference to some criterion other than value, any question whether or not that margin is being maintained shall be determined by calculating the difference between the *ad valorem* incidence of the duty on such goods imported during a previous representative trading period from the country to which the margin of preference is accorded and the *ad valorem* incidence of the duty on like goods imported in the same period from all countries whose goods are admitted at most-favoured-nation rates.

Article 1

The United Kingdom Government and the New Zealand Government reaffirm the principle of maintaining mutually advantageous tariff preferences and declare their resolve to facilitate and extend commercial relations between their respective countries.

Article 2

The United Kingdom Government undertake to maintain the entry free of duty (other than revenue duty) of New Zealand goods which were, at 25th November, 1958, free of duty (other than revenue duty). This undertaking shall not apply to goods in which there is no active New Zealand trade interest.

Article 3

The United Kingdom Government undertake to accord to the New Zealand goods listed in Schedule A¹ margins of preference not lower than those specified in that Schedule.

Article 4

The United Kingdom Government undertake to consult the New Zealand Government before reducing margins of preference which exceed the margins

¹ See p. 178 of this volume.

specified in Schedule A, or which are accorded to New Zealand goods not listed in that Schedule. This undertaking shall not apply to goods in which there is no active New Zealand trade interest.

Article 5

The United Kingdom Government undertake that until 31st May, 1967, they will admit, without restriction of quantity, imports of the following New Zealand goods, namely, butter, cheese, skim and butter milk powders, casein, and chilled and frozen pork.

Article 6

1. The New Zealand Government undertake, except in respect of goods in which there is no active United Kingdom trade interest or on which no margin of preference was accorded at 25th November, 1958, to accord minimum margins of preference of—

(a) 5 per cent *ad valorem* on the United Kingdom goods specified in Schedule B,¹

(b) 7½ per cent *ad valorem* on the United Kingdom goods specified in Schedule C,² and

(c) 10 per cent *ad valorem* on all other United Kingdom goods;

except that, on United Kingdom goods on which the margin of preference accorded at 25th November, 1958, was lower than that otherwise required under this paragraph, the minimum margin of preference shall be such lower margin. Nothing in this paragraph shall, however, prevent the remission, reduction or temporary suspension of duty on any goods in accordance with the provisions of Article 7 of this Agreement.

2. The New Zealand Government undertake to consult the United Kingdom Government before reducing any margins of preference which exceed the minimum margins required under paragraph 1 of this Article except :

(a) in respect of the goods listed in Schedules B and C; or

(b) where such reduction follows a specific recommendation of any body constituted by the New Zealand Government to advise regarding the tariff; or

(c) where there is no active United Kingdom trade interest.

¹ See p. 182 of this volume.

² See p. 184 of this volume.

Article 7

1. Notwithstanding the provisions of Article 6 of this Agreement the New Zealand Government may remit, reduce or temporarily suspend duty on goods on importation into New Zealand :

- (a) under section 12 of the Customs Amendment Act 1921, section 11 of the Customs Amendment Act 1927, section 14 of the Customs Acts Amendment Act 1930, or analogous provisions of New Zealand legislation; or
- (b) by classification of goods under Tariff Item 448 (3) or analogous items of the New Zealand Customs Tariff.

2. The New Zealand Government agree that when such remission, reduction or temporary suspension would have the effect of eliminating or reducing a margin of preference required under Article 6 of this Agreement, they will consult or inform the United Kingdom Government in accordance with such procedures as may from time to time be agreed between the two Governments and will take into account any representations which the United Kingdom Government may make. This undertaking shall not limit the right of the New Zealand Government to act in accordance with the provisions of paragraph 1 of this Article.

Article 8

1. The New Zealand Government undertake that—

- (a) protection by tariffs shall be afforded only to those industries which are reasonably assured of sound opportunities for success;
- (b) the New Zealand Customs Tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of that principle special consideration may be given to industries not fully established or to industries essential for defence purposes;
- (c) United Kingdom producers shall be entitled to full rights of audience before any body constituted by the New Zealand Government to advise regarding the Customs Tariff when it has under consideration matters arising under sub-paragraph (b) of this paragraph.

2. The provisions of sub-paragraph (b) of paragraph 1 of this Article shall not prevent the imposition of any rate of duty which the New Zealand Government may decide is necessary to protect New Zealand producers from the competition of goods imported from most-favoured-nation countries. In such cases the duty on like goods when imported from the United Kingdom shall be fixed