A request by the Government of New Zealand for a waiver from its obligations under Article I of the General Agreement, in order to implement a scheme for preferential access for a limited range of handicraft products originating in certain countries in the South Pacific, has been circulated in document L/3947. The following draft decision is circulated in order to facilitate the consideration by the Council of the request by the Government of New Zealand.

Noting the request of the Government of New Zealand to be authorized to establish tariff-free quotas for a limited range of handicraft products originating in certain countries in the South Pacific;

Considering New Zealand's long and close association with its South Pacific island neighbours, all of whom are developing countries and some of whom are amongst the least developed of the developing countries;

Noting further that these islands believe the scheme will materially contribute to their further economic development; and

Considering that New Zealand is the logical market with which these countries might develop their exports and that, despite the small level of trade involved, the improved access to the New Zealand market would be of considerable significance to them;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement,

Decide to waive, until 31 December 1976, subject to the terms and conditions set out in paragraphs (1) and (2) below, the application of the provisions of Article I of the General Agreement to the extent necessary to permit the Government of New Zealand to establish duty-free quotas for hand-made handicraft products of the type listed in the Annex to this Decision, and which originate in Fiji, Tonga, Niue, Nauru or Papua/New Guinea.
(1) Any contracting party which considers that its trade with New Zealand in any product is suffering substantial injury as a result of the action taken by the Government of New Zealand under this Decision may request consultation with the Government of New Zealand. The Government of New Zealand shall consult with such contracting party within thirty days of receiving a written request for consultation, with a view to arriving at a mutually satisfactory settlement.

(2) The Government of New Zealand shall report annually to the CONTRACTING PARTIES on the action taken by it under this Decision, and shall provide information regarding imports into New Zealand from all sources of the products of the type listed in the Annex to this Decision.
ANNEX

Handicrafts Certified by the Appropriate Authorities as being Hand Made

1. Items made principally from pandanus, tapa, coconut sheath, leaf-bud, husk or shell, or hibiscus bark (e.g. baskets, mats, traditional items of headgear and apparel).

2. Hand-printed fabrics (by block or screen process).

3. Items made principally of wood, carved or inlaid (e.g. traditional weapons, table articles).

4. Items made principally from seeds, sea shells, tortoise shell, coconut shell or pig tusk (e.g. jewellery, ornamental articles).