GENERAL AGREEMENT ON
TARIFFS AND TRADE

Working Party 7 on Papua

AUSTRALIAN TREATMENT OF PRODUCTS OF
PAPUA - NEW GUINEA

Note by the Chairman of the Working Party following
discussions with the Delegation of Australia and the
Members of the Working Party

1. The Australian Government asks for authority to depart from the provisions
of the General Agreement in order:

(i) to grant duty-free treatment to any primary product produced in
Papua - New Guinea which does not at present receive such treat­
ment;

(ii) to protect the market in Australia of any primary product of
Papua - New Guinea by increasing the rate or rates of duty on
the like products of other contracting parties, provided such
rate or rates are not at that time bound in Schedule I;

(iii) to subsidize the importation of any primary product produced in
Papua - New Guinea.

2. The CONTRACTING PARTIES could accede to this request by granting a waiver
of Australia's obligations under Article I of the Agreement to the extent
necessary to enable the Government of Australia:

to grant duty-free treatment and other advantages, favours,
privileges or immunities to any primary product of Papua -
New Guinea without requiring that the same treatment be
according to the like products of other contracting parties
or that the margin of Preference with respect to those pro­
ducts should not exceed the level defined in paragraph 4(b)
of Article I.

3. The interests of other contracting parties could be safeguarded by provid­
ing in the waiver:

(i) that the Government of Australia would report annually to the
CONTRACTING PARTIES on the measures taken and on the effects
of the measures on the economy of Papua - New Guinea and on
the trade of Australia;
(ii) that the Government of Australia would inform the CONTRACTING PARTIES before raising any rate or rates of duty on a primary product in order to protect the market in Australia of a product of Papua - New Guinea and would consult with any contracting party which considered that such an increase would result, or threaten to result, in substantial injury to its export trade;

(iii) that, in the event that the underlying economic factors affecting the production and trade of the Territory of Papua - New Guinea should change so that the measures authorized by the waiver should result or threaten to result in substantial injury to the competitive trade of any contracting party, the CONTRACTING PARTIES, upon the request of any affected contracting party, would review the waiver in the light of all relevant circumstances.