

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.8/30

19 October 1953

Special Distribution

Working Party 7 on Papua - New Guinea

AUSTRALIAN TREATMENT OF PRODUCTS OF PAPUA - NEW GUINEA

Proposed Draft Decision submitted by the Chairman of the Working Party

TAKING NOTE of the obligations of the Government of Australia as Trustee for the Trust Territory of New Guinea;

TAKING NOTE that, due to the absence of a home market in the Territory of Papua-New Guinea for the Products thereof, a prerequisite for inducing the investment of capital in projects of development in that Territory is the reasonable assurance of a market in Australia for such products;

CONSIDERING the request of the Government of Australia to be authorized to provide advantages to the primary products of the Territory of Papua-New Guinea upon their importation into Australia for the purpose of promoting the economic development of that Territory;

CONSIDERING the assurances given by the Government of Australia that the action authorized by this waiver will be utilized for the development of the Territory of Papua-New Guinea in such a manner as not to cause material injury to the competitive trade of any other contracting party and will not be utilized for the protection of domestic production in Australia;

THE CONTRACTING PARTIES, acting pursuant to paragraph 5(a) of Article XXV of the General Agreement,

DECIDE:

1. Subject to the provisions of paragraphs 2 and 3 of this Decision, (1) the provisions of paragraphs 1 and 4(b) of Article I of the General Agreement shall be waived to the extent necessary to permit the Government of Australia to grant or continue to accord duty-free treatment to primary products of Papua-New Guinea not then specified in any Schedule I to the General Agreement, without regard to the rates of duty applicable to like products of any other contracting party, and (2) the Government of Australia may grant bounties upon the importation of any such primary product.

2. Before taking any action under this waiver the Government of Australia shall notify the CONTRACTING PARTIES and, in respect of any action hereunder which would result in increasing duties, shall consult with any contracting party which considers that such action would threaten substantial injury to its competitive trade with Australia, or would be likely to provide disproportionate protection to the domestic production of Australia. Should no agreement be reached in such consultations, the question of such threat or likelihood may be considered by the CONTRACTING PARTIES [or the Intersessional Committee]. The Government of Australia may increase the duties as proposed if, within thirty days after such notification, no contracting party has requested consultation or if it is agreed by a contracting party requesting consultation or by the CONTRACTING PARTIES [or the Intersessional Committee], as the case may be, that no such threat or likelihood exists.

3. That, in the event that the underlying economic factors affecting the production and trade of the territory should change so that the special treatment authorized by this Decision should result or threaten to result in substantial injury to the competitive trade of any contracting party, the CONTRACTING PARTIES, upon request of any affected contracting party, shall review this Decision in the light of all relevant circumstances.