

AGREED MINUTE on INDUSTRY ASSISTANCE

1. From 1 July 1990, neither Australia nor New Zealand will pay export incentives or like measures aimed at stimulating exports to the other country at the expense of industry in that country.

2. From 1 July 1990, neither Australia nor New Zealand will pay production bounties or like measures on goods which are exported to the other country.*

3. (a) From 1 January 1989, Australia and New Zealand will each try to avoid the adoption of industry specific measures (bounties, subsidies and other financial support) which have adverse effects on competition between industries in the Free Trade Area.

(b) If either country nevertheless considers that it must adopt such a measure, e.g. on the grounds of overriding national interest, it will seek, and take into account, the views of the other country before making its final decision. A minimum time period, of one month will be allowed for the either country to present its views.

* This would apply to the following Australian programs: books, computers, metal-working machine tools and robots, ships, ship repair.

NOTES

Ad Paragraph 1 above:

- On Australia's side this will cover the Export Market Development Grants Scheme, concessionary finance from Export Finance Insurance Corporation but not the Export Facilitation Scheme for passenger motor vehicles
- the future application of export facilitation to Australian vehicles exported to New Zealand is a matter which will require further discussion between the two countries, as agreed between Australian and New Zealand Ministers in April 1988. This matter will be addressed between now and the meeting between the Prime Ministers in August 1988.
- On New Zealand's side, paragraph 1 will cover the Export Market Development Taxation Scheme and the Individual Exporter Program.

Ad Paragraph 2 above:

- It is envisaged that
- a senior Australian Minister would give a "political undertaking" (i.e. one which is not formally binding this or future governments) along the lines that "bounties and subsidies aimed at stimulating production and providing protection of Australian Industries from trans-Tasman competition can no longer be regarded as viable instruments of industry policy".
- a senior New Zealand Minister will give a similar undertaking (i.e. one which is not formally binding on this or future governments) along the lines that "bounties and subsidies aimed at stimulating production and providing protection of New Zealand industries from trans-Tasman competition can no longer be regarded as viable instruments of industry policy".

Ad Paragraph 3 above:

"Industry-specific measures" would exclude measures to support research and development, extension services and measures promoting export (except those caught under paragraphs 1 and 2 above).

Signed at Christchurch on 21 June 1988.

[signed]

MICHAEL DUFFY
FOR THE AUSTRALIAN DELEGATION

[signed]

MICHAEL MOORE
FOR THE NEW ZEALAND DELEGATION