



COVERSHEET

Minister	Hon Dr Duncan Webb	Portfolio	Commerce and Consumer Affairs
Title of Cabinet papers	Tariff Act 1988: Updating the list of countries eligible for the Generalised System of Preference; and Tariffs: Approval of Order in Council to update the list of countries eligible for the Generalised System of Preference	Date to be published	15 September 2023

List of documents that have been proactively released

Date	Title	Author
April 2023	Tariff Act 1988: Updating the list of countries eligible for the Generalised System of Preference	Office of the Minister of Commerce and Consumer Affairs
5 April 2023	Tariff Act 1988: Updating the List of Countries Eligible for the Generalised System of Preference DEV-23-MIN-0053 Minute	Cabinet Office
June 2023	Tariffs: Approval of Order in Council to update the list of countries eligible for the Generalised System of Preference	Office of the Minister of Commerce and Consumer Affairs
8 June 2023	Tariffs: Approval of Order in Council to update the list of countries eligible for the Generalised System of Preference LEG-23-MIN-0091 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of international relations, national defence and security and free and frank opinions.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Tariff Act 1988: Updating the List of Countries Eligible for the Generalised System of Preference

Portfolio Commerce and Consumer Affairs

On 5 April 2023, the Cabinet Economic Development Committee:

Background

- 1 **noted** that New Zealand's long-standing Generalised System of Preference (GSP) unilaterally offers two categories of preferential tariff rates to listed 'less' and 'least' developed countries for the purposes of economic assistance;
- 2 **noted** that the list of countries eligible for the GSP was last amended in 2005 [ERD Min (04) 105], and requires updating to ensure the GSP continues to meet its policy objective of assisting the economic growth of developing countries;
- 3 **noted** that Ukraine meets the eligibility criteria to be classed as a 'less' developed country for preferential tariff rates under the GSP;
- 4 **noted** that Cabinet has discretion with the GSP to take into account New Zealand's wider foreign policy settings as assessed by the Minister of Foreign Affairs;
- 5 International relations; National security and defence
- 6 **noted** that the Islamic Republic of Iran currently benefits from the GSP as a 'less' developed country, and it continues to meet the income eligibility criteria to be considered a 'less' developed country;

Recommended update to the lists of 'least' and 'less' developed countries

- 7 International relations; National security and defence

- 8 **agreed** that an Order in Council be made under section 7A(1) of the Tariff Act 1988 that would have the effect of:
- 8.1 adding the following countries currently not in the GSP to the list of ‘less’ developed countries: Ukraine, Kazakhstan, Nauru, Serbia, Tajikistan, Uzbekistan, Kosovo, South Africa, Armenia, Azerbaijan, The Bahamas, Barbados, Georgia, Kyrgyz Republic, Moldova, Marshall Islands, Montenegro, Aruba, Bahrain, Curacao, Puerto Rico, Turkmenistan, Brunei Darussalam, and Sint Maarten;
 - 8.2 removing the following country from the list of ‘less’ developed countries: the Islamic Republic of Iran, International relations; National security and defence
 - 8.3 removing the following countries from the list of ‘less’ developed countries due to their European Union membership: Bulgaria, Croatia, and Romania;
 - 8.4 removing the following countries from the list of ‘least’ developed countries and adding them to the list of ‘less’ developed countries: Cabo Verde, Maldives, Vanuatu, Samoa, and Equatorial Guinea;
 - 8.5 adding the following country currently not in the GSP to the list of ‘least’ developed countries: South Sudan;

Financial implications

- 9 **noted** the following changes as a result of the decision in paragraph 8 above, with a corresponding impact on the operating balance and net debt over the forecast period:

Vote Customs Minister for Customs	\$m – increase(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Schedule of non-Departmental Revenue: Tariff revenue foregone	-	(0.120)	(0.120)	(0.120)	(0.120)
Total Operating	-	0.120	0.120	0.120	0.120

- 10 **agreed** that the operating balance and net debt impact in paragraph 9 above be charged against the between-Budget contingency established as part of Budget 2022;

Legislative implications

- 11 **authorised** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to paragraph 8 above.

Jenny Vickers
Committee Secretary

Attendance: (see over)

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Willie Jackson
Hon Damien O'Connor
Hon David Parker
Hon Peeni Henare
Hon Priyanca Radhakrishnan
Hon Kieran McAnulty
Hon Dr Duncan Webb
Hon Rino Tirikatene
Hon Dr Deborah Russell
Jo Luxton MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV