

CHAPTER 3

TRADE IN GOODS

Article 5 Scope

Except as otherwise provided, this Chapter shall apply to trade in all goods between the Parties.

Article 6 National Treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994. To this end, the provisions of Article III of GATT 1994 and its interpretative notes are incorporated into and shall form part of this Agreement, *mutatis mutandis*.

Article 7 Elimination of Customs Duties

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any new customs duty, on an originating good of the other Party.
2. Except as otherwise provided in this Agreement, and subject to a Party's Tariff Schedule as set out in Annex 1, as at the date of entry into force of this Agreement each Party shall eliminate its customs duties on originating goods of the other Party.

Article 8 Accelerated Tariff Elimination

1. At the request of either Party, the Parties shall consult to consider accelerating the elimination of customs duties on originating goods as set out in their Tariff Schedules in Annex 1.
2. An agreement by the Parties to accelerate the elimination of customs duties on originating goods shall supersede any duty rate determined pursuant to their Schedules for such good and shall enter into force following approval by each Party in accordance with Article 180.2(b)(i) and their respective applicable legal procedures.
3. A Party may at any time accelerate unilaterally the elimination of customs duties on originating goods of the other Party set out in its Tariff Schedule. A Party considering doing so shall inform the other Party as early as practicable before the new rate of customs duty takes effect.

Article 9 Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII.1 of GATT 1994, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III.2 of GATT 1994, and anti-dumping and countervailing duties) imposed on or in connection with import or export are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation on imports or exports for fiscal purposes.

2. Each Party shall make available through the Internet or a comparable computer-based telecommunications network a current list of the fees and charges it imposes in connection with importation or exportation.

Article 10 Agricultural Export Subsidies

1. For the purposes of this Article, agricultural goods means those products listed in Annex 1 of the *WTO Agreement on Agriculture* and export subsidies shall have the meaning assigned to that term in Article 1(e) of the *WTO Agreement on Agriculture*, including any amendment of that article.

2. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall work together toward an agreement in the WTO to eliminate those subsidies and prevent their reintroduction in any form.

3. Neither Party shall introduce or maintain any export subsidy on any agricultural good destined for the territory of the other Party.

Article 11 Non-Tariff Measures

1. A Party shall not adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party except in accordance with its WTO rights and obligations or in accordance with other provisions of this Agreement.

2. Each Party shall ensure its non-tariff measures permitted in paragraph 1 are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.

Article 12 Consumer Protection

1. The Parties affirm their concern to provide protection in their territories from deceptive practices or the use of false or misleading descriptions in trade.
2. Each Party shall provide the legal means for interested parties to prevent the sale of products within the Party's territory which, under the laws of that Party, are labelled in a manner which is false, deceptive or misleading or is likely to create an erroneous impression about the character, composition, quality, or origin, including the country of origin, of the product.

Article 13 Special Agricultural Safeguard Measures

1. China may apply a special safeguard measure to agricultural goods specified in Table One of Annex 2, in accordance with this Article.
2. If during any given calendar year the volume of imports from New Zealand of an originating good listed in Table One of Annex 2 exceeds the trigger level for that product in that calendar year as set out in Table Two of Annex 2, China may apply a special safeguard measure to that product in the form of an additional customs duty.
3. The sum of the additional customs duty applied under paragraph 2 and any other customs duties applied to the product in question shall not exceed the lesser of the most-favoured-nation ("MFN") applied rate of customs duty in effect on the date on which the special safeguard measure is applied or the base rate.
4. China may maintain a special safeguard measure applied under paragraph 2 only until the end of the calendar year in which China applies the measure.
5. Supplies of the product in question which were *en route* to China on the basis of a contract settled before the additional customs duty is applied under paragraph 2 shall be exempted from such additional customs duty, provided that they may be counted in the volume of imports of the product in question during the following calendar year for the purposes of a determination under paragraph 2 in that calendar year.
6. Any special safeguard measure shall be applied in a transparent manner. China shall ensure that the volume of imports is published regularly in a manner which is readily accessible to New Zealand, and shall give notice in writing, including relevant data, to New Zealand as far in advance as may be practicable and in any event within 10 days of the implementation of such action.

7. China may not apply or maintain, with respect to the same product, a special safeguard measure and at the same time apply or maintain a measure under Article XIX of GATT 1994 and the WTO *Agreement on Safeguards* or under Section 2 of Chapter 6 (Trade Remedies) of this Agreement.

Article 14 Mid-Term Review Mechanism

Following the application of the tariff reduction specified in Annex 1 of this Agreement for 2013 and before the application of tariff reduction specified therein for 2014, the Committee on Trade in Goods established under Article 16 shall conduct a review in accordance with Annex 3.

Article 15 Contact Points

Each Party shall designate one or more contact points to facilitate communications between the Parties on any matter covered by this Chapter, and shall provide details of such contact points to the other Party. The Parties shall notify each other promptly of any amendments to the details of their contact points.

Article 16 Committee on Trade in Goods

1. The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.
2. The Committee shall meet on the request of either Party to consider any matter arising under this Chapter, Chapter 4 (Rules of Origin and Operational Procedures), Chapter 5 (Customs Procedures and Cooperation) or Chapter 6 (Trade Remedies).
3. The Committee's functions shall include:
 - (a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate; and
 - (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures.