

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 2, paragraph 4

Bilateral Agreement Between the EEC and Singapore

The Textiles Surveillance Body has received a communication from the European Communities informing it that the bilateral agreement negotiated between the EEC and Singapore, which had previously been notified to the TSB under Article 2:4^{1/}, though applied on a de facto basis, had never been formally concluded and had subsequently expired on 31 December 1977.

In its consideration the TSB noted that the agreement had been applied de facto as the formal ratification procedures had not been accomplished and that the agreement had since expired. In the light of these considerations the TSB decided to transmit the text of the agreement to the Textiles Committee under Article 2:4 for information.

^{1/} For TSB's decision to defer its definitive examination see COM.TEX/SB/170, paragraph 6.

DRAFT AGREEMENT BETWEEN SINGAPORE AND THE
EUROPEAN ECONOMIC COMMUNITY ON TRADE IN TEXTILES

PREAMBLE

The Council of the European Communities
of the one part,

The Government of Singapore
of the other part,

Desiring to ensure the orderly and equitable development of trade in textiles between the European Economic Community, hereinafter called "the Community" and Singapore,

Having regard to the provisions of the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Geneva Arrangement) and especially its Article 4,

Have decided, in a spirit of mutual co-operation and in conformity with the said Geneva Arrangement, to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

who have agreed as follows:

Article 1

1. The Parties recognize and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textiles shall be governed by the provisions of the Geneva Arrangement.
2. This Agreement shall apply to trade in the following categories of textiles products, originating in and despatched from Singapore:

- 55.09 Woven fabrics of cotton
- ex 60.05 Outer garments and other articles, knitted or crocheted, not elastic or rubberized:
 - jerseys, pullovers, slip-overs, twinsets, cardigans, bed-jackets and jumpers
- ex 61.01) Men's, boys', women's, girls' and infants' outer garments:
- ex 61.02) - trousers, jeans, breeches and the like, except divided skirts
- ex 61.01) Men's, boys', women's, girls' and infants' outer garments
- ex 61.02) - other
- ex 61.03 Men's and boys' undergarments, including collars, shirt fronts and cuffs:
 - shirts
- ex 61.03 Men's and boys' undergarments:
 - other
- 61.05 Handkerchiefs of cotton

3. Singapore agrees to establish quantitative limits on exports to the Community in accordance with the schedule set out in Annex I hereto. Quantities of the quota shares set out in Annex I not taken up by a member State of the Community may be reallocated to another member State within the limits decided by the Community in accordance with the procedures in force in the Community. The Community undertakes to respond within four weeks of its receipt to any request made by Singapore for such reallocation. It is understood that any reallocation so effected would not need to be confined within any limits set in flexibility provisions established under Article 7 hereof.

Article 2

The Community undertakes, in respect of the categories of textiles products to which this Agreement applies, and subject to the satisfactory operation of this Agreement, not to introduce new quantitative restrictions, to suspend the application of any at present in force, and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement provided that exports to the Community of such textiles products originating in and despatched from Singapore do not exceed the quantitative limits established under the provisions of this Agreement.

Article 3

1. Imports into the Community of those textiles products to which this Agreement applies which are for immediate re-export or for inward processing and subsequent re-export outside the Community shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within the Community.

2. In any case where Community authorities ascertain that imports described in paragraph 1 above have been retained for consumption within the Community, the latter will notify the Government of Singapore on a quarterly basis of the amounts involved, Singapore shall in such cases and at the request of the Community, charge such amounts against the quantitative limit or limits in question for the current Agreement year or for the next following Agreement year.

3. In any case where the competent authorities within the Community ascertain under an administrative system of control in force that imports of textiles products to which this Agreement applies have been charged against quantitative limits established under this Agreement but subsequently re-exported outside the Community, the competent authority concerned will inform the authorities of Singapore of the quantities involved and authorize imports of the same quantities which shall not be charged to the quantitative limits under the Agreement.

Article 4

1. The following textiles products of Singapore shall, subject to the conditions indicated hereafter, be admitted into the Community without quantitative limit:

- (i) cotton handloom fabrics of cottage industry, containing not more than 5 per cent by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;

(iii) traditional Singapore folklore handicraft textiles products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

2. Admission into the Community of those products without quantitative limit shall be subject to the satisfactory operation of agreed arrangements for certification.

Article 5

1. Both Parties agree to enter promptly into consultations with each other, at the request of either and in conformity with the provisions of the Geneva Arrangement, on any matter concerning their trade in textiles and in particular on any problems arising from the application of this Agreement. Consultations held under the provisions of this Article shall be approached by both Parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

2. The Community may, in particular, whenever conditions in its market give rise to real risks of market disruption, request consultations with Singapore in accordance with the procedures set out in paragraph 4 below with regard to the products, other than trousers, to which this Agreement applies.

3. If, in the opinion of the Community, imports into the Community of textiles products of fibres other than cotton in direct competition with those to which this Agreement applies cause real risks of market disruption, the Community may request consultations with Singapore under identical conditions to those specified in paragraph 4 of this Article.

4. In these cases defined in paragraphs 2 and 3 of this Article, Singapore shall limit, in accordance with the Community's request, exports of the products or categories of products in question, destined for the Community market or for its market in one or more of its member States, pending a mutually satisfactory conclusion to the said consultations, at a level indicated by the Community which, at an annual rate, shall not be lower than 105 per cent of the imports recorded for the said product or category thereof during the twelve months ending three months before that in which the request for consultations was made.

5. Consultations shall be held at the request of Singapore in order to review the need for the maintenance or modification of any quantitative limit established under this Article, whenever market conditions which led to the establishment of such quantitative limit no longer prevail.

6. Any request for consultations under this Agreement shall be accompanied by a factual statement of the reasons and justifications for its request.
7. Both Parties, unless agreed otherwise, will consult as soon as possible within thirty days of the request for such consultations, and will make their best efforts to complete such consultations within thirty days of their commencement.
8. The procedure referred to in paragraphs 2 and 3 above will only be resorted to sparingly and will be implemented in a manner consistent with the principles and objectives of the Geneva Arrangement.
9. If the two Parties are unable to reach satisfactory solution within a reasonable period of time to problems which have been the subject of consultations under the Agreement, either Party may, after notification to the other Party, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Geneva Arrangement.

Article 6

If, having regard to the provisions of the Geneva Arrangement, either Party considers that it is being placed in an inequitable position in respect of trade in textiles as compared with a third country, that Party may request consultations with the other with a view to seeking equitable solutions. Such consultations shall be held and concluded promptly. The Parties will take such appropriate remedial measures as may be mutually acceptable and consistent with their international rights and obligations, including any necessary reasonable modification to this Agreement.

Article 7

1. Portions of any quantitative limit established under this Agreement which are not used during any Agreement year may be carried over and added to the corresponding quantitative limit in the following Agreement year, within a limit of 10 per cent of the latter.
2. Within a limit of 10 per cent of each of the quantitative limits established under this Agreement, advance deliveries shall be authorized from the corresponding quantitative limit established for the following Agreement year. Amounts delivered in advance shall be deducted from the quantitative limits for the products in question for the following Agreement year.

3. Within any one Agreement year, unused portions of quantitative limits established under this Agreement in respect of any region of the Community market may be transferred to another quantitative limit established for that same region of the Community market within a ceiling of 7 per cent of the recipient quantitative limit, save in exceptional and sparingly used circumstances where this transfer percentage shall be 5 per cent.

4. The preceding flexibility provisions shall not, in any given Agreement year, result in a quantitative limit for any category being exceeded by more than 15 per cent of the quantitative limit for that category for that Agreement year.

5. The flexibility provisions contained in this Article may only be applied by Singapore following written notification to the Community by the authorities of Singapore.

Article 8

Singapore shall endeavour to ensure that exports of all textiles products for which quantitative limits may be established under this Agreement are spaced out as evenly as possible over each of the Agreement years, due account being taken, in particular, of seasonal factors.

Article 9

The two Parties agree to exchange all useful information concerning their mutual trade in textiles in order to ensure the successful implementation of this Agreement.

Article 10

1. The Parties agree that the quantitative limits established under this Agreement shall be managed under a system of double control, the details of which are set out in Annex II to this Agreement.

2. Singapore therefore agrees to furnish the Community with precise statistical information, on a quarterly basis, of all export authorizations issued by the authorities of Singapore for all categories of textile exports to the Community to which this Agreement applies.

3. The Community will likewise forward to the authorities of Singapore on a quarterly basis, precise statistical information of imports of such products into the Community.

Article 11

1. Both Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and Singapore are maintained.
2. Should either Party inform the other that the application of this Agreement has given rise to difficulties regarding the maintenance of existing commercial relations between importers in the Community and their suppliers in Singapore, the Parties agree to consult together in accordance with the procedures set out in paragraph 1 of Article 5 hereof.

Article 12

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territories to which the Constitution of the Republic of Singapore applies.

Article 13

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for the purpose. It shall remain in force until 31 December 1977.
2. This Agreement shall enter into force, in the manner defined in paragraph 1 of this Article, with effect from 1 January 1975.
3. Either Party may at any time propose modifications to this Agreement or denounce it provided that notice is given at least 120 days before the expiry of any twelve-month period; in the latter event the Agreement will come to an end at the expiry of the said twelve-month period.
4. Annexes and Protocols to this Agreement shall form an integral part thereof.

Article 14

This Agreement shall be drawn up in two copies in the German, French, Italian, Dutch, Danish, English languages, each of these texts being equally authentic.

ANNEX I

Products for which Singapore will exercise restraint towards the whole Community from the entry into force of this Agreement.

The Community hereby notifies Singapore that the quantitative limits for the textile product listed below will be allocated between the member States as follows:

Product category	Member State	Quantitative limits (pairs)		
		1975	1976	1977
ex 61.01) 61.02) Men's and women's trousers	FRG	1,556,000	1,646,000	1,735,000
	F	633,000	726,000	828,000
	I	1,000,000	1,029,000	1,060,000
	BNL	1,640,000	1,648,000	1,656,000
	UK	503,000	592,000	690,000
	IRL	6,400	9,600	12,200
	DK	<u>64,000</u>	<u>76,000</u>	<u>89,000</u>
	EEC	5,402,400	5,726,600	6,070,200

ANNEX II

As agreed between the Parties in Article 10 of the Agreement, the administration of textiles imports from Singapore will be based on a system of double checking. The details of this system have been agreed between the Parties and are set out below.

The competent authorities within the Community will, automatically and without delay, accept imports of textile products on submission of the importer's application together with the original certificate of origin endorsed with an export licence. The competent authorities within the Community shall be entitled to require the presentation of an export licence/certificate of origin in respect of goods originating in Singapore of the categories shown in Annex I and (in any case where the provisions of Article 5 have been involved) of Annex III. These export licences/certificates of origin will be issued by the Singapore authorities up to the total amount of the agreed ceilings.

The export licences/certificates of origin issued by the authorities of Singapore shall be applicable to the products subject to restraint under the Agreement.

The export licence/certificate of origin must specify:

1. destination
2. serial number
3. importer's name and address
4. exporter's name and address
5. net weight (in kilograms or metric tons) quantity and value
6. category and description of product
7. certificate issued by the authorities of Singapore showing that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or for inward processing and subsequent re-export outside the Community.

The competent authorities within the Community will not raise difficulties in the event of a discrepancy between the weight or quantity indicated in the export licence/certificate of origin and the shipment or import weight provided it is within reasonable limits, while the authorities of Singapore, for their part, will endeavour to keep any discrepancies to a minimum.

In the event of total or partial withdrawal of an export licence, the authorities of Singapore will notify the competent authorities within the Community of such total or partial withdrawal. The authorities of the member States of the Community will take the appropriate measures in accordance with their existing administrative provisions.

The authorities of Singapore will forward to the competent authorities within the Community, via the Embassies of the member States of the Community and directly to the Commission, quarterly returns showing the total net weight in metric tons covered by the export licences issued against the quantitative limits for exports to the Community, as well as the allocation of these export licences amongst the member States of the Community, for all categories of textiles exports to the Community subject to quantitative limits under this Agreement.

ANNEX III

1. In conformity with Article 5 of the Agreement on trade in textile products between the Community and Singapore, consultations have been held between the Parties regarding imports from Singapore into the Community of the textiles products listed below.
2. As agreed in the consultations mentioned above, Singapore shall limit exports of the products listed below to the regions of the Community market and to the quantitative limits indicated.

CCT heading No.		Community region to which restric- tion is applied	Annual quantity
55.09	Cotton fabrics (IT.	568 tons with effect from 1.1.75.
	(
	(FR.	1,200 tons with effect from 1.1.70 ^{1/}
ex 60.05	Jerseys and pullovers	FR.	1,900,000 pieces with effect from 1.1.76
ex 61.03)	Men's shirts	FR.	1,600,000 pieces with effect from 1.1.76
ex 61.03)	Other men's under gar- ments		

3. Should the quantitative limits referred to above remain in force for a further period, or periods, of twelve months, the level for that period shall not be lower than the level specified for the preceding twelve months period, increased by not less than 6½ per cent.

4. It is understood that, in respect of France, the autonomous quantitative limits established for 1975 will be applicable for 1975.

^{1/}Of which not more than 300 tons may be used for cotton cloth "other than grey or bleached".