

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/381/Add.1
18 August 1955

Limited Distribution

Original: English

SOUTH AFRICA - SOUTHERN RHODESIA CUSTOMS UNION

The new Customs Tariff of the Federation
of Rhodesia and Nyasaland and the
Trade Agreement with South Africa

Addendum

Annexed hereto is the text of the Trade Agreement between the Federation of Rhodesia and Nyasaland and the Union of South Africa which came into force on 1 July 1955. There is distributed with this document to each contracting party one copy in English of the text of the Agreement including the Annexures and one copy in English of the new tariff of the Federation which also became effective on 1 July 1955. A further copy of the two documents will be available for each delegation attending the Tenth Session.

A N N E X

TRADE AGREEMENT BETWEEN THE GOVERNMENTS OF THE
FEDERATION OF RHODESIA AND NYASALAND AND THE
UNION OF SOUTH AFRICA

The Governments of the Federation of Rhodesia and Nyasaland and the Union of South Africa, recognizing that it is desirable that trade between their respective territories should be as free and uninterrupted as possible, have agreed as follows:-

Article 1

Definitions

In this Agreement, unless inconsistent with the context:-

"Conventional Area" means that portion of the Federation which is included within the basin of the Congo and its outlets according to the definition of such basin contained in Chapter I, Article 1, of the General Act of the Conference of Berlin relative to the development of trade and civilization in Africa signed in Berlin on the 26th February, 1885.

"Federation" means the Federation of Rhodesia and Nyasaland.

"Union" means the Union of South Africa including the territory of South-West Africa.

Article 2

The goods enumerated in Annexure A, when grown, produced or manufactured in the territory of one of the parties to this Agreement, shall be admitted into the territory of the other party only on compliance with the relevant conditions mentioned in that Annexure, and on such compliance shall, on importation, be so admitted free of customs duty:

Provided that this Article shall not apply to the admission of any goods into the Conventional Area.

Article 3

There shall, on importation into the Union, be admitted free of customs duty:-

- (a) during the period 1st July, 1955, to 31st December, 1955, a quantity which, together with any quantity admitted during the period 1st March, 1955, to 30th June, 1955, under any previous agreement between the Union and Southern Rhodesia or Northern Rhodesia, shall not exceed 10,000,000 pounds in weight of flue-cured Virginia-type leaf tobacco grown in the Federation, consisting of not more than 5,000,000 pounds in weight of such tobacco grown in the 1954/55 season and 5,000,000 pounds in weight grown in previous seasons;

- (b) after 31st December, 1955, in every calendar year, a quantity of such tobacco not less than 2,000,000 pounds in weight and not exceeding such greater quantity as may, in respect of each calendar year, be determined by the Minister of Agriculture of the Union after consultation with the Minister of Agriculture of the Federation.

Article 4

Subject to the conditions mentioned therein, the goods enumerated in Annexure B, when grown, produced or manufactured in the Federation, shall, in accordance with the provisions of that Annexure, on entry for consumption in the Union, be admitted free of duty or at the rates of duty specified in that Annexure, as the case may be.

Article 5

(1) The goods enumerated in Annexure C, when grown, produced or manufactured in the Union, shall, in accordance with the provisions of that Annexure, on entry for consumption in the Federation (excluding the Conventional Area) be admitted free of duty or at the rates of duty specified in that Annexure, as the case may be.

(2) Any goods, other than those referred to in paragraph (1) of this Article and in Article 2, grown, produced or manufactured in the Union, shall, on entry for consumption in the Federation (excluding the Conventional Area) be admitted at the Column D rate of customs duty in the Customs Tariff of the Federation applicable thereto from time to time.

Article 6

Rough and uncut diamonds, produced in the Union, shall, when exported to the Federation and certified on behalf of the Government of the Federation by an official thereof to be for industrial use therein, be free of export duty.

Article 7

For the purposes of this Agreement, goods shall not be regarded as having been manufactured in either territory unless at least twenty-five per cent. of the factory or works cost of those goods is represented by labour performed in that territory or by materials produced and labour performed in that territory:

Provided that, in the case of clothing imported into the Union and enumerated in Annexure B under item 65, the percentage shall be twenty-two and one-half.

Article 8

(1) A party to this Agreement may impose dumping duties on goods, grown, produced or manufactured in the territory of the other party and imported into the territory of the first-mentioned party.

(2) A party to this Agreement may impose countervailing duties to offset any subsidies granted, directly or indirectly, by the other party or by other bodies or individuals, in respect of any goods exported to the territory of the first-mentioned party from the territory of the other party.

(3) The parties undertake, on request by one of the parties, to afford the other party all possible assistance in the investigation of any allegation of dumping in respect of goods exported from the territory of one party to that of the other party.

Article 9

(1) When cinematograph films intended for exhibition, which have been imported into the Federation and on which customs duty has not previously been paid in the Union, are exported from the Federation to the Union, the Government of the Federation shall collect the difference between the duty levied on such films on their importation into the Federation and the duty which would have been payable thereon if they had been imported direct into the Union.

(2) On exportation of cinematograph films for exhibition purposes from the territory, of one of the parties, into which they have been imported, to the territory of the other party, a share of the duty, which shall include any amount collected in terms of paragraph (1), shall be due to each party and shall be based on the showing values of such films in the respective territories and the duties collected shall be apportioned between the two parties and paid accordingly.

(3) Cinematograph films, in respect of which shares of the duty collected are to be apportioned in terms of paragraph (2), shall, on importation into the territory of one party from the territory of the other, be admitted without further payment of customs duty.

Article 10

A party to this Agreement which levies an excise duty or surtax on any goods may impose a corresponding countervailing duty on like goods, grown, produced or manufactured in the territory of the other party and imported into the territory of the first-mentioned party.

Article 11

(1) If cigarettes manufactured in the territory of one party to this Agreement are imported into the territory of the other party, the first-mentioned party shall pay to the other party a sum equal to any stamp duty of excise or surtax which was paid on those cigarettes, but not exceeding the sum which would have been levied thereon if they had been manufactured in the territory of the last-mentioned party.

(2) Any sum due to be paid by a party to the other party in terms of paragraph (1) shall, for the purposes of any duty payable by the importer, be deemed to have been paid by the importer on importation.

Article 12

The parties agree to adopt, as far as possible, similar customs measures and procedures in order to facilitate tourism.

Article 13

Goods grown, produced or manufactured in the territory of either party to this Agreement shall be exempt from the imposition by either party of any quantitative import or export restrictions, except in so far as quantitative restrictions are permitted by Annexure A, referred to in Article 2, or are in force at the date of commencement of this Agreement:

Provided that, after consultation between the parties, a party may impose:-

- (1) Export restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting party;
- (2) Import and export restrictions necessary to the application of standards or regulations for the classification, grading or marketing of commodities;
- (3) Import restrictions on agricultural or fisheries products, or on products which can be directly substituted therefor, necessary to the enforcement of governmental measures which operate:
 - (a) to restrict the quantities of the like domestic product permitted to be marketed or produced; or
 - (b) to remove a temporary surplus of the like domestic product.

Article 14

The parties to this Agreement agree that in respect of piece goods imported into the Federation and subsequently manufactured in that territory into, and exported to the Union in, the form of clothing, any rebate of drawback of customs duty allowed in the Federation may, in the case of piece goods manufactured in and imported from the United Kingdom, be to the extent of the whole duty leviable or paid thereon in the Federation and shall, in the case of other piece goods, not exceed the Column D rate of customs duty in the Customs Tariff of the Federation payable on similar piece goods.

Article 15

(1) The parties to this Agreement agree to meet each calendar year and at intervals not exceeding fifteen months, for the purpose of reviewing the operation of this Agreement.

(2) A party which proposes to take or authorize action which it considers may affect any benefit accruing to the other party under the Agreement shall, whenever possible, consult in advance with, and give sympathetic consideration to any representations or proposals received from, that other party.

(3) If a party should consider, and notify the other party, that any benefit accruing to it directly or indirectly under the Agreement is being nullified or impaired, or that the attainment of any objective of the Agreement is being impeded, as the result of action by that other party, or as the result of the existence of any other situation, consultation between the parties shall be held without delay, at the request of the party so notifying the other, with a view to correcting the situation or making an adjustment acceptable to both parties.

Article 16

This Agreement shall come into operation on the 1st July, 1955, and shall remain in force for a period of five years and, unless notice of termination shall have been given by either party to the Agreement to the other twelve months before the expiry of that period, shall thereafter remain in force until the expiry of twelve months from the date on which notice of termination is given.

Done at Salisbury, in duplicate, in English and Afrikaans texts, each of which shall be of equal authenticity, this twenty-eighth day of June, One Thousand Nine Hundred and Fifty-five.