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Page: 1/3

**Committee on Trade and Development
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Committee on Regional Trade Agreements**

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**FREE TRADE AGREEMENT BETWEEN THE GULF COOPERATION COUNCIL (GCC) AND
SINGAPORE (GOODS AND SERVICES)**

QUESTIONS AND REPLIES

The following communication, dated 13 September 2022, is being circulated at the request of the delegations of the Kingdom of Bahrain, the State of Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia, the United Arab Emirates and Singapore.

Questions from the delegation of Brazil

1.1. The numbers shown in the last line of Table 3.2 seem to indicate the percentage of total imports from Singapore that will be duty-free at the end of the implementation period, not the percentage of tariff lines. If this is the case, the percentage of Oman's total imports that will be duty-free by the end of the implementation period indicated in the table should be 97.7 (and not 97.3). Could you please confirm if this understanding is correct?

Joint response from the Parties

We agree with what was stated by Brazilian side inquiry.

1.2. Could the Gulf Cooperation Council countries please clarify what is the criteria used to classify products or goods as special in Annex 2, and whether or not they are subject to specific duty treatment? Some of the tables on pages 16 to 20 have notes indicating that certain special goods are not dutiable. Is this the case for all goods classified as special?

Response from the GCC Member States

The items designated as "special goods" in the GCC's Unified Tariff Schedule cover products that are prohibited to be consumed by Muslims under the "Islamic sharia law"; such as edible and non-edible products from pigs and alcoholic beverages or products containing alcoholic substances. While some GCC members allow the importation and consumption of such products, others do not allow the importation to their territories of such products. Therefore, the GCC members agreed to designate these products as "special" and to allow each individual GCC member to apply whatever it deemed appropriate regarding the importation and the duty rates to be applied to these "special products".

1.3. Regarding section 3.4.2, Brazil noted that there are no provisions on bilateral safeguard measures. Could the Parties please explain the reason for it? How do the Parties intend to deal with eventual surges in preferential imports that cause or threaten to cause injury to the domestic industry?

Joint response from the Parties

The text is a negotiated outcome determined by all GSFTA Parties and was drafted with the intent to enhance our growing economic relations and facilitate trade between Parties.

Article 2.8 states that, "The rights and obligations of each of the GCC Member States and Singapore on anti-dumping and countervailing duties, subsidies and safeguard measures shall be governed by Articles VI, XVI and XIX of the GATT 1994 respectively, and the Agreement on Subsidies and Countervailing Measures, the Agreement on Safeguards and the Agreement on Agriculture in Annex 1A to the WTO Agreement."

In the case of potential imports that cause or threaten to cause injury to the domestic industry, the WTO Agreement on Safeguards will be applied.

1.4. In regard to sections 3.4.2.1 and 3.4.3, Brazil noted that there are no WTO-plus provisions on global safeguards, antidumping and countervailing measures. Could the Parties please explain the reason for it?

Joint response from the Parties

The relevant provisions on global safeguard, anti-dumping and countervailing measures are indicated in Article 2.8 of the agreement. The GCC-Singapore FTA is a comprehensive agreement covering areas such as trade in goods, trade in services, e-commerce, government procurement, customs, and cooperation. The text is a negotiated outcome determined by all GSFTA parties and was drafted with the intent to enhance economic relations and facilitate trade between parties.

1.5. As regards section 5.10.3, Brazil noted that there are no provisions on competition and consumer defense. Could the Parties please explain the reason for it?

Joint response from the Parties

The competition and consumer protection are applicable in accordance with the internal legislation and laws of each party. Articles 5.10 and 5.11 of GSFTA Trade in Services chapter relate to the treatment of monopolies and exclusive service suppliers as well as business practices that may constrain competition. Both are adapted from The WTO General Agreement on Trade in Services. In addition, if such a matter was to arise, the Parties may refer the matter to the joint committee for consideration. It is also worth noting that the joint committee may establish Ad Hoc committees for special matters.

Questions from Canada

1.6. Paragraph 4.15 of the factual presentation states that: Under the GATS, entry for intra-corporate transferees into Singapore is limited to a 3-year period that may be extended for up to 2 additional years for a total term not to exceed 5 years, but under the Agreement, Singapore limits the initial period to 2 years that may be extended for up to 3 additional years each time for a total term not exceeding 8 years.

- a. Can Singapore please provide their rationale for introducing these changes to the duration of stay of intra-corporate transferees?**
- b. Does this reflect changes to national legislation governing entry and stay of business peoples?**

Response from Singapore

Singapore's commitments under different trade agreements can vary, as these are dependent on the negotiating dynamics and outcomes. The differences in commitments do not reflect a change in national legislation governing entry and stay of business people.

1.7. In Annex 5 of the RTA, the Schedule of Specific Commitments for Trade in Services: *The GCC Member States introduce several limitations on market access to the entry of the categories of business peoples. For example, each of the GCC Member States preserve proportional limitations on the number foreign employees for intra-corporate transferees.*

Are these proportional limitations, as well as similar conditions maintained for the other categories of business persons, reflected in GCC Member States domestic regimes, or the GCC's Free Trade Agreements with other trading partners?

Response from the GCC Member States

The GCC Member States preserve proportional limitations on market access to the entry of the categories of business persons according to the domestic regimes of each GCC Member State. These limitations are also reflected in other GCC Free Trade Agreements.

1.8. Paragraph 5.23 of the WTO Secretariat Report and GCC and Singapore Regional Trade Agreement – Article 6.8 (Small and Medium Sized Enterprises)

As per the above-mentioned article: *The Parties reserve the right to apply a ten per cent (10%) price preference for the Small and Medium Sized Enterprises (SMEs) in their respective countries.*

Do national legislations of the Contracting Parties allow foreign SMEs to be eligible for the 10% price preference?

Joint response from the Parties

The referenced 10% price preference applies to local SMEs, as defined by GCC countries' legislation. Some GCC countries allow SMEs with all or partial foreign ownership to be eligible for the price preference if they meet specified criteria.
