The Textiles Surveillance Body has received from the EEC a notification of a bilateral agreement under Article 4 of the Arrangement between the EEC and Thailand, concerning trade in textiles, which has not been formally ratified.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4, has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.

---

1See COM.TEX/SB/35, Annex B.
At the conclusion of the negotiations which led to the initialling, today, of an Agreement between the Community and Thailand on trade in textile products in the framework of Article 4 of the Geneva Arrangement, the two parties agreed that, while awaiting the conclusion and the coming into force of the Agreement, its provisions will be applied de facto from 1 June 1977.

For the Thailand Delegation

For the Community Delegation

Brussels, 2 May 1977.
DRAFT AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE KINGDOM OF THAILAND, ON TRADE IN TEXTILES

2 May 1977

PREAMBLE

THE COUNCIL OF THE EUROPEAN COMMUNITIES of the one part,

THE GOVERNMENT OF THE KINGDOM OF THAILAND 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 Thailand,

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 Geneva Arrangement, to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THAILAND:

WHO HAVE AGREED AS FOLLOWS:
ARTICLE 1

1. The Parties recognize and confirm that, subject to the provisions of this Agreement, 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 those categories of textiles products, originating in and despatched from Thailand and set out in Annexes I and II hereto. The provision of Article 5, paragraph 1, shall however apply to trade in all textile products within the scope of the Geneva Arrangement.

3. Thailand agrees to establish quantitative limits on exports to the Community of the products described in Annex I hereto in accordance with the schedule set out in this Annex. Quantities of the quota shares set out in Annex I not taken up by a member State of the Community may be re-allocated 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 4 weeks of its receipt to any request made by Thailand for such re-allocation. It is understood that any re-allocation so effected would not need to be comprised 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 referred to in Annexes I and II, 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 Thailand 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 Thailand on a quarterly basis of the amounts
involved. Thailand 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.

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 Thailand, if possible on a quarterly basis, 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. Imports into the Community of the hand-made traditional Thai textile products defined in a Protocol to this Agreement, originating in Thailand and accompanied by a certificate conforming to the provisions set out in Annex IV, shall not be subject to quantitative restrictions.

2. Admission into the Community of the goods referred to in paragraph 1 without quantitative limit shall be subject to the satisfactory operation of the certification arrangement.

**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. In view of the desire of the Community and Thailand to avoid on the one hand real risk of market disruption in the Community market and, on the other hand, disruption to the textile trade of Thailand, the following specific consultation procedure shall apply as set out below.

3. The Community may, whenever conditions in its market give rise to real risks of market disruption, request consultations with Thailand in accordance with the procedures set out in paragraph 5 below with regard to the products set out in Annex II hereto.
4. If an excessive concentration of trade in any specific product within the categories listed in Annexes I and II hereto causes a real risk of market disruption in respect of that product, the Community may request consultations with Thailand under identical conditions to those specified in paragraph 5 of this Article.

5. In those cases defined in paragraphs 3 and 4, consultations will take place at the request of the Community, as soon as possible within 20 days of the request and the parties will make their best efforts to complete such consultations as soon as possible within 20 days of their commencement. In the event that a mutually satisfactory solution is not reached at latest 20 days after the date on which consultations were opened, Thailand shall limit, at the request of the Community, exports of the categories of products in question, destined for the Community market or for its market in one or more of its member States, at a level for the period beginning on the date of the request for consultations corresponding, at an annual rate, to 107 per cent of the imports recorded for the said product category, during the period of 12 months ending 2 months before that in which the request for consultations was presented.

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

7. Any request for consultations under this Agreement shall be accompanied by a factual statement of the reasons and justifications for its request.

8. The procedure referred to in paragraph 5 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. 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 under the conditions set out below.

Transfers may be effected under this Agreement to:

(i) category 2 (ex 60.04) shirts, T-shirts, undervests, singlets, 'sous-pulls' and the like, knitted or crocheted, except of silk or noil;

category 3 (ex 60.05-01 and 21 to 39) jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted, except of silk or noil;

category 4 (ex 60.04; ex 60.05) shirts, T-shirts, undervests, singlets, 'sous-pulls' and the like, knitted or crocheted except of silk or noil. Jerseys, pull-overs, slipovers, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted except of silk or noil

provided such transfers do not exceed 7 per cent of the quantitative limit for the category to which they are made.

(ii) to category 1 (55.09; 56.07): other woven fabrics of cotton. Woven fabrics of synthetic, discontinuous or waste, textile fibres

provided such transfers do not exceed 10 per cent of the quantitative limit for the category to which they are made.

2. The flexibility provision of paragraph 1 may only be applied by Thailand following written notification to the Community by the authorities of Thailand.

ARTICLE 8

Thailand 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 the Agreement year, 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 III to this Agreement.

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

3. The Community will likewise forward to the authorities of Thailand on a quarterly basis, precise statistical information on its imports of those products.

ARTICLE 11

1. Both Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and Thailand 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 Thailand, the Parties agree to consult together in accordance with the procedures set out in Article 5(1) above.

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 Kingdom of Thailand.
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 upon entering into force as provided for in paragraph 1 of this Article, shall have effect from 1 January 1977.

3. 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 Danish, Dutch, English, French, German, Italian and Thai language, each of these texts being equally authentic.
### ANNEX I

**Products in Respect of which Thailand will Exercise Voluntary Restraint on her Exports to the Entire Community as a Whole from the Entry into Force of the Agreement**

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Customs Tariff No.</th>
<th>Nimex Code</th>
<th>Description of goods</th>
<th>Member State</th>
<th>Quantitative limits in '000 kgs. 1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.09</td>
<td>All</td>
<td>1977</td>
<td>Other woven fabrics of cotton</td>
<td>D</td>
<td>4,528</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>I</td>
<td>4,5612/</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BNL</td>
<td>1,554</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>UK</td>
<td>1,213</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IRL</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DK</td>
<td>1,442</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EEC</td>
<td>14,052</td>
</tr>
<tr>
<td>56.07 A</td>
<td>All</td>
<td>1977</td>
<td>Woven fabrics of synthetic, discontinuous or waste, textile fibres</td>
<td>D</td>
<td>1,242</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>I</td>
<td>532</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BNL</td>
<td>481</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>UK</td>
<td>733</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IRL</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DK</td>
<td>695</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EEC</td>
<td>3,811</td>
</tr>
<tr>
<td>ex 55.09</td>
<td>55.09-03; 04; 05; 51;</td>
<td></td>
<td>Other woven fabrics of cotton:</td>
<td>D</td>
<td>1,242</td>
</tr>
<tr>
<td></td>
<td>52; 53; 54; 55; 56; 57;</td>
<td></td>
<td>other than unbleached or bleached</td>
<td>F</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>59; 61; 63; 64; 65; 66; 67; 69;</td>
<td></td>
<td></td>
<td>I</td>
<td>532</td>
</tr>
<tr>
<td></td>
<td>ex 71; 81; 82; 83; 84; 86; 87; 92;</td>
<td></td>
<td></td>
<td>BNL</td>
<td>481</td>
</tr>
<tr>
<td></td>
<td>93; 97</td>
<td></td>
<td></td>
<td>UK</td>
<td>733</td>
</tr>
<tr>
<td></td>
<td>ex 56.07 A 56.07-ex 01</td>
<td></td>
<td>Woven fabrics of synthetic, discontinuous or waste, textile fibres:</td>
<td>D</td>
<td>1,242</td>
</tr>
<tr>
<td></td>
<td>05; 07; 08; 13; 14; 16; 18; 21; 23;</td>
<td></td>
<td></td>
<td>F</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>26; 27; 28; 33; 34; 36; 37;</td>
<td></td>
<td></td>
<td>I</td>
<td>532</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>other than unbleached or bleached</td>
<td>BNL</td>
<td>481</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>UK</td>
<td>733</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IRL</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DK</td>
<td>695</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EEC</td>
<td>3,811</td>
</tr>
</tbody>
</table>

1/ Category No. 1a is a subcategory within category No. 1 and the quantitative limits for category No. 1a are sublimits within the overall limits for category No. 1.

2/ Within this limit a sublimit of 1,825 tons is provided for fabrics falling under CCT - heading 55.09.
# ANNEX II

## Products Subject to the Special Consultation Procedure Provided for in Article 5

<table>
<thead>
<tr>
<th>Common Customs Tariff heading</th>
<th>Description of Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.03 ex 60.04</td>
<td>Stockings, under-stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberized. Under garments, knitted or crocheted, not elastic nor rubberized: - shirts, T-shirts, undervests, singlets, &quot;sous-pulls&quot;, and the like, knitted or crocheted, except of silk or noil.</td>
</tr>
<tr>
<td>60.05</td>
<td>Outer garments and other articles, knitted or crocheted, not elastic nor rubberized.</td>
</tr>
<tr>
<td>61.01</td>
<td>Men's and boys' outer garments.</td>
</tr>
<tr>
<td>61.02</td>
<td>Women's, girls' and infants' outer garments.</td>
</tr>
<tr>
<td>61.03</td>
<td>Men's and boys' under garments, including collars, shirt fronts and cuffs.</td>
</tr>
<tr>
<td>62.02</td>
<td>Bed linen, table linen, toilet linen and kitchen linen: curtains and other furnishing articles.</td>
</tr>
</tbody>
</table>
ANNEX III

As agreed between the Parties in Article 10 of the Agreement, the administration of textiles imports from Thailand will be based on a system of double control. 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 export certificate. The competent authorities within the Community shall be entitled to require the presentation of an export certificate in respect of goods originating in Thailand of the category shown in Annex I and (in any case where the provisions of Article 5 have been invoked) of Annex II. These export certificates will be issued by the authorities of Thailand up to the total amount of the agreed limits.

The export certificates issued by the authorities of Thailand shall be applicable to the products subject to restraint under the Agreement.

The export certificate must specify:

1. Destination;
2. Serial number;
3. Importer's name and address;
4. Exporter's name and address;
5. Quantity in the units as designated in the Agreement;
6. Category and description of product and the member State to whose quota-share the quantity has been debited;
7. Certification by the authorities of Thailand showing that the quantity has been debited against the agreed quantitative limit for exports to the Community or, where appropriate, is for immediate re-export or for inward-processing and subsequent re-export outside the Community.

1Department of Foreign Trade, Ministry of Commerce.
In the event of total or partial withdrawal of an export certificate the authorities of Thailand 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 Thailand 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 details referred to in (1), (5) and (6) above covered by the export certificate issued against the quantitative limits for exports to the Community, as well as the allocation of these export certificates amongst the member States of the Community, for all categories of textiles exports to the Community subject to quantitative limits under this Agreement.
ANNEX IV

Certificate Referred to in Article 4

The certificate issued by the competent authorities of Thailand for the products referred to in Article 4 of this Agreement shall contain:

(1) The following heading:

"Certificate in respect of hand-made traditional Thai textile products referred to in Article 4 of the Agreement between the EEC and Thailand on Trade in Textile Products";

(2) Name and address of the manufacturer;

(3) Name and address of the exporter;

(4) Name and address of the importer within the community;

(5) Description of goods;

(6) Quantity (in kgs. or items);

(7) Name of vessel or flight number;

(8) Port or airport of destination;

(9) The following declaration:

"This is to certify that the above shipment consists of:

hand-made traditional Thai textile products woven, cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

Signed ..................

1Department of Foreign Trade - Ministry of Commerce.
### ANNEX V

**Table of Equivalences Agreed for the Purpose of the Application of Article 7**

<table>
<thead>
<tr>
<th>Brussels Tariff Nomenclature heading No.</th>
<th>Description</th>
<th>Ratio of equivalency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ex 60.04</strong></td>
<td>- Shirts, T-shirts, undervests, &quot;sous-pulls&quot;, knitted or crocheted</td>
<td>6.4 units/kg.</td>
</tr>
<tr>
<td></td>
<td>- Singlets, knitted or crocheted</td>
<td>12.8 units/kg.</td>
</tr>
<tr>
<td><strong>ex 60.05</strong></td>
<td>Jerseys, pullovers, slipovers, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted</td>
<td>5.18 pieces/kg.</td>
</tr>
</tbody>
</table>
Protocol I

to the Agreement Between the European Economic Community and Thailand
on Trade in Textile Products

1. Pursuant to Article 5 of the Agreement, consultations have been held between the parties regarding exports from Thailand to the Community of the textile products listed below.

2. As agreed in the consultations mentioned above, Thailand shall limit exports of the products listed below to the regions of the Community and to the quantitative limits indicated.

<table>
<thead>
<tr>
<th>Category No.</th>
<th>Common Customs Tariff Heading</th>
<th>Nomenclature Code 1977</th>
<th>Description of goods</th>
<th>Control unit</th>
<th>Region(s) covered</th>
<th>Quantitative Limits 1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>ex 60.04</td>
<td>60.04-ex 11, 13, ex 19, ex 29, 41, ex 49, ex 59, ex 70, ex 80</td>
<td>Shirts, T-shirts, under-vests, singlets, &quot;sous-pulls&quot; and the like, knitted or crocheted, except of silk or noil</td>
<td>1,000 pieces</td>
<td>France, UK</td>
<td>1,450, 1,400</td>
</tr>
<tr>
<td>3</td>
<td>ex 60.05</td>
<td>60.05-01, 22, 23, 26, 27, 29, 31, 32, 35, 37, 39</td>
<td>Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted, except of silk or noil</td>
<td>1,000 pieces</td>
<td>Germany, UK, Ireland, Denmark</td>
<td>2,475, 2,672, 38, 408</td>
</tr>
<tr>
<td>4</td>
<td>ex 60.04</td>
<td>60.04-ex 11, 13, ex 19, ex 29, 41, ex 49, ex 59, ex 70, ex 80</td>
<td>Shirts, T-shirts, under-vests, singlets, &quot;sous-pulls&quot; and the like, knitted or crocheted except of silk or noil</td>
<td>1,300 pieces</td>
<td>Benelux</td>
<td>1,050</td>
</tr>
<tr>
<td></td>
<td>ex 60.05</td>
<td>60.05-01, 22, 23, 26, 27, 29, 31, 32, 35, 37, 39</td>
<td>Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted, except of silk or noil</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>