

II TRADE IN GOODS

ARTICLE 6

Scope and Coverage

1. This Chapter applies to:
 - (a) products falling within Chapters 25 through 97 of the Harmonized Commodity Description and Coding System (HS);
 - (b) products specified in Annex III with due regard to the arrangements provided for in that Annex; and
 - (c) fish and other marine products as provided for in Annex IV.
2. Singapore and each individual EFTA State have concluded agreements on trade in agricultural products on a bilateral basis. These agreements form part of the instruments establishing a free-trade area between the EFTA States and Singapore.

ARTICLE 7

Rules of Origin and Administrative Co-operation

1. The provisions on rules of origin and administrative co-operation applicable to Articles 8, 16 and 17 are set out in Annex I.
2. The non-preferential rules of origin of a Party shall apply to the other Articles of this Chapter not listed under paragraph 1. The arrangements for administrative co-operation set out in Annex I shall apply *mutatis mutandis*.
3. Two years after the entry into force of this Agreement the Parties shall meet to review Annex I with a view to adapting the system of outward processing to their evolving economic needs. Such review shall take place biannually unless the Parties agree otherwise.

ARTICLE 8

Customs Duties

1. Upon the entry into force of this Agreement, the Parties shall abolish all customs duties on imports and exports of products originating in an EFTA State or in Singapore, excluding the products listed in Annex V. No new customs duties shall be introduced.
2. A customs duty includes any duty or charge of any kind imposed in connection with the importation or exportation of a product, including any form of surtax or surcharge in connection with such importation or exportation.
3. Nothing in this Chapter shall prevent a Party from imposing at any time on the importation or exportation of any product of another Party:
 - (a) a charge equivalent to an internal tax, such as excise duties and other taxes, levied at the time of importation or exportation, imposed consistently with Article 11; or
 - (b) a fee or other charge, not applied on an ad valorem basis, provided that it is limited in amount to the approximate cost of services rendered, and does not represent an indirect protection for domestic products or a taxation of imports or exports for fiscal purposes.

ARTICLE 9

Import and Export Restrictions

Upon the entry into force of this Agreement, all import or export prohibitions or restrictions on trade in goods between the EFTA States and Singapore, other than customs duties and taxes, whether made effective through quotas, import or export licenses or other measures, shall be eliminated on all products of each Party.

ARTICLE 10

Most-Favoured-Nation Treatment

If a Party concludes a preferential agreement with a non-Party under Article XXIV of the GATT 1994, it shall, upon request from another Party, afford adequate opportunity to negotiate any additional benefits granted therein.

ARTICLE 11

National Treatment

The Parties shall apply national treatment in accordance with Article III of the GATT 1994, including its interpretative notes, which is hereby incorporated into and made part of this Agreement.

ARTICLE 12

Sanitary and Phytosanitary Measures

1. The Parties shall apply their regulations in sanitary and phytosanitary matters in a non-discriminatory manner and shall not introduce any new measures that have the effect of unduly obstructing trade.
2. The principles set out in paragraph 1 shall be applied in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, which is hereby incorporated into and made part of this Agreement.

ARTICLE 13

Technical Regulations

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be governed by the WTO Agreement on Technical Barriers to Trade.
2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets. To this end, they shall in particular co-operate in:
 - (a) reinforcing the role of international standards as a basis for technical regulations including conformity assessment procedures;
 - (b) promoting the accreditation of conformity assessment bodies on the basis of relevant ISO/IEC Standards and Guides; and
 - (c) promoting the mutual acceptance of conformity assessment results of the above bodies which have been recognised under an appropriate multilateral agreement between their respective accreditation systems or bodies.

3. The Parties shall, within the context of this Article, expeditiously:
 - (a) broaden the exchange of information; and
 - (b) give favourable consideration to any written request for consultation.
4. Without prejudice to paragraph 1, the Parties agree to hold consultations in the framework of the Joint Committee to address any matter that may arise from the application of specific technical regulations, standards and conformity assessment procedures and which according to Singapore or one or more of the EFTA States has created or is likely to create an obstacle to trade between the Parties, with a view to working out an appropriate solution in conformity with the WTO Agreement on Technical Barriers to Trade.

ARTICLE 14

State Trading Enterprises

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, which are hereby incorporated into and made part of this Agreement.

ARTICLE 15

Subsidies

The rights and obligations of the Parties in respect of subsidies shall be governed by Articles VI and XVI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Agriculture.

ARTICLE 16

Anti-Dumping

1. A Party shall not apply anti-dumping measures as provided for under the WTO Agreement on Implementation of Article VI of the GATT 1994 in relation to products originating in another Party.
2. In order to prevent dumping, the Parties shall undertake the necessary measures as provided for under Chapter V.

ARTICLE 17

Emergency Action on Imports of Particular Products

1. Where any product originating in a Party, as a result of the reduction or elimination of a customs duty under this Agreement, is being imported into the territory of another Party in such increased quantities and under such conditions as to constitute a substantial cause of serious injury or threat thereof to the domestic industry of like or directly competitive products in the territory of the importing Party, the importing Party may take emergency measures to the minimum extent necessary to remedy or prevent the injury.
2. Such measures shall consist in increasing the rate of customs duty on the product to a level not to exceed the lesser of:
 - a) the most-favoured nation (MFN) rate of duty in effect at the time the action is taken; and
 - b) the MFN applied rate of duty in effect on the day immediately preceding the date of the entry into force of this Agreement.
3. Emergency measures shall be taken for a period not exceeding one year. In very exceptional circumstances, after review by the Joint Committee, measures may be taken up to a total maximum period of three years. A Party taking such measures shall present a schedule leading to their progressive elimination. No measures shall be applied to the import of a product which has previously been subject to such a measure for a period of, at least, five years since the expiry of the measure.
4. Emergency measures shall only be taken upon clear evidence that increased imports have caused or are threatening to cause serious injury pursuant to an investigation in accordance with the procedures laid down in the WTO Agreement on Safeguards.

5. The Party intending to take an emergency measure under this Article shall promptly make a notification to the other Parties and the Joint Committee, containing all pertinent information which shall include evidence of serious injury or threat thereof caused by increased imports, precise description of the product involved, the proposed measure, proposed date of introduction and expected duration of the investigation and the proposed measure. Any Party that may be affected by the measure shall simultaneously be offered compensation in the form of substantially equivalent trade liberalisation in relation to the imports from any such Party.

6. The Joint Committee shall, within 30 days from the date of notification, examine the information provided under paragraph 5 in order to facilitate a mutually acceptable resolution to the matter. In the absence of such resolution, the importing Party may adopt a measure pursuant to paragraph 2 to remedy the problem, and, in the absence of mutually agreed compensation, the Party against whose product the measure is taken may take compensatory action. The emergency measure and the compensatory action shall be immediately notified to the Joint Committee. The compensatory action shall consist of suspension of concessions having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the emergency action. In the selection of the emergency measure and the compensatory action, priority must be given to the action which least disturbs the functioning of this Agreement.

7. In critical circumstances, where delay would cause damage which would be difficult to repair, a Party may take a provisional emergency measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The Party intending to take such a measure shall immediately inform the other Parties and the Joint Committee thereof. The duration of any such provisional measure shall be counted as part of the initial period and any extension.

8. Two years after entry into force of this Agreement the Parties shall meet to review this Article with a view to determining whether there is a need to maintain an emergency action mechanism.

9. If the Parties decide, after the first review, to maintain such a mechanism, they shall thereafter conduct biennial reviews in the Joint Committee.

ARTICLE 18

Balance-of-Payments Difficulties

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance-of-payments purposes.

2. A Party in serious balance-of-payments difficulties, or under imminent threat thereof, may, in accordance with the conditions established under the GATT 1994 and the

WTO Understanding on the Balance-of-Payments Provisions, adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance-of-payments situation. The relevant provisions of the GATT 1994 and the WTO Understanding on the Balance-of-Payments Provisions are hereby incorporated into and made part of this Agreement.

3. The Party introducing a measure under this Article shall promptly notify the other Parties and the Joint Committee thereof.

ARTICLE 19

General Exceptions

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any Party of measures:

- (a) necessary to protect public morals;
- (b) necessary to protect human, animal or plant life or health;
- (c) relating to the importations or exportations of gold and silver;
- (d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of Article II and Article XVII of the GATT 1994, the protection of patents, trade marks and copyrights, and the prevention of deceptive practices;
- (e) relating to the products of prison labour;
- (f) imposed for the protection of national treasures of artistic, historic or archaeological value;
- (g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;
- (h) undertaken in pursuance of obligations under any intergovernmental commodity agreement which conforms to criteria submitted to the Members of the WTO and not disapproved by them or which is itself so submitted and not so disapproved;

- (i) involving restrictions on exports of domestic materials necessary to ensure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan; provided that such restrictions shall not operate to increase the exports of or the protection afforded to such domestic industry, and shall not depart from the provisions of the GATT 1994 relating to non discrimination;
- (j) essential to the acquisition or distribution of products in general or local short supply; provided that any such measures shall be consistent with the principle that all Members of the WTO are entitled to an equitable share of the international supply of such products, and that any such measures, which are inconsistent with the other provisions of this Agreement shall be discontinued as soon as the conditions giving rise to them have ceased to exist.

ARTICLE 20

Security Exceptions

Nothing in this Chapter shall be construed:

- (a) to require any Party to furnish any information the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests
 - (i) relating to fissionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.