

## **Agreement On Trade Agreement On Trade Agreement On Trade in Cotton Textile**

June 18, 1968

### **AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING TRADE IN COTTON TEXTILES**

#### **Bonn**

The Government of the Federal Republic of Germany and the Government of the Republic of India, DESIRING to ensure an orderly development of trade in cotton textiles in accordance with the provisions of the long-term Arrangements regarding International Trade in Cotton Textiles dated October 1, 1962, (hereinafter called the Geneva Arrangement) extended to September 30, 1970 and in particular with Article 4 thereof, which provides for the conclusion of mutually acceptable arrangements,

HAVE agreed to co-operate and to apply the following provisions :

#### **Article 1**

This Agreement shall apply to cotton textiles originating in, and dispatched from, the Republic of India and listed in the Annex to this Agreement. Transactions concerning handloom cotton fabrics shall not, however, be subject to any limitations provided that the said products are accompanied by a certificate issued by the competent authorities of the Republic of India and recognised by the competent authorities of the Federal Republic of Germany.

#### **Article 2**

1. For the duration of this Agreement and by virtue of the provisions contained therein or annexed thereto, the Government of the Federal Republic of Germany shall undertake not to introduce new quantitative restrictions and suspend the application of those in force and agrees not to invoke the provisions of Article 3 of the Geneva Agreement as long as imports into the Federal Republic of Germany of cotton textiles originating in, and despatched from the Republic of India do not exceed the quantities agreed upon.

2. The Government of the Republic of India undertakes especially when so requested by the Government of the Republic of Germany, to ensure that the ceilings agreed upon are respected and to co-operate with the Government of the Federal Republic of Germany in implementing the measures recognised as necessary for this purpose.

3. This provisions of the Geneva Agreement shall remain to be in force between the two Governments.

#### **Article 3**

1. Global ceilings. The total quantity agreed upon for each twelve months period shall be 2725 metric tons.

2. Ceilings by groups of categories. The aforementioned total quantity shall be apportioned as follows between the two main groups of categories of products

#### **Metric tons**

Group I Cotton fabrics, grey or bleached  
whether or not mercerized 1925

Group II Other cotton fabrics made up articles  
and miscellaneous articles of cotton 800

3. Specific ceilings. Upto each of the ceilings by groups of categories established under (2) above, specific ceilings will be agreed upon in order to prevent excessive concentration of trade on certain products; these ceilings will be fixed on the basis of the list annexed to this Agreement. If in the course of one of the twelve months period, the Government of the Federal Republic of Germany notes a rapid and substantial growth in import of certain products which are not covered by specific ceilings, it may request that a specific ceiling be fixed. Where such a request is made, consultations shall be held forthwith to agree upon the level of a specific ceiling for the product in question.

#### **Article 4**

1. No transfer may be made between the quantity fixed for Group I and that fixed for Group II.

2. The specific ceilings must not be exceeded; within the framework of the ceilings by groups, the unused portions of the specific ceilings may be used for the other categories of the group which are not covered by specific ceilings.

3. Portions of one of the ceilings for the two groups of categories not used during any twelve months period can be carried over and added to the ceiling for the same group in the following twelve months period upto a maximum of 10 per cent of the ceiling in question.

4. The unused portions of the specific ceilings by category must be carried over and added to the same specific ceilings for the following year upto a maximum of 10 per cent of the said ceilings if the specific ceilings have not been the subject of a transfer or a carry over for some other purpose.

5. Within the list of 5 per cent of each of the ceilings agreed upon advance deliveries shall be authorized from the ceiling established for the following twelve months period, if the Government of the Republic of India so requests in writing in due time. The Government of the Republic of India, however, shall endeavour to ensure that exports of cotton textiles of all categories are spaced out as regularly as possible over each of the twelve months period, taking seasonal factors in particular into account. Amounts delivered in advance shall be deducted from the ceilings for the following twelve months period.

#### **Article 5**

The Governments agree to exchange all information relating to cotton from the Republic of India to the Federal Republic of Germany and to the corresponding imports into the Federal Republic of Germany. Each Government shall, for the purpose of this Agreement, apply whatever classification it has available and shall co-operate in facilitating comparison of information this supplied.

#### **Article 6**

Should the Government of the Federal Republic of Germany inform the Government of the Republic of India that difficulties have arisen, the virtue of this Agreement, regarding the maintenance of existing commercial relation between the importers in the Federal Republic of Germany and their suppliers in the Republic of India the two Governments shall take all the necessary measures to ensure that these commercial relations are maintained.

#### **Article 7**

1. The two Governments undertake to consult each other at the request of either, on all problems arising from the implementation of this Agreement.

2. Furthermore, the signatory Governments agree to take part each year and whenever it may appear to be necessary to the request of one of the parties, in consultations between Representatives of the Republic of India and Representatives of the Member States of the European Economic Community and the Commission of the European Communities regarding the overall aspects of trade in cotton textile.

#### **Article 8**

This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the Republic of India within three months from the date of signing of this Agreement.

#### **Article 9**

1. This Agreement shall be concluded for a period of three years beginning January 1, 1968. It shall remain in force until December 31, 1970.
2. The provisions of Paragraph 4 of the Protocol extending the Geneva Arrangement shall be applicable to this Agreement. In case of application, the undertakings contained in this Agreement shall be set out in an appropriate form.
3. Either Government shall be entitled to propose a revision of this Agreement or to denounce it by giving notice thereof not later than 120 days before the beginning of each twelve months period.
4. The annex to this Agreement and the exchange of letters shall form an integral part thereof.

DONE at BONN this 18th June 1968 in four originals, two each in the Germany and English languages, all four texts being equally authentic.

Sd/-

For the Government  
of the Federal Republic of Germany

Sd/-

For the Government  
of the Republic of India

#### **ANNEX**

List of Cotton Textiles Products and Ceilings referred to in Article 1 and 3 of the Agreement concluded between Government of India and Republic of Germany pursuant to Article 4 of Geneva Agreement.

Group of Categories Description of Product Ceiling  
Categories in metric tons

#### **GROUP I**

Cotton fabrics, Grey or blended, merceerised or not 1925

##### **1. Cotton Fabrics, grey**

I. Terry traveling and similar terry fabrics

II. Terry traveling and similar terry fabrics

III. Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing at least 85% by weight of cotton, plain weave, weighing more than 70 but not

more than 130 gr per square meter, of a width more than 115 cm but not more than 165 cm, only with a yarn numbered less than 55,000 m/kg (English number 32).

IV.Woven fabrics other than gauze or terry towelling and similar terry fabrics containing at least 85% by weight of cotton, plain weave, weighing not more than 130 gr per square meter, other than those under B3.

V.Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing at least 85% by weight of cotton, plain weave, weighing more than 130 but not more than 200 gr per square meter, of a width of at least 85 cm but none more than 115 cm.

VI.Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing at least 85% by weight of cotton, plain weave, weighing per square meter more than 130 gr but not more than 200 gr, of a width of more than 115 cm

VII.Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing at least 85% by weight of cotton, of a width atleast of 85 cm, other than plain weave.

VIII.Other woven fabrics

2. **Cotton fabrics other than Grey**

.Bleached, mercerized or not

**GROUP II**

Other cotton fabrics, made up articles and 800 miscellaneous articles of cotton

I.Gauze other than grey or bleached

II.Terry towelling and similar terry fabrics, other than grey or bleached

III.Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within Heading No. 55.08 and fabrics falling within Heading No. 58.05.

IV.Woven fabrics other than gauze or terry towelling and similar terry fabrics, dyed

V.Woven fabrics other than gauze or terry towelling and similar terry fabrics, printed

VI.Woven fabrics other than gauze or terry towelling and similar terry fabrics, made with yarns of various colours.

3. **Household make up articles of cotton**

.Bad linen

I.Table linen

II.Terry toilet linen and terry kitchen linen

III.Other household articles

4. **Cotton Clothing**

.Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberised.

I.Undergarments, knitted or crockted not elastic or rubberised

- II. Outer garments and other articles, knitted or crocheted not elastic nor rubberised. Articles other than knitted or crocheted fabrics and articles thereof, elastic or rubberised
- III. Woven trousers and breeches, for men and boys
- IV. Other woven outer garments for men and boys
- V. Woven outer garments for women, girls and infants
- VI. Shirts and bodices for men and boys
- VII. Other woven undergarments for men and boys
- VIII. Woven undergarments for women, girls and infants
- IX. Handkerchiefs
- X. Other articles of apparel and clothing accessories

5. **Miscellaneous cotton fabrics and made up articles**

- . Travelling rugs and blankets
- I. Floor-cloths, dish-cloths, dusters and the like
- II. Pneumatic mattresses
- III. Others

**MINISTERIAL DIRIGANT ERICH ELSON FEDERAL MINISTRY OF ECONOMICS**

Bonn  
June 18, 1968

Excellency,

I have the honour to refer to the Agreement signed today between the Government of the Federal Republic of Germany and the Government of the Republic of India concerning trade in cotton textiles and to suggest to you on behalf of the Government of the Federal Republic of Germany the supplementary arrangements mentioned below :

1. Should the global ceiling of 7,800 tons, resulting from the total of the obligations entered into by the Member States of the European Economic Community with the framework of the bilateral Agreements concluded with the Government of the Republic of India appear to be inadequately utilized as a result of exceptional circumstances prevailing in India, consultations provided for in Paragraph 2 of Article 7 will take place at the request of the Government of the Republic of India, with a view to examining the possibilities of increasing the annual carry over of 10 per cent, as laid down in Article 4 of the Agreement to a figure of upto 20 per cent and to submitting appropriate proposals to the respective Governments.

2. Should the ceiling laid down for cotton fabrics, grey or bleached, mercerized or not, by the Agreements concluded between the Member States of the European Economic Community and the Government of the Republic of India, be reached, favourable consideration will be given, at the request of the representatives of the Government of the Republic of India, during the consultations provided for in Paragraph 2 of Article 7 to the possibility of admitting imports intended for re-exportation to their countries, over and above these ceilings.

3. For the export of cotton textiles products into the Federal Republic of Germany falling under the Agreement, the Government of the Republic of India will issue export licences upto the ceilings agreed upon for each year in accordance with Article 3 of the aforementioned Agreement.

4. Inter alia the export-licences shall contain the following :

I.designation of the categories as listed in the Annex of the Agreement;

II.weight of goods to be exported under each category (in kilogrammes).

5. The Government of the Federal Republic of Germany shall, in respect of cotton textiles falling under the Agreement, issue import licences automatically and immediately on production of a copy of the export-licences showing that the amount of goods to be imported has been debited against the agreed limits. The export licences valid for a calendar year must be submitted upto 31 January of the following year for issues of corresponding import-licences by the Government of the Federal Republic of Germany.

6. Every two months the Government of the Republic of India shall submit to the Government of the Federal Republic of Germany a list of the export licences issued according to Paragraph 3 above, indicating breakdown by categories. The Government of the Federal Republic of Germany shall similarly furnish corresponding information in respect of import licences issued.

Notwithstanding what has been stated above, I would like to specify that in view of certain elements peculiar to the European Economic Community the afore-mentioned Agreement will only be applied to the extent that other Member States of the European Economic Community have signed similar bilateral agreements with the Republic of India.

I should like to ask you, Excellency, to confirm your Governments agreement to the contents of this letter.

Accept, Excellency, the assurance of my highest consideration.

Sd/-

ERICH ELSON

The Ambassador of the  
Republic of India  
H.E. KHUB CHAND  
Bonn

Khub Chand  
Ambassador  
The Republic of India

Bonn  
June 18, 1968

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

"I have the honour to refer to the Agreement signed today between the Government of the Federal Republic of Germany and the Government of the Republic of India concerning trade in cotton

textiles and to suggest to you on behalf of the Government of the Federal Republic of Germany the supplementary arrangements mentioned below :

1. Should the global ceiling of 7,800 tons, resulting from the total of the obligations entered into by the Member States of the European Economic Community with the framework of the bilateral Agreements concluded with the Government of the Republic of India appear to be inadequately utilized as a result of exceptional circumstances prevailing in India, consultations provided for in Paragraph 2 of Article 7 will take place at the request of the Government of the Republic of India, with a view to examining the possibilities of increasing the annual carry over of 10 per cent, as laid down in Article 4 of the Agreement to a figure of upto 20 per cent and to submitting appropriate proposals to the respective Governments.

2. Should the ceiling laid down for cotton fabrics, grey or bleached, mercerized or not, by the Agreements concluded between the Member States of the European Economic Community and the Government of the Republic of India, be reached, favourable consideration will be given, at the request of the representatives of the Government of the Republic of India, during the consultations provided for in Paragraph 2 of Article 7 to the possibility of admitting imports intended for re-exportation to their countries, over and above these ceilings.

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I. designation of the categories as listed in the Annex of the Agreement;

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Notwithstanding what has been stated above, I would like to specify that in view of certain elements peculiar to the European Economic Community the afore-mentioned Agreement will only be applied to the extent that other Member States of the European Economic Community have signed similar bilateral agreements with the Republic of India.

I should like to ask you, Excellency, to confirm your Government's agreement to the contents of this letter.

Accept, Excellency, the assurance of my highest consideration."

I herewith confirm that the Government of the Republic of India agrees to the contents of the letter set out above.

Accept, Sir, the assurance of my highest consideration.

Sd/-

KHUB CHAND

ERICH ELSON

Federal Ministry of Economics