

**[GTEB MEMO CIRCULAR NO. 017, S. 2000,
November 20, 2000]**

**ALLOCATION OF EXPORT AUTHORIZATION EFFECTIVE QUOTA
YEAR 2001**

In line with the thrust of transparency, predictability and simplification of our Rules and Policies, the Board in its meeting of November 15, 2000 approved the modifications in the Allocation of Export Authorizations effective Quota Year 2001, detailed in Annex A, as consulted with the Industry Associations.

This circular amends the following provisions in the GTEB Rules:

1. Rule VI Section 4 #1,1A to 1B, #3, and #4 re: Allocation of Export Authorization;
2. Rule VI Section 6 re: Balances on either General and/or Regional Baskets, its treatment;
3. Rule VI Section 7 re: Cap on the Cap.

For information and guidance.

Adopted: 20 Nov. 2000

(SGD.) FELICITAS R. AGONCILLO-REYES
Executive Director

ATTACHMENT: ANNEX A

**ALLOCATION OF EXPORT AUTHORIZATION
Effective Quota Year 2001**

- I. The Board shall distribute the allocable balance in the following manner

<u>Main Basket</u>	<u>Market Development Basket</u>
85%	15%

Thereafter, the Board may, from time to time and upon recommendation of the Secretariat, maintain, revise, or modify the existing rates depending on the exigency of the matter.

- II. The following rules shall be observed in the allocation of export authorizations.

A. General Rule:

1. In the event that the allocable balance in a particular category is sufficient to accommodate the total applications received, the quantity applied for by the manufacturer-exporter shall automatically be granted.

Any remaining balance shall be returned to the basket for the next allocation. The Board may however have the option to allocate the same based on the manner of allocation that may be responsive to market demands.

2. In the event that the allocable balance in a particular category is not sufficient to accommodate the total applications received, the allocation shall be as follows:

A. Critical Categories:

1. Main Basket

- The allocable balance shall be divided into:

Children's Basket (size 2-6X)	% Based on the ratio of actual performance of T and NT
Adult Basket (size 7 & above)	

- The allocable balance on each basket shall be allocated based on Cap and Rank System:

a. Only performers are allowed to participate the allocation. Performers are those with performance in the preceding year of at least 1,000 units of measure in a particular category.

b. Allocation shall be given to the manufacturer-exporters from the highest Rank down-the-line to the extent of the CAP of the firm in the current year, or Cap on the Cap, whichever is lower, per round.

c. Minimum quantity per round is 1,000 doz. or its equivalent for USA and EU, and 3,000 pcs for Canada.

d. The awards must meet at least the industry Average FOB/LVA of the category.

e. Formula in determining the Rank (R)

$$R = ALVA + AFOB/Unit$$

Where:

ALVA + AFOB/Unit = average Local Value Added plus average FOB price per unit actually realized by firm in the immediately preceding year.

f. Cap is computed as follows:

Where net

Maximum quantity to be allocated