

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TEX/SB/1011*
14 January 1985

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Hong Kong

The Textiles Surveillance Body has received from Finland a notification of a new bilateral agreement with Hong Kong, concluded under Article 4 of the MFA, valid for the period 1 August 1984 to 31 December 1986.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous bilateral agreement is contained in COM.TEX/SB/786

²See COM.TEX/SB/35, Annex B

³For the TSB's observations on this notification, see COM.TEX/SB/1035

* English only/Anglais seulement/Inglés solamente

MEMORANDUM OF UNDERSTANDING

I. INTRODUCTION

This Memorandum of Understanding sets out the arrangement that have been agreed between the Government of Hong Kong and the Government of Finland regarding Hong Kong's exports of certain textile products to Finland.

II. EXPORT RESTRAINT ARRANGEMENTS

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles as extended by the Protocol dated 22 December 1981, and in particular to Articles 1 and 4 of the Arrangement.

Coverage

3. These arrangements shall apply to Hong Kong's exports to Finland of the textile products set out in Annex I to this Memorandum.

Restraint Period

4. These arrangements shall apply for the periods 1 August 1984 to 31 December 1985 and 1 January to 31 December 1986.

5. Either party may at any time terminate these arrangements provided that at least ninety days notice is given, in which event the arrangements shall come to an end at the expiry of the ninety day period.

Restraint Limit

6. The Government of Hong Kong shall restrict exports of the textile products set out in Annex I to the limits or sub-limits set out

in column (e) and column (f) for the periods stated therein, save as provided for in paragraphs 8, 9, 10, 11 and 12.

7. The Government of Finland shall for the purpose of these arrangements admit imports of the textile products of Hong Kong origin set out in Annex I only where such imports are covered by an export licence issued by the Trade Department, Hong Kong, and endorsed to the effect that the consignments concerned have been debited to the agreed limits or sub-limits.

Swing

8. For any textile product set out in Annex I, exports may exceed the limit or sub-limit in column (e) and column (f) of Annex I during the periods stated therein by five per cent in the case of categories 1 and 2 and three per cent in the case of category 3, provided that a corresponding reduction is applied in any one or more of the other limits or sub-limits in column (e) and column (f) of Annex I during the periods stated therein.

9. For the purpose of calculating such corresponding reductions, the conversion factors listed in column (g) of Annex I to this Memorandum of Understanding shall apply.

Carryover and Carryforward

10. The Government of Hong Kong may, after consultation between the Government of Finland and the Government of Hong Kong, approve exports of textile products in excess of the limits or sub-limits set out in

- (a) Column (e) of Annex I by an amount equal to the quantity by which shipments in the period 1 August 1983 to 31 July 1984 fall short of the limits set out in Column (f) of Annex I to the Memorandum of Understanding signed by the Government of Hong Kong

and the Government of Finland on 4 and 17 June 1982, as adjusted by the provisions in paragraphs 10 of that Memorandum, or 11 percent of 12/17ths of the limits or sub-limits set out in Column (e) of Annex I to this Memorandum, whichever is the less (carryover) provided that such exports are in the same categories where the shortfalls occur;

- (b) Column (f) of Annex I by amount equal to the quantity by which shipments in the period 1 August 1984 to 31 December 1985 fall short of the limits or sub-limits set out in Column (e) of Annex I to this Memorandum, as adjusted by the provisions in (a) above or 11 percent of the limits or sub-limits set out in Column (f), whichever is the less (carryover) provided that such exports are in the same category where the shortfalls occur.

11. The Government of Hong Kong may, after consultation between the Government of Hong Kong and the Government of Finland, approve the export of amounts in excess of the agreed limits or sub-limits in Column (e) of Annex I by 6 percent of 12/17ths of these limits or sub-limits and in excess of the agreed limits or sub-limits in Column (f) of Annex I by 6 percent (carryforward), as applicable. Where the agreed limits or sub-limits are increased by carryforward, corresponding deductions shall be made from the limits or sub-limits in respect of the same categories in the immediately following restraint period.

12. The carryover and carryforward taken together shall not exceed 11 percent of 12/17ths of the agreed limits or sub-limits in Column (e) and 11 percent of the agreed limits or sub-limits in Column (f), as applicable, of Annex I to this Memorandum.

13. If exports of the textile products listed in Annex I to this Memorandum in the period 1 January 1986 to 31 December 1986 are less than the agreed limits or sub-limits in Column (f) of Annex I as adjusted by the carryover provision in paragraph 10 above, the

Government of Hong Kong may, after consultation between the Government of Hong Kong and the Government of Finland, approve the export of amounts in excess of any limits or sub-limits which may be agreed in respect of the same categories in the immediately following restraint period, equal to the actual shortfalls or 11 percent of the agreed limits or sub-limits for the immediately following restraint period, whichever is the less.

Re-export

14. The Government of Finland will inform the Government of Hong Kong when imports into Finland of the textile products that have been debited to the agreed limits are subsequently re-exported from Finland. The Government of Hong Kong may then credit the quantities involved to the appropriate limits or sub-limits.

Exchange of Statistics

15. The Government of Hong Kong will provide the Government of Finland with monthly statistics of the textile products listed in Annex I licensed for export to Finland and debited to the limits or sub-limits set out in Column (e) and Column (f) of Annex I.

16. The Government of Finland will provide the Government of Hong Kong with quarterly statistics of total imports and of imports from Hong Kong and other significant suppliers of each of the textile products set out in Annex I.

Consultations

17. The Government of Hong Kong and the Government of Finland agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

18. If the Government of Hong Kong considers that, as a result of these arrangements, Hong Kong is being placed in an

inequitable position vis-a-vis another supplier, the Governemnt of Hong Kong may request the Government of Finland to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

III. EXPORT AUTHORIZATION ARRANGEMENTS

19. These arrangements shall apply from 1 August 1984 to 31 December 1986.

20. The Government of Hong Kong shall require all exports to Finland of the products listed in Annex II to be covered by export authorizations (Attachement A) issued by the Trade Department, Hong Kong. An export authorization shall be issued only on evidence of a firm contract for the supply of the goods involved and shall be valid for 3 months from the date of issue.

21. Export licences (Attachment B) to ship goods covered by an export authorization will be issued by the Government of Hong Kong on presentation of the relevant export authorization within the latter's validity period. An export licence shall be valid for 28 days from the date of issue. The Government of Hong Kong shall not issue export licences in respect of exports to Finland of the products listed in Annex II which are not covered by a valid export authorization.

22. The Government of Hong Kong shall provide the Government of Finland with halfmonthly statistical returns showing the quantities covered by export authorization issued to Hong Kong exporters in respect of the products listed in Annex II. The Government of Hong Kong agrees to notify the Government of Finland immediately upon receipt of any applications for export authorizations in exceptionally large amounts or unusual concentration of applications for export authorizations in the products. In judging what constitutes exceptionally large or unusual concentrations of applications, Hong Kong will have regard to recent levels of trade and will ensure that the quantities covered by the issue of export authorizations in question would not be such as to cause a sharp and substantial increase of imports of the products in question into Finland.

23. The Government of Finland shall admit imports of the textile products of Hong Kong origin listed in Annex II where such imports satisfy all normal conditions of entry, and are accompanied by a copy of an export licence issued by the Trade Department, Hong Kong.

24. The Government of Finland may request the Government of Hong Kong to consult if, in the opinion of the Government of Finland, a limitation on further trade in the products listed in Annex II may be necessary to eliminate real risks of market disruption. Such a request shall be accompanied by a detailed factual statement of market conditions in Finland, including data similar to that contemplated in Annex A of the Arrangement Regarding International Trade in Textiles. The Government of Hong Kong and the Government of Finland shall enter into consultations as soon as possible following notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within two months from the date of notification.

25. Pending completion of consultations, the Government of Finland may request the Government of Hong Kong to limit, during the period in which the request for consultations is made, the issue of export authorizations of the product concerned, to a level not less than the highest of:

- (a) the level of the export authorizations issued for the product concerned in the immediate preceding period, increased by 10 percent;
- (b) the average of the level of export authorizations issued for the product concerned in the preceding periods since 1 August 1982, increased by 10 percent;
- (c) the level of export authorizations issued since the commencement of the period in which the request for consultations is made, increased by 6 percent.

The Government of Hong Kong agrees that it will honour such a request.

26. A "period" for this purpose shall be: 1 August to 31 July up to 31 July 1984; 12/17ths of 1 August 1984 to 31 December 1985 for the purposes of sub-paragraphs 25 (a) and (b) above; 1 August 1984 to 31 December 1985 for the purpose of sub-paragraphs 25 (c) above; and thereafter 1 January to 31 December.

27. In the event that consultations do not result in agreement, the Government of Finland shall have the right to request the Government of Hong Kong to limit exports to Finland of the products concerned during the period in which the request for consultations is made, to a level not less than that calculated in accordance with the formula set out in paragraph 25 above, and for the purpose of the period 1 August 1984 to 31 December 1985, any level established by reference to sub-paragraphs 25 (a) and (b) shall be scaled up at 17/12 to take account of the 17 month period. The Government of Hong Kong agrees that it will honour such a request.

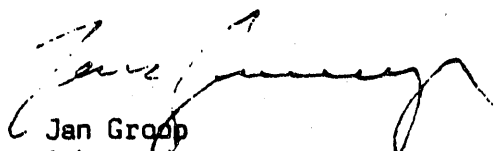
28. The Government of Hong Kong and the Government of Finland agree that these provisions shall not derogate from the rights of Hong Kong and Finland under the Arrangement Regarding International Trade in Textiles.

29. The Government of Hong Kong and the Government of Finland agree to consult, at the request of either party, on any matter arising from the implementation of these arrangements.

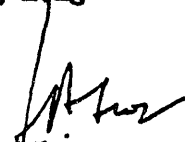
IV. GENERAL

30. The Annexes to this Memorandum shall be considered an integral part of it.

For the Government of
Finland


Jan Groop
Ambassador
Helsinki 5 July 1984

For the Government of
Hong Kong


E.P. Ho
Secretary for Trade and Industry
Hong Kong 22 June 1984

ANNEX I

(a) <u>Category</u>	(b) <u>Description</u>	(c) Finnish Statistical Classification Number	(d) Hong Kong Statistical Classification Number	(e) Restraint Limit 1.8.84 to <u>31.12.85</u>	(f) 1.1.86 to <u>31.12.86</u>	(g) Conversion Factor (sq. yd. equivalent per dozen)
1	Briefs, drawers, panties, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, men's, boys', women's and girls'wear	ex 60.04.722 ex 60.04.723 ex 60.04.725 ex 60.04.726 ex 60.04.727 ex 60.04.762 ex 60.04.763 ex 60.04.765 ex 60.04.766 ex 60.04.767 ex 60.04.822 ex 60.04.823 ex 60.04.825 ex 60.04.826 ex 60.04.827 ex 60.04.862 ex 60.04.863 ex 60.04.865 ex 60.04.866 ex 60.04.867	846 272 846 273 846 276 846 277 846 338 846 339 846 348 846 349 846 422 846 423 846 426 846 427	4,266,462 pieces	3,071,852 pieces	9
	<u>of which</u>					
	Briefs, drawers, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man- made fibres, men's and boys'wear	ex 60.04.722 ex 60.04.723 ex 60.04.725 ex 60.04.726 ex 60.04.727 ex 60.04.762 ex 60.04.763 ex 60.04.765 ex 60.04.766 ex 60.04.767	846 272 846 273 846 338 846 339 846 422 846 423	978,496 pieces	704,517 pieces	9

(a) <u>Category</u>	(b) <u>Description</u>	(c) <u>Finnish Statistical Classification Number</u>	(d) <u>Hong Kong Statistical Classification Number</u>	(e) <u>Restraint Limit 1.8.84 to 31.12.85</u>	(f) <u>Restraint Limit 1.1.86 to 31.12.86</u>	(g) <u>Conversion Factor (sq. yd. equivalent per dozen)</u>
2	Shirts and blouses, not knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, men's, boys', women's and girls' wear	61.02.502	843 511	1,195,835 pieces	861,002 pieces	23
		61.02.505	843 512			
		61.02.506	843 521			
		61.03.102	843 522			
		61.03.103	844 111			
		61.03.105	844 112			
		61.03.106	844 121			
		61.03.109	844 122			
			844 195			
			844 196			
3	Blouses, not knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, women's and girls' wear	61.02.502	843 511	703,153 pieces	508,752 pieces	23
		61.02.505	843 512			
		61.02.506	843 521			
			843 522			
			846 511			
			846 512			
			846 513			
			ex 844 311			
			ex 844 312			
			ex 844 321			
	ex 844 322					
	ex 844 395					
	ex 844 396					
3	Brassieres, wholly or mainly by weight of cotton or of man-made fibres	61.09.201	846 511	435,346 pieces	313,449 pieces	4.8
			846 512			

of which

ANNEX II

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	Finnish Statistical Number	Hong Kong Statistical Number
E1	Briefs, drawers, panties, pants, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, infants' wear i.e. garments of sizes up to and including 110	ex 60.04.722 ex 60.04.723 ex 60.04.725 ex 60.04.726 ex 60.04.727 ex 60.04.762 ex 60.04.763 ex 60.04.765 ex 60.04.766 ex 60.04.767 ex 60.04.822 ex 60.04.823 ex 60.04.825 ex 60.04.826 ex 60.04.827 ex 60.04.862 ex 60.04.863 ex 60.04.865 ex 60.04.866 ex 60.04.867 ex 60.04.912 ex 60.04.913 ex 60.04.915 ex 60.04.916 ex 60.04.917	ex 846 292 ex 846 345 ex 846 412

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number</u>	<u>Hong Kong Statistical Number</u>
E2	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of cotton	60.04.124 60.04.135 60.04.155 60.05.315 60.05.355 60.05.365	ex 845 121 ex 845 122 ex 845 123 ex 845 124 ex 845 125 ex 845 930 ex 845 937 846 211 846 212 ex 846 282 ex 846 283 ex 846 286 ex 846 287 ex 846 292

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number</u>	<u>Hong Kong Statistical Number</u>
E3	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of man-made fibres	60.04.121 60.04.128 60.04.132 60.04.133 60.04.136 60.04.137 60.04.152 60.04.153 60.04.156 60.04.157 60.05.312 60.05.313 60.05.316 60.05.317 60.05.352 60.05.353 60.05.356 60.05.357 60.05.362 60.05.363 60.05.366 60.05.367	ex 845 131 ex 845 132 ex 845 133 ex 845 134 ex 845 135 ex 845 141 ex 845 142 ex 845 143 ex 845 144 ex 845 145 ex 845 950 ex 845 957 ex 845 970 ex 845 977 846 321 846 322 ex 846 331 ex 846 332 ex 846 341 ex 846 342 ex 846 345 ex 846 402 ex 846 403 ex 846 406 ex 846 407 ex 846 412 ex 846 413 846 414

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number</u>	<u>Hong Kong Statistical Number</u>
E4	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of wool	60.04.134 60.04.154 60.05.314 60.05.354 60.05.364	ex 845 111 ex 845 112 ex 845 113 ex 845 114 ex 845 115 845 910 ex 845 917 ex 846 182 ex 846 183 ex 846 186 ex 846 187 ex 846 192 846 193 846 194
E5	Woven peaked caps, wholly or mainly by weight of cotton or of man-made fibres or of wool	65.05.906	ex 848 435 ex 848 436 ex 848 437

TO BE SUBMITTED IN DUPLICATE

IMPORT AND EXPORT ORDINANCE (CHAPTER 60)

Attachment A

EXPORT AUTHORISATION (Three-month validity)

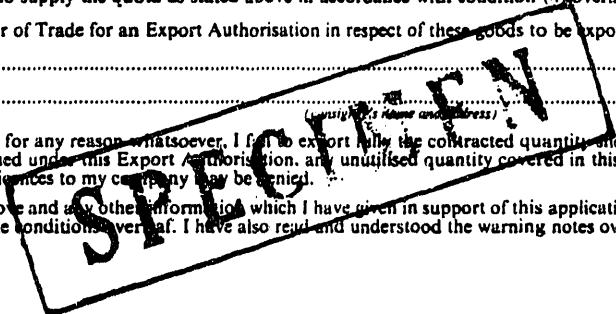
for Export of Textiles to
(Importing Country)

PART I— APPLICATION AND DECLARATION BY EXPORTER		Date of Receipt and Receipt No.	Export Authorisation No.
Quota Ref.	Name of Quota Supplier	Qty. in Equivalent Quota Units	Quantity in Commercial Units
TOTAL:			
Category/Classification No.	Full description of goods		

I on behalf of
(name) (name and address of exporter)

hereby declare that I have entered into a firm contract with an overseas buyer for supply of the textile goods described in paragraph 1 of Part I* and that I agree to supply the quota as stated above in accordance with condition (4) overleaf (*delete if not applicable), and I hereby apply to the Director of Trade for an Export Authorisation in respect of these goods to be exported to

- I understand that if, for any reason whatsoever, I fail to export fully the contracted quantity shown above within the validity period of the export licence(s) issued under this Export Authorisation, any unutilised quantity covered in this authorisation may be forfeited and future authorisations and licences to my company may be denied.
- I declare that the above and any other information which I have given in support of this application is true. I have read and understood, and agree to abide by, the conditions overleaf. I have also read and understood the warning notes overleaf.



.....
Textile Controls Registration No. (Signature and Chop of exporter)
Tel. No.
Date
B.R. No.

PART II—DECLARATION BY MANUFACTURER

1. I on behalf of
(name) (name and address of factory)

hereby declare that I have contracted to manufacture and deliver the goods described in paragraph 1 of Part I in the total amount to permit shipment within the validity period of the export licence(s) issued under this authorisation *and that I agree to supply the quota as stated above in accordance with condition (4) overleaf (*delete if not applicable).

- The goods are of Hong Kong origin in accordance with condition (2) overleaf and that they will be manufactured by my factory registered with the Trade Department under registration No. for certification purposes.
- I understand that if I fail to deliver the goods in time to permit shipment within the validity period of the export licence(s) issued under this authorisation, it may result in the refusal of future authorisation, licences and certificates for the products of my registered factory.
- I have read and understood, and agree to abide by, the conditions overleaf. I have also read and understood the warning notes overleaf.

.....
Textile Controls Registration No. (Signature and Chop of manufacturer)
Tel. No.
Date
B.R. No.

FOR OFFICIAL USE ONLY

APPROVAL

The issue of this Export Authorisation is approved for the period specified and in accordance with the conditions overleaf.

This authorisation is valid until

Total quantity approved

to ..

EXPORT LICENCE (TEXTILES) FORM 4

ORIGINAL

Attachment B

Exporter (Name & Address)		Date of Receipt and Receipt No.		HONG KONG GOVERNMENT Import and Export Ordinance (Cap. 60) Import and Export (General) Regulations		
Textile Controls Registration No. (where applicable)		Ttd. No.		Date of Issue and Licence No.		
Consignee		Issue of this licence is approved. for Director of Trade		Stamps		
Departure Date Country of Final Destination		MANUFACTURER'S DECLARATION				
		I, principal official of (Name and Address of Manufacturer's Co.)				
	 hereby declare that I am the manufacturer of the goods in respect of which this application is made and that the goods are of Hong Kong origin in accordance with condition (2) overleaf.				
Vessel/Flight No.		C.O./Form A No./Country of Manufacture (if not of Hong Kong Origin)		Textile Controls Registration No. (Where applicable) Ttd. No. Date Signature and Chop		
FOR CONDITIONS OF ISSUE PLEASE SEE OVERLEAF		WARNING: All alterations must be carried out in authorized offices. Heavy penalties are imposed for false declaration and information, unauthorized alterations and misuse of this licence.				
Mark(s) and Number(s)	No. of packages	Full Description of Goods (State Country of Origin of raw materials)	No. of Units	Value f.o.b. HKS	c.i.f. value in currency of payment	
SPECIMEN						
Item No.	Commodity Item Code No.	EXPORTER'S DECLARATION			Total Amount	Total Amount
I, , principal official of (Name and Address of Exporter's Co.)		hereby declare that I am the exporter of the packages of goods in respect of which this application is made and that the particulars given herein are true.				
Date Signature and Chop.				

CONDITIONS OF ISSUE OF THIS LICENCE INCLUDE THE FOLLOWING:

- (1) This licence is valid for twenty-eight days from the date of issue, unless otherwise stated.
- (2) Goods claiming Hong Kong origin must have undergone terminal processes in Hong Kong. These are processes which permanently and substantially change the nature, shape, form and utility of the raw materials used, as laid down by the Director of Trade in certificate of origin circulars.

IMPORTANT WARNING:

Breach of any of the conditions of issue renders this licence null and void and any company guilty of such a breach is liable to prosecution and heavy penalties under the Import and Export Ordinance.

EXPLANATORY NOTES:

- (1) This form must be submitted in quadruplicate. The triplicate must be surrendered to the Transportation, Shipping or Airline Company before departure of goods, and returned to the Trade Department by the Transportation, Shipping or Airline Company together with the relevant manifest within fourteen days after the day on which the goods are exported as required by Section 11 of the Import and Export Ordinance, Cap. 60.
- (2) The exporter must file an Export Declaration in respect of items on this licence as required by Regulation 5 of the Import and Export (Registration) Regulations.
- (3) Provided there are no complications, the licence will be ready for collection two clear working days (i.e. excluding Sundays and public holidays) after the date upon which the form is received.

簽發本證之條件如下：

- (一) 除另有說明外，本證之有效期為二十八日，由簽發之日期起計。
- (二) 聲稱屬香港來源之貨物必須曾在香港進行主要製造工序。此等工序，如貿易署署長在產地來源證通告內所訂明者，乃改變所用原料性質、形狀、形式及用途之工序。

重要警告

如有任何違反簽證條件，將會導致此證無效。根據進出口條例，任何違反此等規定之商號可能會遭檢控及重罰。

註釋

- (一) 本表格須一式四份遞交。根據香港法例第六十章進出口條例第十一條之規定，本表格之第二副本必須在貨物離港前交與運輸、船務或航空公司，然後在輸出貨物之日後十四天內，由運輸、船務或航空公司交回貿易署，同時須一併附呈有關倉單。
- (二) 根據進出口(註冊)規例第五條，出口商必須就本證所列貨物遞交出口報關單。
- (三) 倘無複雜情況，申請人在遞交本表格之日起兩整工作日(不包括星期日及公眾假期)後，即可領取出口證。