

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notifications Under Article 4, Paragraph 4

Bilateral Agreement Between Austria and the Republic of Korea

Attached is a notification received by the TSB from AUSTRIA in accordance with paragraph 4 of Article 4 of the Textiles Arrangement. The TSB is circulating this notification to participating countries in the Arrangement for their information. This notification will, of course, be subject to the annual review by the TSB in terms of paragraph 12 of Article 11.

Geneva, 7 August 1974

Sir,

With reference to paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I have the honour to transmit herewith copies of letters exchanged between Austria and the Republic of Korea, dated 30 July 1974, by which a bilateral agreement regarding exports of woven shirts of discontinuous synthetic fibres from the Republic of Korea to Austria was reached between the two countries.

In this context I should like to recall that, as has been notified to GATT, consultations with the Republic of Korea under Article 3 of the Arrangement were requested by Austria on 28 January 1974. As provided for in paragraph 3 of Article 3 of the Arrangement a detailed factual statement of the reasons and justifications for the request was transmitted together with relevant statistical data.

In the course of the consultations held the fact emerged that no market disruption had been caused by direct exports of woven shirts of discontinuous synthetic fibres from the Republic of Korea to Austria. Such direct exports amounted to only 69,372 pieces out of a total quantity of 693,507 pieces imported into Austria during the rollback period 1 October 1972-30 September 1973, the balance being accounted for by trans-shipments made by independent middlemen via duty-free zones in Western Europe.

In order to solve the problem caused by the aforementioned indirect imports into Austria an export restraint agreement based on the export recommendation system applied by the Republic of Korea was reached under Article 4 of the Arrangement. As may be taken from the enclosed letters, direct and indirect exports of woven shirts of discontinuous synthetic fibres from the Republic of Korea to Austria will be limited to 750,000 pieces. This quantity is larger than the level for the rollback period provided for in Annex B of the Arrangement. Moreover, to avoid undue hardship to the commercial participants in the direct and indirect trade involved, 1 August 1974 was agreed upon as the effective date of the bilateral agreement, so that up to that date free access to the Austrian market continued to be afforded for direct and indirect imports of woven shirts of discontinuous synthetic fibres.

The level agreed upon equals 29.3 per cent of domestic production, 38.5 per cent of total imports, and 16.8 per cent of apparent consumption, respectively, of such shirts in 1973.

In the view of Austria the aforementioned bilateral agreement meets the requirements of Article 4 of the Arrangement.

It was entered into for the purpose of avoiding a real risk of market disruption and, at the same time, ensuring the orderly development of trade in woven shirts of discontinuous synthetic fibres.

I should like to ask you to inform members of the Textiles Surveillance Body accordingly.

Accept, Sir, the assurances of my highest consideration.

(Signed) Viktor Segalla
Secretary

Note No. 1

Vienna, 30 July 1974

Sir,

I have the honour to refer to the negotiations which took place between representatives of Austria and of the Republic of Korea on 22 February 1974, 7 March 1974 and 17 and 18 May 1974, respectively, in Vienna, and 27 and 28 March 1974, respectively, in Geneva. As a result of these negotiations the following agreement concerning exports of woven shirts of discontinuous synthetic fibres ex BTN No. 61.03 from the Republic of Korea to Austria under Article 4 of the Arrangement Regarding International Trade in Textiles has been reached:

- (1) Direct and/or indirect exports of woven shirts of discontinuous synthetic fibres from the Republic of Korea to Austria will be limited to a quantity of 750,000 pieces during the period 1 August 1974 to 31 July 1975.
- (2) For purposes of this agreement the expression "woven shirts of discontinuous synthetic fibres" includes shirts in which such fibres represent 50 or more per cent by weight of the product.
- (3) Upon presentation of export recommendations issued by the Korean authorities on the basis of irrevocable letters of credit for the direct and/or indirect exports to Austria of woven shirts or discontinuous synthetic fibres of Korean origin, the competent Austrian authorities will license the corresponding imports within a period of three weeks. The Korean authorities will issue the export recommendations for the irrevocable letters of credit opened on and after 1 August 1974.

H.E. Mr. Pyo-Wook Han
Ambassador of the Republic
of Korea,
Vienna.

- (4) Consultations regarding the conduct of exports of the aforementioned shirts from the Republic of Korea to Austria will be held if so desired by either party.

I should be grateful if you would kindly confirm that this letter sets out correctly the understanding reached between the representatives of the two countries.

Accept, Sir, the assurances of my highest consideration.

(Signed) Rudolf Willenpart
Director

Note No. 2

30 July 1974

Sir,

I have the honour to acknowledge the receipt of your Note No. 70.172-I/4/74^{1/} dated 30 July 1974, concerning exports of woven shirts of discontinuous synthetic fibres ex BTN No. 61.03 from the Republic of Korea to Austria under Article 4 of the Arrangement Regarding International Trade in Textiles.

I have the honour to inform you that the foregoing understandings set forth in your note are acceptable to the Government of the Republic of Korea and to confirm that your note and this reply constitute an agreement between our two countries.

Accept, Sir, the assurances of my highest consideration.

(Signed) Pyo-Wook Han
Ambassador

Dr. Rudolf Willenpart
Director,
Federal Ministry for Trade,
Commerce and Industry,
Vienna.

^{1/} See Note No. 1