

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/63

27 March 1975

Special Distribution

Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 3 Notifications

Agreements between Sweden and Hong Kong, Korea, Macao and India

The TSB has received from the Government of Sweden a notification of agreements between Sweden, on the one hand, and Hong Kong, Korea, Macao and India on the other, concerning trade in certain textile items. These agreements have been notified by Sweden under Article 3 of the Arrangement.

The TSB has examined the relevant documents submitted to it and has found that on the basis of the documentation provided and the time available, it is not in a position to determine that the agreements concluded are in full conformity with the provisions of Article 3 as well as with the other provisions of the Arrangement.

Having due regard to the fact that these agreements have either expired or will expire shortly, however, and bearing in mind the provisions of Article 2, paragraphs 2(iii) and 4, the TSB is circulating this notification to participating countries in the Arrangement for their information.

The TSB recommends that, in the event these agreements are renegotiated, extended or amended, every effort should be made to ensure that the terms of the new agreements are in conformity with the provisions of the Arrangement.

I. Agreement between Sweden and the Republic of Korea

Excellency,

With reference to the Protocol concerning the trade relations between the Government of the Kingdom of Sweden and the Republic of Korea signed on 13 April 1967, and to the consultations held in Seoul and Stockholm on 24-30 January and 20-22 May 1974, I have the honour, under instructions of my Government, to inform you that the following is the understanding of the Government of Sweden:

1. The agreement reached through the exchange of letters of 19 February 1974¹, is amended as follows:

- (a) Annex I to the Agreement of 19 February 1974, is replaced by Annexes I and II to this letter.
- (b) Paragraph 2 should read as follows:
These arrangements will apply from 1 March 1974 and from 1 July 1974 respectively until and inclusive of 30 June 1975.
- (c) Paragraph 3 should read as follows:
If in the period covered by the agreement expiring on 28 February 1974, exports from the Republic of Korea to Sweden are less than the levels specified in the column (d) of Annex I to the letters of 23 March 1973, the Republic of Korea may export amounts equivalent to such shortfalls during the period covered by the present agreement provided that such exports
 - (I) are in the group of limitation where the shortfalls occurred;
 - (II) do not exceed 10 per cent of the levels specified in Annex I to the letters of 23 March 1973.

H.E. Mr. Sang Moon Chang
Ambassador of the Republic of Korea
Stockholm.

¹See COM.TEX/SB/4, page 27.

- (d) The shipments of textile products listed in Annex II to this letter, effected during the period 1 March - 30 June 1974, shall be deducted from the quantities stated in Annex II to this letter, to the extent that they exceed 35 per cent of these quantities.
- (e) Paragraph 4 should read as follows:
The Government of Sweden will admit imports of the items of Korean origin, listed in Annexes I and II, only when such imports are covered by a document ("Recommendation"), issued by "Korean Garments Exporters' Association", "Korean Knitted Goods Exporters' Association" and "Korean Sweaters Exporters' Association", with an endorsement by the Managing Director of the respective Association that the consignments concerned have been debited to the agreed limits.

2. All other provisions of the exchange of letters of 19 February 1974, will remain in force.

3. This letter together with your reply will constitute an agreement between the Government of Sweden and the Government of the Republic of Korea.

I would appreciate your confirmation that the above is also the understanding of the Government of the Republic of Korea.

Please accept, Excellency, the renewed assurance of my highest consideration.

K. Wollter
Assistant Under-Secretary of State

ANNEX I

Items under previous restraint scheme¹

Period: 1 March 1974 - 30 June 1975 (sixteen months)

Swedish tariff classification No. (a)	Description (b)	Units of quantity (c)	Level for period 1.3.74- 30.6.75 (d)
60.03.115 116 195 196	Ankle-socks and men's half- or 3/4 length socks, wholly or mainly of cotton or dis- continuous synthetic fibres	dozen pairs	274,000
60.04.102-109 61.03.102-109	Shirts	pieces	785,000
61.02.50-	Blouses not knitted or crocheted, women's and girls' wear	pieces	182,000

¹See COM.TEX/SB/4 - carry over provided for has been increased from
5 to 10 per cent.

ANNEX II

Items introduced in the restraint scheme as from 1 July 1974

Period: 1 July 1974 - 30 June 1975 (twelve months)

Swedish tariff classification No. (a)	Description (b)	Units of quantity (c)	Level for period 1.7.74- 30.6.75 (d)
60.05.30- 50-	Sweaters, pullovers, slip-overs, jumpers, cardigans and the like, knitted or crocheted, men's and boys' and women's and girls' wear	pieces	5,200,000
60.05.ex 70-	Blouses, knitted or crocheted, women's and girls' wear	pieces	250,000
ex 61.01.40- 90- ex 61.02.10- 90-	Jackets and anoraks, not knitted or crocheted, men's and boys' and women's and girls' wear	pieces	225,000
61.01.50- 61.02.60-	Trousers, other than shorts, not knitted or crocheted, men's and boys' and women's and girls' wear	pieces	400,000

EMBASSY OF THE REPUBLIC OF KOREA

Stockholm, 3 July 1974

Sir,

I have the honour to acknowledge the receipt of your letter dated 28 June 1974, addressed to Ambassador Sang Moon Chang, regarding the limitation of certain textile products from the Republic of Korea to Sweden as per the enclosed photostatic copy.

I have the honour to inform you that the understanding set forth in your letter is acceptable to the Government of the Republic of Korea and to confirm that your letter and the present reply will constitute an agreement between the Government of the Republic of Korea and the Royal Government of Sweden.

Please accept, Sir, the renewed assurances of my high consideration.

Yoon-Taik Kim
Chargé d'Affaires a.i.

Mr. K. Wollter,
Assistant Under-Secretary of State
Royal Ministry for Foreign Affairs
Stockholm.

II. Agreement between Sweden and Portugal (on behalf of Macao)

Letter No. 1

Lisbon, 29 June 1974

Dear Sir,

With reference to the consultations held in Lisbon during the period 27-29 June 1974, regarding a limitation of the export of certain textile products from the Portuguese Overseas Province of Macao to Sweden, I have the honour to inform you that the following is the understanding of the Swedish Government:

1. The Portuguese Government has agreed to limit voluntarily exports from Macao to Sweden of the textile products listed in Annex I to this letter to the level set out in column (c) of that Annex.
2. These arrangements will apply during the period 15 July 1974 - 14 July 1975 and replace the arrangements agreed upon in the exchange of letters of 17 July 1973.¹
3. The Swedish Government will allow imports of the textile goods of Macao origin listed in Annex I only when such imports are covered by a Certificate of Origin issued by the Repartição Provincial dos Serviços de Economia de Macau, with an endorsement that the consignments concerned have been debited to the agreed limit.
4. If in the period covered by the agreement expiring on 14 July 1974, exports from Macao to Sweden are less than the limit specified in column (c) of the Annex to the letters of 17 July 1973, Macao may export amounts equivalent to such short-falls during the period covered by the present agreement provided that such exports do not exceed 5 per cent of the limit specified in the agreement of 1973

Ministro Dr. José Joaquim de Mena e Mendonça,
Adjunto do Director-Geral dos Negócios Economicos,
Ministério dos Negócios Estrangeiros,
Lisboa.

¹COM.TEX/SB/4 (pages 30-33)

5. If during the period of validity of this agreement unforeseen problems should arise in the textile sector, consultations may be requested by either side with a view to find mutually satisfactory solutions.

6. This agreement is in principle concluded for a period of one year only. It is understood by the Portuguese side that conditions prevailing on the Swedish market with respect to the goods concerned or directly competitive products may necessitate its prolongation. Such a prolongation will provide for an increase of the restraint levels. It is likewise understood that a prolongation will be made the object of previous consultations.

7. The Portuguese Government will provide the Swedish Government with information on a monthly and cumulative basis of the quantities of the textile products listed in Annex I for which Certificates of Origin have been issued for exports to Sweden.

8. The Swedish Government will provide the Portuguese Government with statistics of imports from Macao for the textile products listed in Annex I on a monthly and cumulative basis.

I would appreciate your confirmation that the above is also the understanding of the Portuguese Government.

I avail myself of this opportunity, Sir, to renew the assurances of my highest consideration.

K. Wollter
Chairman of the Swedish Delegation

ANNEX I

Unit of quantity: '000 pieces

<p>Swedish tariff classification No. (a)</p>	<p>Description (b)</p>	<p>Limit ('000 pieces) (c)</p>
<p>I. 60.05.30-, 50..</p>	<p>Sweaters, pullovers, slipovers, cardigans etc., knitted or crocheted, men's and boys' and women's and girls' wear</p>	<p>765</p>
<p>II. 61.01.505, 506 61.02.605, 606</p>	<p>Trousers, not knitted or crocheted, of cotton or discontinuous synthetic fibres, men's and boys' and women's and girls' wear</p>	<p>380</p>
<p>III. 61.03.10-</p>	<p>Shirts, not knitted or crocheted, men's and boys' wear</p>	<p>230</p>

Letter No. 2

Lisbon, 29 June 1974

Dear Sir,

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

See letter No. 1.

I have taken due note of its contents and I wish to inform you that the Portuguese Authorities are able to accept the understanding expressed in your letter of today.

The Portuguese Authorities hope that this present situation could be ended in the near future.

I avail myself of this opportunity, Sir, to renew the assurance of my highest consideration.

Joaquim José de Mena e Mendonça
Deputy Director-General for Economic Affairs

Mr. Karl-Anders Wollter,
Assistant Under-Secretary of State,
Chairman of the Swedish Delegation

III. Agreement between Sweden and Hong Kong

MEMORANDUM OF UNDERSTANDING

Introduction

1. This Memorandum of Understanding sets out the arrangements that have been agreed between the Governments of Hong Kong and of Sweden regarding the limits that the Government of Hong Kong are to apply to exports of certain garments for importation into Sweden.
2. In reaching agreement on these arrangements, both Governments have had regard to the provisions of the Arrangement Regarding International Trade in Textiles, in particular to Articles 1 and 3 of that Arrangement.

Coverage

3. These arrangements apply to Hong Kong's exports to Sweden of the items listed in the Annex to this Memorandum.

Classification

4. For the purposes of these arrangements:
 - (a) the products listed in the Annex shall be classified as if each product consists wholly of that fibre which predominates by weight;
 - (b) where two or more fibres are of equal highest weight the fibre of equal highest weight which is subject to these arrangements shall be deemed to predominate and to determine the classification of the product;
 - (c) continuous and discontinuous man-made fibres, artificial fibres or synthetic fibres, as the case may be, shall be considered as separate fibres;
 - (d) for the avoidance of doubt where the specification in the Annex refers to, for example:
 - (i) continuous man-made fibres, it is the total weight of all continuous artificial and synthetic fibres included in the product which will be considered in determining predominance in (a) and (b) above;

- (ii) discontinuous synthetic fibres, it is the total weight of all discontinuous synthetic fibres only included in the product which will be considered in determining predominance in (a) and (b) above.

Restraint period

5. During the period from 1 July 1974 to 30 June 1975, the Government of Hong Kong will limit exports to Sweden of the items listed in the Annex to the levels set out therein, save as provided for in paragraphs 6 and 7.

Swing

6. The Governments of Hong Kong and Sweden agree that consultations shall be held at the technical level in order to draw up agreed procedures for the implementation of the provisions of the first sentence of paragraph 5 of Annex B of the Arrangement Regarding International Trade in Textiles with a view to the introduction of the procedures as soon as possible during the agreement period. Under these procedures the agreed levels in column (e) of the Annex may be exceeded by no more than 4 per cent, provided that corresponding reductions are applied in other groups specified in the Annex.

Carry-over and carry-forward

7. If in the period 1 July 1973 to 30 June 1974 exports from Hong Kong to Sweden covered by the Memorandum of Understanding of 26 June 1973 are less than the levels specified in column (e) of the Annex thereto, or less than the agreed levels reduced proportionately to levels for twelve months, for the products specified in the Exchange of Letters between the Director of Commerce and Industry and the Consul General for Sweden on 16 March 1973, the Hong Kong Government may, after consultation between the Government of Hong Kong and the Government of Sweden, approve the export of amounts equivalent to such shortfalls during the period covered by this Memorandum or by 10 per cent, whichever is the less (carry-over), provided that such exports are in the groups/sub-groups where the shortfalls occurred. The Hong Kong Government may, after consultation between the Government of Hong Kong and the Government of Sweden, approve the export of amounts in excess of the agreed levels in column (e) of the Annex to this Memorandum up to 5 per cent (carry-forward). The carry-over and carry-forward taken together shall not exceed 10 per cent of the agreed levels in column (e) of the Annex to this Memorandum. Where the agreed levels are increased by carry-forward, corresponding deductions shall be made from any limits which may be agreed in respect of the same groups/sub-groups in the immediately following restraint period.

Admission of imports

8. The Government of Sweden will not admit imports of the items of Hong Kong origin listed in the Annex unless such imports are covered by a Hong Kong export licence endorsed by the Commerce and Industry Department, Hong Kong, that the consignments concerned have been debited to the agreed limits.

Re-exports

9. The Government of Sweden will so far as possible inform the Government of Hong Kong when imports into Sweden of exports from Hong Kong that have been debited to the agreed limits are subsequently re-exported from Sweden. The Government of Hong Kong may then credit the quantities involved to the appropriate limits.

Exchange of statistics

10. The Government of Hong Kong will provide the Government of Sweden with fortnightly statistics of exports of the groups/sub-groups listed in the Annex that have been licensed for export to Sweden debited to the limits set out in the Annex.

11. The Government of Sweden will provide the Government of Hong Kong with quarterly statistics of total imports and imports from other significant suppliers of each of the groups listed in the Annex.

Consultation

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

13. If the Government of Hong Kong considers that, as a result of the restraint imposed by these arrangements, Hong Kong is being placed in an inequitable position vis-à-vis any third country, the Government of Hong Kong may request the Government of Sweden to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

14. If the Government of Sweden considers that as a result of the application of these arrangements there is undue concentration of exports or the possibility thereof in any particular product, the Government of Sweden may request the Government of Hong Kong to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

General

15. The Annex to this Memorandum shall be considered as an integral part of it.

For the Government of Sweden

Dag Bergman
Consul-General

For the Government of Hong Kong

D.H. Jordan
Director of Commerce and Industry

Signed at Hong Kong

8 July 1974

ANNEX

Exports of Certain Garments from Hong Kong to Sweden
in the Period 1 July 1974 to 30 June 1975

Group No. (a)	Swedish Statistical No. (b)	Hong Kong Classification No. (c)	Description (d)	Limit in pieces (e)
I	ex 61.03.105 ex .106	841.161 .163 ex 841.762 ex .764	Shirts: Woven shirts of) cotton or of) discontinuous) synthetic fibres,) men's and boys') wear)	1,474,200
II	ex 60.04.102 ex .105 ex .109	841.431 ex .832	Knitted shirts of) cotton or synthetic) fibres or discon-) tinuous artificial) fibres, men's and) boys' wear)	
	60.05.302 .303 .305 ex .309 .502 .503 .505 ex .509	ex 841.461 ex .464 ex .863 ex .866	Knitted sweaters,) pullovers, jumpers,) slipovers and) cardigans (excluding) jackets) of cotton) or continuous man-) made fibres or dis-) continuous artifi-) cial fibres, men's) and boys' and) women's and girls') wear)	1,025,000

(a)	(b)	(c)	(d)	(e)
III	ex 60.04.702 ex .703 ex .705 ex .709	ex 841.439 ex .841	Underwear: Knitted briefs,) drawers, panties,) undershorts and the) like, not elastic) or rubberized of) cotton or of con-) tinuous man-made) fibres or of discon-) tinuous synthetic) fibres, men's and) boys' wear .)	5,073,120 (sub- limits; men's and boys' items not exceeding 2,707,120, women's and girls' items not exceeding 2,392,000)
	ex 60.04.805 ex .809	ex 841.442 ex .844	Knitted briefs,) drawers, panties,) undershorts and the) like, not elastic) or rubberized, of) cotton or of dis-) continuous syn-) thetic fibres,) women's and girls') wear)	
IV	61.01.102 .105 .106 ex .108 .402 .405 .406 ex .408 ex .902 ex .905 ex .906 ex .908 61.02.102 61.02.105 .106 ex .108 ex .902 ex .905 ex .906 ex .908	ex 841.111 .123 .124 ex .125 ex .129 ex .130 ex .131 ex .149 .155 .156 ex .157 ex .713 ex .722 ex .733 ex .751	Woven jackets) (including anoraks)) and coats of cotton) or synthetic .) fibres, men's and) boys' and women's) and girls' wear)	1,150,000

(a)	(b)	(c)	(d)	(e)
V	61.01.505 .506 61.02.605 .606	ex 841.117 ex .146 ex .719 ex .748	Woven slacks, jeans and trousers, of cotton or of discontinuous synthetic fibres, men's and boys' and women's and girls' wear	2,156,960
VI	60.03.115 .116 .195 .196	ex 841.421 ex .423 ex .424 ex .429	Ankle-socks and men's half or three-quarter- length socks, of cotton or of discontinuous synthetic fibres	2,574,240 pairs
VII	ex 60.05.202	ex 841.835 ex .838	Knitted bathing suits and trunks, of continuous synthetic fibres, men's and boys' and women's and girls' wear	468,000
VIII	ex 61.02.505 ex .506	841.137 ex .739	Woven blouses and jumpers, of cotton or discontinuous synthetic fibres, not embroidered, women's and girls' wear	1,560,000

IV. Agreement between Sweden and India

System

Sweden and India reached in 1973 an agreement on regulation of exports to Sweden of the blouses, shirts and bed linen listed below during the period 1 April 1973 - 31 March 1974.¹ Later it was agreed that India on an ad hoc basis may export additional quantities of these items to Sweden. A provisional understanding was also arrived at prolonging the said agreement until 30 September 1974, with an increase of the levels.² A new item, viz. jackets (not knitted or crocheted, of cotton, men's and boys' and women's and girls' wear) was introduced in the scheme from 1 April 1974 at a level of 175,000 pieces. Pending a new agreement a provisional arrangement sets out levels of restraint for the period 1 October - 31 December 1974.

Swedish tariff Classification No.	Description of goods	Unit of quantity	Level for period 1.4.73 - 31.3.74	Six-months prolongation up to 30 September 1974		Level for period 1.10.74 - 31.12.74
				<u>Ad hoc</u> quantity	Agreed level	
I. 61.02.505	Blouses, not knitted or crocheted, of cotton, women's and girls' wear	pieces	1,200,000	100,000	640,000	320,000
II. 61.05.105	Shirts, not knitted or crocheted, of cotton, men's and boys' wear	pieces	1,250,000	400,000	665,000	332,500
III. 62.02.105	Bed linen, of cotton	kgs.	500,000	50,000	265,000	132,500
IV. 61.01.ex 405 61.02.ex 105	Jackets, not knitted or crocheted, of cotton, men's and boys' and women's and girls' wear	pieces	-	-	175,000*	87,500

*Representing 350,000 pieces on a yearly basis.

¹See COM.TEX/SB/4 (page 17)
²See Annex II

Letter No. 1

Stockholm, 26 July 1974

Excellency,

1. With reference to the Agreement through exchange of letters of 14 March 1973 regarding exports of certain textile products from India to Sweden, as amended and extended by the Agreement through exchange of letters of 7 February 1974, I have the honour to inform you that the following is the understanding of the Swedish Government.
2. ---Pending a new agreement on the regulation of the exports of the textile products in question from India to Sweden, the levels of restraint set out in the Annex to this letter will apply during the period 1 October - 31 December 1974.
3. This provisional arrangement will not prejudice the positions of either side in the forthcoming negotiations on an agreement to succeed those referred to in paragraph 1 above.
4. During the period of validity of this provisional arrangement, all other terms and conditions, contained in the Agreement of 14 March 1973, as amended through the Agreement of 7 February 1974, will remain in force.

I would appreciate your confirmation that the above is also the understanding of the Indian Government.

Please accept, Excellency, the renewed assurance of my highest consideration.

K. Wollter
Assistant Under-Secretary of State

H.E. Mr. A.K. Damodaran
Ambassador of India
Stockholm.

ANNEX I

Swedish tariff classification No. (a)	Description (b)	Unit of quantity (c)	Level for period 1.10.74 - 31.12.74 (d)
61.02.505	Blouses, not knitted or crocheted, wholly or mainly of cotton, women's and girls' wear	pieces	320,000
61.03.105	Shirts, not knitted or crocheted, wholly or mainly of cotton, men's and boys' wear	pieces	332,500
62.02.105	Bed linen, wholly or mainly of cotton	kilogrammes (net weight)	132,500
61.01.ex 405 61.02.ex 105	Jackets, not knitted or crocheted, wholly or mainly of cotton, men's and boys' and women's and girls' wear	pieces	87,500

Letter No. 2

26 July 1944

Sir,

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

See letter No. 1.

I have the honour to confirm that the above is also the understanding of the Indian Government.

Please accept, Sir, the renewed assurance of my highest consideration.

A.K. Damodaran
Ambassador of India

Mr. K. Wollter
Assistant Under-Secretary of State,
Royal Ministry for Foreign Affairs
Stockholm.

ANNEX II

The Textile Agreement between Sweden and India
Signed 14 March 1973¹

With reference to the consultations held in New Delhi during the period 8 to 13 February 1973 regarding exports of certain cotton textile products from India to Sweden I have the honour to inform you that the following is the understanding of the Government of Sweden:

1. The Government of India will from 1 April 1973 to 31 March 1974 apply a scheme for regulating exports to Sweden of the cotton textile products, listed in Annex 1 to this letter. Under this scheme, exports may take place up to the levels set out in column (d) of that annex.
2. The Government of Sweden will admit imports of the cotton textile products of Indian origin, listed in Annex 1, only when such imports are covered by an export certificate, as per specimen in Annex 11, issued by the cotton textiles export promotion council and/or the handloom export promotion council to the effect that the consignment to be shipped during the validity of the agreement has been duly authorized for exports to Sweden in accordance with this Agreement.
3. The Government of India through the appropriate organization viz the cotton textiles export promotion council will forward to the Government of Sweden via the Embassy of Sweden monthly statistics on a cumulative basis of the quantities of the items listed in Annex 1, for which export certificates for export to Sweden have been issued. The statistics will normally reach the Government of Sweden within a period of one month from the month under reference.
4. The Government of Sweden will forward to the Government of India monthly statistics via the Embassy of Sweden on a cumulative basis of imports from India of the items, listed in Annex 1.
5. The Government of Sweden and the Government of India agree to consult each other, at the request of either, on matters relating to this Agreement.

In this context the Government of Sweden and the Government of India also agree to consult each other, at the request of either, on the development of Indo-Swedish trade in textiles.

¹ The Agreement of 7 February 1974 is the same as the one that you will find on page 18 of document COM.TEX/SB/4. It was initialled on 15 January this year and was signed the following month.

6. It is the intention of the Government of Sweden that India should not, as a result of this scheme, be placed in an inequitable or disadvantageous position vis-à-vis any third country. If the Government of India consider that such a situation has arisen, it may request the Government of Sweden to consult with a view to appropriate action, such as a reasonable modification of these arrangements.

7. I would appreciate your confirmation that this letter correctly sets out the understanding reached. Please accept, Excellency, the assurance of my highest consideration.

New Delhi, 14 March 1973
Bengt Holmquist
Chargé d'affaires, a.i.

ANNEX 1

(See Paragraphs 1,2,3,4 of the letter of 14 March 1973)

Swedish tariff classification No. (a)	Description (b)	Unit of quantity (c)	Level for period 1.4.73-31.3.74 (d)
61.02.505	Blouses, not knitted or crocheted, wholly or mainly of cotton, women's and girls' wear	pieces	1,200,000
61.03.105	Shirts, not knitted or crocheted, wholly or mainly of cotton, men's and boys' wear	pieces	1,250,000
62.02.105	Bed linen wholly or mainly of cotton	kilogrammes (net weight)	500,000

Letter No. 3

27 December 1974

Excellency,

1. With reference to the Agreement through exchange of letters of 14 March 1973, regarding exports of certain textile products from India to Sweden, as amended and extended by the Agreements through exchange of letters of 7 February 1974 and 26 July 1974, I have the honour to inform you that the following is the understanding of the Swedish Government.
2. Pending a new agreement on the regulation of the exports of the textile products in question from India to Sweden, the levels of restraint set out in the Annex to this letter will apply during the period 1 January-28 February 1975.
3. In view of the fact that you consider January and February important months for orders for the summer season the following special arrangement will apply to bed linen: in addition to the level of restraint set out in the Annex, an advance of 44,000 kilogrammes can be utilized during the first two months of 1975. This will, however, be on the understanding that the excess amount be deducted from the limit of restraint for the entire year of 1975, to be agreed upon during the negotiations in New Delhi early after the turn of the year.
4. This provisional arrangement will not prejudice the positions of either side in the forthcoming negotiations on an agreement to succeed those referred to in paragraph 1 above.
5. During the period of validity of this provisional arrangement, all other terms and conditions, contained in the Agreement of 14 March 1973, as amended and extended through the Agreements of 7 February 1974 and 26 July 1974 will remain in force.

I would appreciate your confirmation that the above is also the understanding of the Indian Government.

Please accept, Excellency, the renewed assurance of my highest consideration.

S. Patek
Head of Section

H.E. Mr. A.K. Damodaran
Ambassador of India,
Stockholm.

ANNEX

CONFIDENTIAL

Swedish tariff classification No. (a)	Description (b)	Unit of quantity (c)	Level for period 1.1-28.2.75 (d)
61.02.505	Blouses, not knitted or crocheted, wholly or mainly of cotton, women's and girls' wear	pieces	213,500
61.03.105	Shirts, not knitted or crocheted, wholly or mainly of cotton, men's and boys' wear	pieces	221,500
62.02.105	Bed linen, wholly or mainly of cotton	kilogrammes (net weight)	88,000
61.01 ex 405 61.02 ex 105	Jackets, not knitted or crocheted, wholly or mainly of cotton, men's and boys' and women's and girls' wear	pieces	58,500

Letter No. 4

27 December 1974

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

(See Letter No. 3)

I have the honour to confirm that the above is also the understanding of the Indian Government.

I would also like to add that according to latest information received from Delhi, our mutual negotiations on this subject could perhaps more conveniently be conducted in Europe, instead of in India. This can, of course, be settled by further discussions.

Please accept, Sir, the renewed assurance of my highest consideration.

Ambady Damodaran

Mr. S. Patek,
Head of Section,
Royal Ministry for Foreign Affairs,
Stockholm.