

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/422

19 April 1979

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Bilateral Agreement between Sweden and Hong Kong

The Textiles Surveillance Body has received from Sweden a notification of a new agreement between Sweden and Hong Kong concerning trade in textiles for the period 1 January 1978 to 31 March 1979. This agreement has been notified by Sweden under Article 4, paragraph 4, of the Arrangement.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{1/}, has examined the relevant documentation. The TSB is circulating the text of this agreement to participating countries in the Arrangement for their information.^{2/}

^{1/} See COM.TEX/SB/35, Annex B.

^{2/} See paragraphs 24 to 26 of COM.TEX/SB/429 for observations by the TSB.

MEMORANDUM OF UNDERSTANDING

Introduction

This Memorandum of Understanding sets out the arrangements that have been made between the Government of Hong Kong and the Government of Sweden regarding the limits that the Government of Hong Kong shall apply to exports of certain textiles for importation into Sweden.

2. These arrangements have been made having regard to the renewed Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of Article 1 and Article 4 of the said Arrangement and the document known as COM.TEX/W/47.

Coverage

3. These arrangements apply to Hong Kong's export to Sweden of the textile products of cotton, wool or man-made fibres or blend thereof listed in the Annex to this Memorandum.

Restraint Period

4. From 1 January 1978 to 31 March 1979 the Government of Hong Kong shall limit exports to Sweden of the items listed in the Annex to the levels set out therein, save as provided for in paragraphs 5 and 6.

Swing

5. The agreed levels in column (e) of the Annex may be exceeded by no more than one per cent, provided that corresponding reductions are applied in other groups specified in the Annex. For the purpose of calculating

such corresponding reductions, the conversion factors in column (f) of the Annex shall apply.

Carryover and Carry Forward

6. If in the period 1 July 1976 to 31 December 1977 exports from Hong Kong to Sweden covered by the Memorandum of Understanding of 24 September 1976 as amended by the Memorandum of Understanding of 15 August 1977 are less than the levels specified in column (e) of the Annex thereto, 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 short-falls during the period covered by this Memorandum or by ten per cent of such specified levels adjusted to annual levels, whichever is the less (carryover), provided that such exports are in the groups/sub-groups where the short-falls 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 five per cent (carry forward). The carryover and carry forward taken together shall not exceed ten 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 levels which may be agreed in respect of the same groups/sub-groups in the immediately following restraint period.

Admission of Imports

7. The Government of Sweden shall 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 Trade Industry and Customs Department, Hong Kong, that the consignments concerned have been debited to the levels in column (e) of the Annex, as they may be increased by virtue of the provisions of

paragraphs 5 and 6 of this Memorandum.

Re-exports

8. 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 levels are subsequently re-exported from Sweden. The Government of Hong Kong may then credit the quantities involved to the appropriate levels.

Exchange of Statistics

9. The Government of Hong Kong will provide the Government of Sweden with fortnightly statistics of exports of the groups listed in the Annex that have been licensed for export to Sweden and debited to the levels set out in the Annex..

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

Consultation

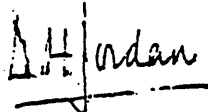
11. The Government of Hong Kong and the Government of Sweden agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

12. 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-a-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.

13. 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.

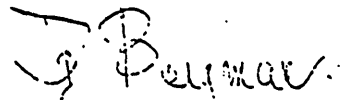
General

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



For the Government of
Hong Kong

D. H. Jordan
Director of Trade Industry
and Customs



For the Government of
Sweden

Dag Bergman
Consul-General

Signed at Hong Kong
19 January 1979

ANNEX I

Exports of Certain Textiles from Hong Kong to Sweden in the
Period 1 January 1978 to 31 March 1979

(a)	(b)	(c)	(d)	(e)	(f)
Group	Swedish statistical number	Hong Kong classification number	Description	Levels in pieces unless otherwise stated ¹	Conversion factor square yards equivalent per dozen unless otherwise stated
I	60.03.003, 102-106 ex 109, 902-906 ex 909	847 221-223 847 224 ex 847 225 847 226 847 227-228 ex 847 229	Knitted stockings, understockings, socks, ankle socks, sockettes and the like, wholly or mainly by weight of cotton or of man-made fibres or of wool other than ladies' stockings of continuous synthetic fibres	4,185,000 (3,348,000)	5 sq. yds. / doz. pr.
II	60.04 102-106 61.03 102-106 ex 109	ex 843 937 ex 843 957 ex 843 977 844 111-112 844 191-192 844 121-122 844 195-196 ex 845 917 ex 845 937 ex 845 957 ex 845 977 ex 846 193 846 194 ex 846 211-212 ex 846 321-322 ex 846 413-414	Shirts (excluding outerwear T-shirts) wholly or mainly by weight of cotton or of man-made fibres or of wool	2,252,500 (1,802,000)	25 sq. yds. / doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
III	60.04 212-216, 252-256 61.03 202-206, ex 209 61.04 102-106, ex 109	844 213-214 844 382-383 ex 846 292 844 223-224 ex 844 394 846 333-334 844 397-398 846 343-344 ex 844 399 844 297-298 846 184-185 ex 846 345 846 404-405 844 313-314 846 190-191 846 410-411 ex 844 315 ex 846 192 844 323-324 846 284-285 ex 846 412 ex 844 325 846 290-291 844 282-283	Night garments, wholly or mainly by weight of cotton or of man-made fibres or of wool	1,350,000 (1,080,000)	37 sq. yds./ doz.
IV	60.04 702- 706 802-806 902-906	846 182-183 846 286-287 ex 846 345 846 402-403 846 186-187 ex 846 292 846 331-332 846 406-407 ex 846 192 846 282-283 846 341-342 ex 856 412	Knitted underwear (including under T-shirts (Note 1), singlets, briefs, drawers, panties, undershorts and the like), other than shirts, nightwear and tights, wholly or mainly by weight of cotton or of man-made fibres or of wool	17,225,000 (13,780,000)	9 sq. yds./ doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
V	60.05. 302-306	ex 845 111-115 ex 845 121-125 ex 845 131-135 ex 845 141-145 ex 845 908-909 ex 845 915-917 ex 845 928-929 ex 845 935-937 ex 845 948-949 ex 845 955-957 ex 845 968-969 ex 845 975-977 ex 846 193 ex 846 211 ex 846 321 ex 846 413	Knitted sweaters (including outerwear T-shirts), pullovers, jumpers, slippers and cardigans (excluding jackets) wholly or mainly by weight of cotton or of man-made fibres or of wool	3,375,000 (2,700,000)	30 sq. yds./ doz.
VI	ex 60.05. 803-804 812, 892, 895, 896 61.01 ex 003, ex 008 104, ex 109 414-416, 454-456, 61.02 ex 008, 112-116 152-156 ex 902-906 ex 992-996	842 111-112 ex 842 191-192 ex 842 411-412 ex 842 431-432 842 922-925 842 942-945 ex 843 111-112 ex 843 121-122 ex 843 131-132 843 923-926 ex 843 937-939 843 943-946 ex 843 957-959 843 963-966 ex 843 977-979 ex 845 111-115 ex 845 121-125 ex 845 131-135 ex 845 141-145 ex 845 216-217 ex 845 226-227 ex 845 236-237 ex 845 902-903	Overcoats and jackets wholly or mainly by weight of cotton or of man-made fibres or of wool Lounge coats and blazers, wholly or mainly by weight of cotton or of man-made fibres or of wool, men's and boys' wear ³	1,757,700 (1,406,160)	40 sq. yds./ doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
VI (cont'd)		ex 845 908-909 ex 845 915-917 ex 845 922-923 ex 845 928-929 ex 845 935-937 ex 845 942-943 ex 845 948-949 ex 845 955-957 ex 845 842 421-422 842 932-935 ex 845 246-247 ex 845 968-969 ex 845 975-977			
VII	60.05. 802, ex 803-804,806 ex 895 61.01 ex 003, ex 008 504-506, 61.02. ex 008, 602-606 ex 992-996	ex 842 311-312 ex 842 321-322 ex 842 331-332 ex 843 927-928 ex 843 937 ex 843 947-948 ex 843 957 ex 843 967-968 ex 843 977 ex 845 906-907 ex 845 913-914 ex 845 917 ex 845 926-927 ex 845 933-934 ex 845 937 ex 845 946-947 ex 845 953-954 ex 845 957 ex 845 966-967 ex 845 973-974 ex 845 977	Slacks, jeans and trousers (excluding shorts) wholly or mainly by weight of cotton or of man-made fibres or of wool	3,137,400 (2,509,920)	25 sq. yds./ doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
VIII	60.05. 602-606 61.02 ex 008, 202-206 302-306, 402-406 ex 992-996	843 214-215 843 224-225 843 234-235 843 311-312 843 321-322 843 331-332 843 411-412 843 421-422 843 431-432 ex 843 937 ex 843 957 ex 843 977 845 211-212 ex 845 216-218 845 221-222 ex 845 226-228 845 231-232 ex 845 236-238 845 241-242 ex 845 246-248 ex 845 917 ex 845 937 ex 845 957 ex 845 977	Costumes ⁴ , dresses and skirts, wholly or mainly of cotton or of man-made fibres or of wool, women's, girls' and infants' wear	1,755,000 (1,404,000)	28 sq. yds./ doz.
IX	60.05 ex 803-804, 822 825-826 61.02, ex 008, 502-506 ex 509, ex 992-996	843 511-512 843 521-522 843 591-592 ex 843 937 ex 843 957 ex 843 977 845 910 ex 845 917 845 930 ex 845 937 845 950 ex 845 957 845 970 ex 845 977	Blouses, wholly or mainly by weight of cotton or of man-made fibres or of wool	4,185,000 (3,348,000)	18 sq. yds./ doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
X	62.02. 110, ex 190 ex 792-793	ex 658 310 ex 658 320 ex 658 330 ex 658 390 658 411-412 658 420 658 422 658 424 ex 658 428 658 481-482 658 490 658 492 ex 658 495	Bed linen ⁵	270,000 (216,000) kgs.	12 sq. yds./ kilo
XI	62.02. 311, 319 ex 399 ex 792-793	658 451-456 658 460-461 658 463-464	Towels including dish towels	74,250 (59,400) kgs.	10 sq. yds./ kilo
XII	ex 60.05. 803-804, 892, 895, 896 61.01 705- 706, 709 61.02. 802-806	ex 842 311-312 ex 842 321-322 ex 842 331-332 ex 843 927-928 ex 843 937 ex 843 947-948 ex 843 957 ex 843 967-968 ex 843 977 ex 845 906-907 ex 845 913-914 ex 845 917 ex 845 926-927 ex 845 933-934 ex 845 937 ex 845 946-947 ex 845 953-954 ex 845 957 ex 845 966-967 ex 845 973-974 ex 845 977	Shorts, wholly or mainly by weight of cotton or of man-made fibres or of wool	846,450 (677,160)	11 sq. yds./ doz.

ANNEX I (cont'd)

(a)	(b)	(c)	(d)	(e)	(f)
XIII	60.05.202, 205 ex 803-804 ex 896	845 904-905 845 911-912 ex 845 917 845 924-925 845 931-932 ex 845 937 845 944-945 845 951-952 ex 845 957 845 964-965 845 971-972 ex 845 977	Knitted bathing trunks and swim suits wholly or mainly by weight of cotton or of man-made fibres or of wool	657,450 (525,960)	12 sq. yds./ doz.
XIV	60.05. 102, 105 ex 803-804 ex 896	ex 845 213-215 ex 845 223-225 ex 845 233-235 ex 845 243-245 ex 845 900-901 ex 845 920-921 ex 845 940-941 ex 845 960-961	Knitted track-suits wholly or mainly by weight of cotton or of man-made fibres or of wool	87,750 (70,200)	42 sq. yds./ doz.

¹ Figures in brackets denote notional annual levels.

² Including multi-coloured patterned or printed T-shirts which are packed and shipped together with matching briefs as sets of underwear.

³ Exports of lounge coats and blazers are additionally subject to an export authorization system.

⁴ Including two- or three-piece suits.

⁵ Referring to bedsheets, pillowcases, pillowslips, bolster or eiderdown cases, mattress covers, quilt or blanket covers.

MEMORANDUM OF UNDERSTANDING ON A SYSTEM OF EXPORT AUTHORIZATION

Referring to the Memorandum of Understanding on a restraint arrangement regarding Hong Kong's exports of certain textiles to Sweden, signed earlier today, the following understanding as to a system of Export Authorizations is agreed for the textile products of cotton, wool or man-made fibres or blends thereof specified in the Annex to this Memorandum. The period covered by this system shall be the same as that agreed for the restraint arrangements.

2. Under the Export Authorization system no export licence for these products will be issued unless an Export Authorization has previously been obtained in respect of the consignment concerned. Export Authorizations are issued only on production of evidence of a firm contract for the supply of the goods in respect of which the applicant seeks such Authorization.

3. The Application for an Export Licence for the particular goods in respect of which an Export Authorization is issued must be made before the expiry of the Export Authorization. Export Authorizations will be valid for a period of three months. Export Licences are valid for twenty eight days. The actual goods must therefore be exported within four months from the issue of the Export Authorization.

4. The Government of Hong Kong will forward via the Consul-General of Sweden fortnightly returns to the Government of Sweden showing the quantities in commercial units and, where the Government of Sweden so requests in actual kilogram weight, covered by Export Authorizations issued to Hong Kong exporters.

5. The Government of Hong Kong will, on request by the Government of Sweden at any time, discontinue the issue of Export Authorizations for any of the items concerned, provided such request is followed, within a reasonable amount of time, by a request for consultations in accordance with the provisions

of Article 3, unless otherwise agreed, of the Arrangement Regarding International Trade in Textiles.

The Government of Hong Kong will, pending the holding of such consultations, issue Export Licences for the items concerned only in respect of those shipments covered by Export Authorizations already issued. Should such consultations result in the establishment of a restraint for the item in question, the relevant provisions of Annex B to the Arrangement Regarding International Trade in Textiles will be applicable.

6. The Government of Sweden undertakes not to invoke the provisions of paragraph 5 of this arrangement before the level of Export Authorizations for item (14) sails of man-made fibres, exceeds 56,25 metric tons.

7. In the event that the issue of Export Authorizations for any items is suspended, at the request of the Government of Sweden in accordance with the procedure set out in paragraph 5, the Government of Sweden would be prepared to consider giving its consent to the extension of validity of an existing Authorization by a period not exceeding 90 days, if it is satisfied that the failure to apply for an Export Licence within the period of validity of the Export Authorization has been caused by circumstances beyond the control of the person to whom Export Authorization was issued.

8. The Government of Sweden undertakes to admit imports of all goods covered by Export Authorizations issued before the time at which the Government of Sweden requested that such issue should be discontinued.

(Signed)

(Signed)

For the Government of
Hong Kong

For the Government of
Sweden

D. H. Jordan
Director of Trade Industry
and Customs

Dag Bergman
Consul-General

Signed at Hong Kong
19 January 1979

ANNEX II

List of Textile Goods covered by Miscellaneous Group

Item no.	Description	Swedish statistical classification number	Hong Kong statistical classification number
1	Knitted panty hose and tights of cotton or of man-made fibres or of wool	60.04.602-606	846116 846316 846281 846401
(2-12)	Outer garments, knitted, crocheted or woven, of cotton, man-made fibres or of wool, men's and boys', women's and girls' and infants' wear, <u>other than</u> knitted sweaters, pullovers etc. (Group V), overcoats, jackets, lounge coats and blazers (Group VI), slacks, jeans and trousers (Group VII), costumes, dresses and skirts (Group VIII), blouses (Group IX), shorts (Group XII), knitted bathing trunks and swim suits (Group XIII) and knitted tracksuits (Group XIV):	60.05.ex 803-804 ex 812 ex 892 ex 895-896 61.01 ex 003, ex 008 ex 304-306 ex 904-906 61.02.ex 008 ex 902-906 ex 992-996	ex 845 213-217 ex 845 940-943 ex 845 900-903 ex 845 948-949 ex 845 223-227 ex 845 908-909 ex 845 955-957 ex 845 920-923 ex 845 960-963 ex 845 233-237 ex 845 968-969 ex 845 928-929 ex 845 243-247 ex 845 975-977 ex 845 935-937 ex 845 915-917
2	Lounge suits, men's and boys' wear		ex 842 211-212 ex 842 431-432 842 936-939
3	Coveralls		ex 842 221-222 842 920-921
4	Woven track-suits		ex 842 231-232 842 926-929
5	Protective and work clothing: (a) coated or impregnated (including rain suits), (b) others (including doctors', nurses', chemists', hair-dressers' or salesmen's etc. coats or uniforms, cleaning frocks and the like).		842 940-941 ex 842 411-412 842 946-949 ex 842 421-422 842 930-931 ex 843 111-112 843 921-922 ex 843 957-959
6	Sets of matching garments, including i.a. ski-suits and Santa Claus suits, which are invoiced, packed and shipped together as sets, <u>other than</u> lounge suits, woven track-suits and protective and work clothing.		ex 843 121-122 843 935-936 ex 843 131-132 843 961-962 ex 843 211-212 843 975-976 ex 843 221-222

Item no.	Description	Swedish statistical classification number	Hong Kong statistical classification number
7	Waistcoats		843 941-942
8	Dressing gowns		ex 843 977-979
9	Rompers and sunsuits, infants' wear		ex 843 231-232 843 955-956
10	Tops and halters, women's and girls' wear		ex 843 937-939
11	Woven swimwear		
12	Other (including aprons and pina- fores, ponchos, beach robes etc.)		
13	Travelling rugs and blankets, of cotton or of man-made fibres or of wool	62.01.ex 101 ex 109 400-600 ex 900	ex 658 310 ex 658 330 ex 658 320 ex 658 390
14	Sails of man-made fibres	62.04.ex 290	ex 658 291-292