

RESTRICTED

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Finland and Thailand

The Textiles Surveillance Body has received from Finland a notification of a bilateral agreement which has been concluded under Article 4 of the Arrangement between Finland and Thailand, concerning trade in two product categories.

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

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

^{2/} For observations of the TSB see COM.TEX/SB/477, paragraph 18.

MEMORANDUM OF UNDERSTANDING

During the consultation held in Bangkok 30 November 1978, between a delegation from Finland and a delegation from Thailand and having regard to the Arrangement Regarding International Trade in Textiles, agreement was reached as follows:

1. Thailand agrees to voluntarily restrain its exports of the textile products specified in Annex I during the period of 1 January 1979 to 31 December 1981 to the limits set out in Annex I.

2. Finland shall for the purpose of these arrangements automatically admit imports of the textile products of Thai origin set out in annex I to the agreed limits, provided that such imports into Finland are covered by export certificates and certificates of origin. The export certificates shall be endorsed to the effect that the consignments concerned have been debited to the agreed export restraint limits.

3. Exports may exceed either of the two limits in the Annex I by 6 (six) per cent, provided that a corresponding reduction is applied in the other limit. For the purpose of calculating such a corresponding reduction, the conversion factors listed in the Annex I shall apply.

4. Shipments effected before 1 January 1979, from Thailand shall not be debited against the limits agreed for exports to Finland, and the import licenses will be issued automatically without delay by the Finnish Government.

5. If the information available to the Finnish authorities through the import surveillance system shows that the quantitative limits of the products specified in Annex I have already been reached or the unused portion of those limits are insufficient to cover the goods

specified in the export certificates the Finnish authorities may, subject to the provisions of Article 3 and 6, refuse to admit the imports of such products for any quantity in excess of the quantitative limits set out in Annex I. In such a case the Finnish authorities shall immediately inform the authorities of Thailand.

6. Carry-over and carry forward taken together shall not exceed 10 (ten) per cent, of which carry forward shall not represent more than 5 (five) per cent.

7. Thailand will forward to Finland quarterly statistics on a cumulative basis of the quantity of the textile products for which certificates for export to Finland have been issued. Finland will forward to Thailand quarterly statistics on a cumulative basis of imports from Thailand of the textile products set out in Annex I.

8. Thailand shall endeavour to ensure that exports of the textile products subject to quantitative limits are spaced out as evenly as possible over the year, due account being taken, in particular, of seasonal factors.

9. The Royal Thai Government shall require all exports to Finland of the products listed in Annex I to be covered by export authorizations (Attachment A) issued by the Department of Foreign Trade, Ministry of Commerce, Thailand. 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.

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

11. The Royal Thai Government shall provide the Government of Finland with half-monthly statistical returns showing the quantities covered by export authorizations issued to Thailand exporters in respect of the products listed in Annex II. The Royal Thai Government 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, Thailand 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.

12. The Government of Finland shall admit imports of the textile products of Thai origin listed in Annex II where such imports satisfy all normal conditions of entry, and are accompanied by a copy of an export certificate issued by the Department of Foreign Trade, Ministry of Commerce, Thailand.

13. The Government of Finland may request the Royal Thai Government to suspend the issue of export authorizations 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 risk of market disruption. Such a request shall be accompanied by a request for consultations with due regard to the relevant provisions of the Arrangement Regarding International Trade in Textiles and the protocol for its extension and by a detailed factual statement within a reasonable period of time, including data designed to demonstrate the existence of a real risk of market disruption (as defined in Annex A of the Arrangement Regarding International Trade in Textiles).

14. Upon receipt of such a request for suspension and for consultations, the Royal Thai Government shall suspend immediately the issue of export authorizations in respect of the relevant products. The Royal Thai Government may, however, continue to issue export licences against valid export authorizations issued before such a suspension.

15. Where the issue of export authorizations is suspended, the Government of Finland shall consider giving its consent to the extension of validity of an existing export authorization for a period not exceeding 90 days, if it is satisfied that the failure to apply for an export certificate within the validity period of the export authorization has been caused by circumstances beyond the control of the person to whom the export authorization was issued.

16. The Annexes to this Memorandum of Understanding shall form an integral part thereof.

17. Finland and Thailand agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements in accordance with the provisions of the MFA as extended.

18. 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.

Done in Bangkok, November 30, 1978.

Pertti A. O. Kärkkäinen

Head of the Delegation of Finland

Danai Tulalumba

Head of the Delegation of Thailand

Annex I

(a) Finnish tariff classification No.	(b) Description	(c) Unit of quantity	(d)			(e) Con- version Factor (Square yards equivalent per dozen)
			1. 1. 1979— 31. 12. 1979	1. 1. 1980— 31. 12. 1980	1. 1. 1981— 31. 12. 1981	
61.03.102 103 105 106 109	Men's and boy's shirts of cotton and man-made fibres.	Pieces	30.000	30.300	30.603	26 sq.yd/doz
61.09.201	Brassieres, ready made.	Pieces	85.000	86.700	88.434	4.8 sq.yd/doz

Annex II

(a) Finnish tariff classification No.	(b) Description
60.05.352 353 355 356 357	Jumpers, sweaters, cardi- gans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of cot- ton and man-made fibres, women's and girls' wear.