

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/847  
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Textiles Surveillance Body

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## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Bilateral Agreement between Austria and India

The Textiles Surveillance Body has received from Austria a notification of a new bilateral agreement with India, concluded under Article 4 of the MFA, valid for the period 1 January 1983 - 31 December 1986.—

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2</sup>, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

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<sup>1</sup> The previous bilateral agreement and a one-year extension thereof, are contained in COM.TEX/SB/360 and 738.

<sup>2</sup> See COM.TEX/SB/35, Annex B.

<sup>3</sup> For the TSB's observations on this notification, see COM.TEX/SB/851, paragraphs 6 and 7.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF  
AUSTRIA AND THE GOVERNMENT OF THE REPUBLIC OF INDIA  
RELATING TO THE EXPORT FROM INDIA OF CERTAIN COTTON TEXTILE  
PRODUCTS FOR IMPORT INTO AUSTRIA

Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Austria and India regarding the export of certain cotton textile products from India for import into Austria.
2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the Arrangement") and to the Protocol of 23 December 1981 extending the said Arrangement.

Restraint periods

3. These arrangements will apply for four calendar year periods commencing on 1 January 1983 and ending on 31 December 1986. For the period 1 August to 31 December 1986 these arrangements are subject to both parties being free to request, at any time, consultations with a view to proposing revisions in the light of any successor agreement to the Arrangement as extended by the Protocol of 23 December 1981.
4. These arrangements may be extended by mutual consent to apply for a fifth year commencing on 1 January 1987 to 31 December 1987 subject to any modifications which either side may propose in the light of any successor agreement to the Arrangement as extended by the Protocol of 23 December 1981.

Restraint levels and growth rate

5. Except as provided for in paragraphs 11 and 12 below, the Government of India will restrain its exports to Austria of the cotton textile products described in Annex I for the calendar year commencing 1 January 1983 to the limits specified therein.
6. Except as provided for in paragraphs 11 and 12 below, for the three calendar year periods commencing 1 January 1984 and ending on 31 December 1986, the Government of India will restrain its exports to Austria of the cotton textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column D.

7. With reference to Article 12:3 of the Arrangement, the limitations set out in these arrangements will not apply to handloom fabrics of the cottage industry, hand-made cotton textile products made of such handloom fabrics as defined in Annex II, and traditional folklore handicraft textile products known as "India Items" as listed in Annex III, when accompanied on importation by a certificate validated by the competent Indian authorities. A sample certificate is contained in Annex IV.

#### Administration

8. Upon presentation of Original Export Certificates for exports to Austria (sample is at Annex V) issued by the competent Indian authorities for the items mentioned in Annex I, the competent Austrian authority will issue corresponding Import Licences to the importers mentioned in the export certificate.

9. For the purpose of applying for import licences to be issued upon presentation of export certificates as indicated in paragraph 8 above, the validity of these export certificates shall expire six months after the end of the agreement year during which they were issued.

10. The Government of India will make efforts to see that undue concentration of exports of cotton textile products specified in Annex I from India to Austria is avoided. However, while doing so, due regard will be paid to demand pattern and seasonal aspects of the trade.

#### Carry-over and carry-forward

11. The export level for any category during any agreement year may be exceeded by a carry-over of 10 per cent and a carry-forward of 6 per cent. A carry-over is available when there has been a shortfall in exports during the previous agreement year and a carry-forward becomes available when quantities are advanced from the ensuing agreement year. Whenever carry-forward is utilized, the quantity involved shall be deducted from the export level established for the same category in the following year. The combination of carry-over and carry-forward shall not exceed 11 per cent. All percentages relating to carry-over and carry-forward will be calculated on the base quota levels for the receiving year.

#### Swing

12. The base level for a category during any agreement year can be exceeded after notification to the Government of Austria, up to 5 per cent of such level by utilization of swing from the base level of any other category for the relevant agreement year.

Exchange of statistics

13. India will provide Austria with information in respect of exports of cotton textile products specified in Annex I showing the numbers and dates of export certificates issued, quantities covered by the export certificates and the names of exporters and importers. This will be done on a monthly basis within a period of thirty days from the end of the relevant month.

14. Austria will provide India with information on import licences issued and export certificates against which such import licences have been issued. The details furnished will include import licence numbers, export certificate numbers, date and quantity involved. This information shall be furnished on a monthly basis within a period of thirty days from the end of the relevant month.

Statistical Surveillance

15. In respect of exports of cotton textiles and textile products from India to Austria listed in Annex VI, competent Austrian authorities will, upon presentation of the original export certificates issued by Indian authorities, automatically issue licences for the import of these products from India.

16. The Indian authorities will inform the Government of Austria on a monthly basis of the number and date of export certificates issued as well as of the quantities of the aforesaid products covered by these export certificates.

17. The Government of Austria will provide the Government of India on a monthly and cumulative basis with information regarding respective import licences issued.

18. Should exports of products set out in Annex VI from India to Austria develop in a manner which, in the view of the Government of Austria, calls for action under Article 4, paragraph 2 of the Arrangement, the Government of Austria may request consultations with the Government of India with a view to reaching an agreement on mutually acceptable terms. The request for such consultations shall be accompanied by a statement containing relevant specific factual information of the real risk of market disruption (as defined in Annex A of the Arrangement) which, in the view of the Government of Austria, makes necessary the request for consultations. India agrees to consult within thirty days from the date on which the request for consultations has been received, and to make its best efforts to complete such consultations within thirty days of its commencement.

### Consultations

19. Either Government has the right to request consultations with the other Government on any matter arising from the implementation or operation of these arrangements or on any matter germane thereto. Such consultations will be governed by the following:

- Any request for consultations will be notified in writing to the other Government;
- The request for consultations will be accompanied by a statement setting out the reasons and circumstances which, in the opinion of the requesting Government, justify the submission of such a request;
- The other Government will accept such a request and such consultations will be held within thirty days of the date of notification of the request;
- Both Governments will enter into consultations with a view to reaching a mutually acceptable conclusion within thirty days of the date on which actual consultations commence.

20. Any consultations held under these provisions will be approached by both Governments in a spirit of co-operation and with a desire to reconcile the differences between them.

### Re-exports

21. The Government of Austria will inform the Government of India as far as possible when imports into Austria of the cotton textile products subject to these arrangements are subsequently re-exported from Austria. Where such re-exports have been debited by the Indian Government to quantitative limits the Government of India may then credit the quantities involved to the appropriate restraint levels.

### Revision

22. Either Government may at any time propose revisions to the terms of these arrangements having regard to the Arrangement and to the Protocol of 23 December 1981 extending it.

23. Annexes I-VI of this Memorandum of Understanding will be considered an integral part of it.

Final provisions

24. This Memorandum of Understanding will become effective on 1 January 1983 subsequent on exchange of notes between the two Governments confirming their acceptance of these arrangements.

New Delhi, 14 May 1982

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For the Delegation of the  
Government of Austria

(G. Waas)

(signed)

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For the Delegation of the  
Government of India

(B.K. Zutshi)

ANNEX-I: RESTRAINT LEVELS

<u>(A)</u> <u>Item</u> <u>number</u>	<u>(B)</u> <u>Product</u> <u>description</u>	<u>(C)</u> <u>Restraint</u> <u>Level</u>	<u>(D)</u> <u>Growth</u>	<u>(E)</u> <u>Swing</u>	<u>(F)</u> <u>Carry-over/</u> <u>carry-forward</u>	<u>(G)</u> <u>Conversion</u> <u>factor</u>
1.	Woven blouses of cotton Pieces	159,650	3%	5%	10/6%	180 grs./piece
2.	Woven shirts of cotton Pieces	105,000	3%	5%	10/6%	217 grs./piece
3.	Cotton bed linen Kg.	70,000	.4%	5%	10/6%	-

ANNEX II

Cottage Industry Products

1. The exemption provided for in paragraph 7 of the Memorandum of Understanding in respect of cottage industry products will apply only to the following products:

- (a) Handloom textile fabrics, being fabrics woven on looms operated solely by hand or foot and made in the cottage industry of India.
- (b) Garments or other textile products, made in the cottage industry of India having been handmade from handloom textile fabrics as described above.
- (c) Traditional folklore handicraft textile products of India as described in Annex III.

2. The exemption will apply only in respect of products covered by a certificate issued by the competent Indian authorities conforming to the specimen in Annex IV. Such certificates will indicate the grounds on which exemption is based.

3. In cases where the competent Austrian authorities have doubts about the handloom origin of the items listed in Annex I, the Government of Austria may, pending import clearance by the competent Austrian authorities, refer such cases to the Government of India for settlement of such doubts.

4. The Government of India will inform the Government of Austria on a monthly basis the numbers and dates of handloom/folklore certificates issued as well as the quantities involved in respect of the items listed in Annex I.

5. This supersedes the arrangements on certification of these products as established between the Government of Austria and the Government of India on 13 April 1976 and 20 May 1976.



ANNEX IIIAgreed List of India Items i.e. Traditional Folklore  
Handicraft Textile Products of India

India items are traditional folklore handicraft textile products uniquely and historically Indian made in the cottage industry. They cover the products enumerated below (clothes and clothing accessories, decorative furnishing) and such other items as may be agreed upon from time to time.

I. Clothes and clothing accessories

All the garments and accessories listed below are uniquely and historically Indian traditional folklore textile products on account of their similarity in shape and design with those of clothes and accessories traditionally worn in India.

The products listed below must have all of the following characteristics:

- they are produced in cottage industry units
- they do not include zip fasteners
- they are ornamented in the characteristic Indian folk styles, using one of the following methods:
  - hand-painting, hand-printing, handicraft batik or handicraft tie and dye (kalamkari)
  - embroidery by hand (zari)
  - appliqué work of sequins, glass or wooden beads, shells, mirrors or ornamental motifs of textile or other materials by hand
  - extra-weft ornamentation of cotton, silk or art silk, metal thread (zari)

No.	Name	Description
1	Kurta	A loose, almost straight-cut shirt or tunic-like garment, reaching to the hips, mid-thighs, knees, or ankles with quarter, half or full-length narrow or loose sleeves, with or without buttons (not plain).
2	Pherron	A short or full-length, extremely loose-fitting dress with long, loose sleeves, without buttons, embroidered, ornamented or printed.
3	Chola	A full-length, loose-fitting dress-like garment, with sleeves, mainly for indoor wear.
4	Churidar Pyjama	Trouser, loose at waist (with draw-string or hooks) tapering to a narrow fit at the ankle.
5	Salwar	Loose-fitting trousers, legs either straight or baggy with extra fullness at the thighs.
6	Gararra	Loose-fitting trousers with frills or flaring below the knee.
7	Tamba	Loose-fitting trousers with typical Indian hand-ornamentation.
8	Lungi	A long cylindrical garment worn as a wrap around the lower half of the body.
9	Angharka	A full-length, light-weight coat-like garment closing in front with a decorative cord or ribbon, with sleeves.
10	Bagal Bandini	A knee-length or full-length jacket or coat-like garment closing at the side with strings, with half sleeves or without sleeves.
11	Aba	A full-length dress with close-fitting bodice, long, wide skirt, with sleeves.

No.	Name	Description
12	Burka	A full-length cape-like garment, covering the wearer's head and body, with aperture for eyes covered with gauze or lace.
13	Jawahar jacket	A loose-fitting jacket or waistcoat worn over a kurta, with or without buttons.
14	Choli	A short bodice with or without sleeves crocheted or woven.
15	Chagra Lahnga	An ankle-length, very wide skirt with drawstring or hooks at waist.
16	Pavadai	A set made of a full or ankle-length skirt and a bodice.
17	Dupatta	A very light woven scarf about 120 cm. x 80 cm. worn with kurta and churidar.
18	Ohdani	A cloth about 2 m. x 1 m. with much ornamentation.
19	Patka	A long stole, non-printed, ornamented with art work.
20	Culu band	Neckband with traditional art work.
21	Kamarband	Decorated waistband and textile belt.
22	Bazuband	Decorative arm-band.
23	Mattarati	Decorative forehead band.
24	Safa	Headwear made up of traditional embroidery work.
II.	<u>Decorative furnishings</u>	
25	Toran	A textile article, traditionally used to decorate door posts, embroidered or with applique work in folk motifs.

No.	Name	Description
II.	<u>Decorative furnishings</u> (cont'd)	
26	Tombai	Cylindrical hanging with appliqué work of hand-printed, hand-painted or hand-embroidered fabrics, traditionally hung from ceilings or in doorways.
27	Shamiana	Canopy or awning with appliqué work of squares or triangle in contrasting colours, used as ceiling decoration.
28	Kalamkari	Wall hangings with mythological scenes depicted by hand-painting or hand-printing using wax.
29	Temple hangings	Hand-painted or hand-printed hangings with traditional mythological or religious motifs.
30	Chakla	Embroidered wall-hangings, with or without mirror work, depicting folk motifs.
31	Batik wall hangings	Wall hangings of cotton, with designs created by the traditional handicraft batik process (hand-waxing, dyeing and boiling being repeated for each colour).
32	Chahdani Posh	A decorative cover for a tea-pot or coffee-pot.
33	Takiagilaf	A cushion cover decorated with Indian motifs.
34	Pulkhari	Decorative embroidered cloth with close darning stitch employed with strands of untwisted silk to make the flower-like embroideries.
35	Goddiposh	Decorative version of the bedspread, sometimes quilted.

No.	Name	Description
II.	<u>Decorative furnishings</u> (cont'd)	
36	Hand-knotted carpets	Having woollen or cotton warp and weft and a woollen knotted pile, of which each knot or loop is made by hand and joins two warp threads. After each row of knots is completed, a weft thread is passed through the warp. The pile is subsequently shorn by hand to give the carpet the desired thickness. The traditional patterns used are common to India and neighbouring regions of south and central Asia, and usually consist of stylized floral, animal and geometrical motifs, in either a single design or repeated several times within a border. Carpets with traditional pictorial designs (e.g. court, hunting, pole, jungle scenes etc.), modern designs with Indian motifs from ancient monuments and murals, and carpets in a single colour, without pattern, are also produced by hand in India.
37	Hand-woven carpets	Of the <u>Kelem</u> , <u>Schumak</u> and <u>Karamanie</u> types.
38	Gabba	Floor-coverings produced by hand-embroidery or by appliqué work on a base consisting of woven wool, felt, or jute, with or without a cotton backing.
39	Naldas	A floor-covering with felted woollen surface with or without traditional embroideries in various shapes and sizes.

ANNEX IV

Handloom/Folklore Certificate

1. Exporter (name, full address)	ORIGINAL	2. No.
3. Consignee (name, full address)	CERTIFICATE in regard to HANDLOOM FABRICS and PRODUCTS OF THE COTTAGE INDUSTRY and TRADITIONAL FOLKLORE PRODUCTS, issued in conformity with and under the condition regulating trade in textile products with Austria	
4. Place and date of shipment - means of transport	5. Supplementary details	
6. Description of goods	7. Quantity	8. F.o.b. value

9. CERTIFICATION BY THE COMPETENT AUTHORITY

I, undersigned, certify that the consignment described above includes only the following textile products of India.

- \* (a) Handloom textile fabrics, being fabrics woven on looms operated solely by hand or foot and made in the cottage industry of India.
- \* (b) Garments or other textile products, made in the cottage industry of India, having been handmade from handloom textile fabrics as described above.
- \* (c) Traditional folklore handicraft textile products, as defined in the list agreed between Austria and India.

10. Competent authority (name, full address)	At ..... on .....	
	Signature	(Stamp)

\* Delete what is not applicable.

ANNEX V  
Export Certificate

1. Exporter name (full address)	ORIGINAL                      2. No.
	3. Quota year              4. Category number
5. Consignee name (full address)	INDIA EXPORT CERTIFICATE (Textile Products)
6. Place and date of shipment - means of transport	7. Supplementary details
8. Description of goods	9. Quantity                      10. F.o.b. value

**11. CERTIFICATION BY THE COMPETENT AUTHORITY**

I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No. 3 in respect of the category shown in box No. 4 by the provisions regulating trade in textile products with the Government of Austria.

**12. Competent authority (name, full address)**

At	On
(Signature)	(Stamp)

ANNEX VI

List of Cotton Textiles and Textile Products  
Subject to Statistical Surveillance

- (a) Cotton fabrics, CCCN Nos. 55.08 and 55.09
- (b) Hosiery, knitted or crocheted, of cotton, CCCN No. ex 60.03
- (c) Undergarments, knitted or crocheted, not elastic nor rubberized, of cotton, CCCN No. ex 60.04
- (d) Outergarments and other articles, knitted or crocheted, not elastic nor rubberized, of cotton, CCCN No. ex 60.05
- (e) Woven outergarments, of cotton, CCCN No. ex 61.01
- (f) Woven outergarments, of cotton, blouses excluded, CCCN No. ex 61.02
- (g) Woven undergarments, of cotton, shirts excluded, CCCN No. ex 61.03
- (h) Table-linen, toilet-linen and kitchen-linen, of cotton, CCCN No. ex 62.02