

GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Sweden and Sri Lanka

The Textiles Surveillance Body has received from Sweden a notification of a new bilateral agreement with Sri Lanka, concluded¹ under Article 4 of the MFA, valid for the period 1 August 1982 to 31 July 1984.

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding³ the text of the notification to participating countries for their information.

¹ The previous bilateral agreement is contained in COM.TEX/SB/631

² See COM.TEX/SB/35, Annex B

³ For the TSB's observations on this notification, see COM.TEX/SB/857, paragraphs 5 to 12

ANNEX I

AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF SRI LANKA AND THE GOVERNMENT
OF SWEDEN REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS
FROM SRI LANKA TO SWEDEN

ARTICLE 1

The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of article 1:2, article 4 and article 6:4 thereof and the provisions of GATT document L 5276.

ARTICLE 2

This Agreement shall apply for the periods specified in Annex I.

ARTICLE 3

The Government of Sri Lanka will limit exports to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of issue of shipping documents shall be considered to be the date of exportation.

ARTICLE 4

- (a) This Agreement shall apply to exports from Sri Lanka to Sweden of the textile products described in Annex I hereof, of cotton, wool or man-made fibres, or blend thereof, in which

any or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool).

- (b) Notwithstanding the provisions of this Article this Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in Annex II of this Agreement.

ARTICLE 5

The Government of Sweden will admit imports of the textile products of Sri Lanka origin, listed in Annex I, provided that such imports are covered by an Export Certificate, as per specimen in Annex III. Such a document shall be issued by the Ministry of Textile Industries, be consecutively numbered, state the group number, and bear an endorsement that the consignments concerned have been approved and debited to the agreed group levels for exports to Sweden for the relevant period.

ARTICLE 6

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in an Export Certificate has already been reached or the unused portion of that

limit is insufficient to cover the goods specified in the certificate, the said authorities may refuse to admit any quantity in excess of the quantitative limit. In this event the Government of Sweden shall inform the Government of Sri Lanka as soon as possible. Should any excess quantity be permitted to enter Sweden, the Sri Lanka authorities shall, upon information by the Swedish authorities, deduct the overshipped quantity from the relevant level which is or may be agreed upon for the following restraint period.

ARTICLE 7

Both parties regard it as essential that exports to Sweden of goods listed in Annex I are evenly spaced throughout the period of agreement and that, in the allocation of quotas, due consideration is given to traditional patterns of trade. Accordingly, the Government of Sri Lanka undertakes to provide a procedure to achieve this.

ARTICLE 8

Where the Swedish authorities ascertain that the level of imports in a group subject to quantitative limits set out in Annex I exceeds the level of imports in the preceding year by 10% of the level of the quantitative limit set out in Annex I for the current agreement year, they may request, with a view to avoiding palpable damage to domestic industry, the opening of consultations with a view to reaching agreement on:

- a modification of the quantitative limit set out in Annex I by the establishment of an ad hoc limit

- below the existing quantitative limit
- as well as the corresponding equitable and quantifiable compensation, mutually acceptable to both parties.

The Swedish authorities shall authorize the importation of products of the said group shipped from Sri Lanka before the date on which the request for consultations was submitted.

Pending a mutually satisfactory solution, Sri Lanka undertakes for a period of 1 month from the date of notification of the request for consultations, to restrain exports to Sweden of the products in the group concerned to one twelfth of the level of exports reached during the preceding period of restraint, calculated on a twelve months' basis.

A quantitative limit modified as a result of the application of the above should be regained in the last agreement period of any bilateral agreement signed during the validity of MFA III, by means of an appropriate growth rate.

The provisions of the first paragraph of this article shall not apply to a given group unless the quantitative limit established in Annex I for the group represents at least 0.5% of total Swedish imports during 1980.

The provisions of the first paragraph of this article shall not apply to a given group unless the level of imports originating in Sri Lanka during the current agreement period represents at least 50% of the quantitative limit set out in Annex I for the group.

Any limit modified in accordance with the provisions above may in no case be lower than the level of imports of products in that group originating in Sri Lanka in 1980.

With a view to limiting recourse to this article, Sri Lanka undertakes to inform Sweden of any sharp and substantial increases in the issue of export licences for any group which is likely to lead to the fulfilment of the conditions required for the application of the present article.

If by the time of negotiation of a new agreement between Sri Lanka and Sweden, Sri Lanka will, with any other country or group of countries, have agreed to provisions relating to paragraph 10 of the protocol of Extension to MFA III, which in the view of Sweden are more favourable than this Article, Sri Lanka will accord to Sweden provisions which in the new agreement place Sweden in an equitable position to any third country or group of countries in this respect.

ARTICLE 9

The Government of Sri Lanka will forward to the Government of Sweden, via the Embassy of Sweden in Colombo, monthly statistics on a cumulative basis of the quantities of the groups II, VIII and X and of the weight of the rest group, listed in Annex I, for which duly endorsed export certificates for exports to Sweden have been issued. The statistics shall reach the Government of Sweden within a period of two months from the month of reference.

The Swedish Government will forward to the Government of Sri Lanka monthly statistics on a cumulative basis of licences issued for imports from Sri Lanka of the above mentioned groups listed in Annex I. The statistics shall reach the Government of Sri Lanka, via the Embassy of Sweden in Colombo, within a period of two months from the month of reference.

ARTICLE 10

The Government of Sweden and the Government of Sri Lanka agree to consult each other, at the request of either party, if any problem should arise from the implementation of this Agreement. The Government of Sweden and the Government of Sri Lanka agree furthermore to enter into consultations, before the end of the period of agreement on the conditions of a new Agreement.

If consultations do not result, within a reasonable period of time, in a mutually satisfactory solution and this would result in serious damage to its domestic producers of like or directly competitive products, the Government of Sweden may apply limitations to the extent and for such a time as may be found necessary.

ARTICLE 11

The Government of Sri Lanka and the Government of Sweden agree to collaborate with a view to taking appropriate action to avoid circumvention of limitations by such devices as transshipment, re-routing, fraud etc.

ARTICLE 12

Either Government may terminate this Agreement before the end of the period of validity, provided that at least sixty days' notice is given. In such event the Agreement shall come to an end on the expiry of the period of notice.

ARTICLE 13

The Annexes of this Agreement shall be considered as integral parts of the Agreement.

ARTICLE 14

This Agreement has been drawn up in two copies in the English language, each of these texts being equally authentic.

Done in *Colombo* on *27th July* 1982.

Roy T. Salme
For the Government
of Sweden

[Signature]
For the Government
of Sri Lanka

ANNEX I

EXPORTS OF CERTAIN TEXTILES FROM SRI LANKA TO SWEDEN

Group No (a)	Ex Swedish Tariff Classification No (b)	Description (c)	Unit (d)	Level for period 1.8.82 - 31.7.83 (e)	Level for period 1.8.83 - 31.7.84 (f)
II	60.04.10- 61.03.10-	Shirts	Pieces	452,000	453,808
VIII	60.05.80-, 83-, 84-, 61.01.005, 003, 50- 61.02.005, 60- 99-	Trousers, other than shorts, (incl. work trousers e.g. trousers with bib and braces and trousers made of impregnated fabrics)	Pieces	187,900	188,652
X	60.05.80-, 82-, 84-, 61.02.006, 50- 99-	Blouses	Pieces	462,000	463,848

Group No (a)	Ex Swedish Tariff Classification No (b)	Description (c)	Unit (d)	Level for period 1.8.82 - 31.7.85 (e)	Level for period 1.8.83 - 31.7.84 (f)
(I, III-VII, IX, XI-XIV)	60.03.00-, 10-, 90-	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted other than ladies' stockings of continuous synthetic fibres			
	60.04.21-, 25-, 60-, 70-, 80-, 90-	Underwear, knitted or crocheted, other than shirts (ex group II)			
	60.05.10-, 20-, 30-, 60-, 90-, 91-, 94-, 85-, 87-, 90-	Outerwear, knitted or crocheted, other than trousers other than shorts (ex group VIII) and blouses (ex group X)			
	61.01.003-4, 006, 10-, 30-, 41-, 45-, 70-, 90-, 95-	Men's and boys' woven outer garments other than trousers other than shorts (ex group VIII)	Kilo-grammes	61,500*	61,746*
	61.02.004, 006, 11-, 15-, 20-, 30-, 40-, 80-, 90-, 95-, 97-	Women's, girls' and infants' woven outer garments other than trousers other than shorts (ex group VIII) and blouses (ex group X)			
	61.03.20-, 61.04.10-	Men's, boys', women's, girls' and infants' nightwear, not knitted or crocheted			
	62.01.all	Travelling rugs and blankets			
	62.02.11-, 19-, 792-3	Bed linen			
	62.02.31-, 39-, 792-3	Towels and similar articles			

*Out of this quantity not more than 40% may be used for Group VI, Overcoats and Jackets. 1)

1) Conversion factor: 1 garment in group VI equals 0,40 kgs.
24,600 kgs (=40% of 61,500 kgs) equal 61,500 pieces (agreement period 1) Jackets. 1)
24,698 kgs (=40% of 61,746 kgs) equal 61,745 pieces (agreement period 2)

ANNEX II

Definition of "Impregnated Fabrics"
for the purposes of Article 4

1. Fabrics of cotton, wool or man-made fibres or any blend containing one or more of those fibres in which either wool represents 17 per cent or more by weight or any or all of those fibres in combination represent 50 per cent or more by weight of the unfinished fabric shall be defined as "impregnated fabrics" where those fabrics have been impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials whatever the nature of the plastic material (compact, foam, sponge or expanded).
2. The definition does not cover-
 - (a) Fabrics which, after impregnation, coating, covering or lamination, cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm at a temperature between 15° C and 30° C.
 - (b) Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

