

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Original: English

LONG-TERM ARRANGEMENT REGARDING TRADE IN  
COTTON TEXTILES

Agreement Between Hong Kong and Norway

Attached is a memorandum of agreement between the Government of Hong Kong and the Government of the Kingdom of Norway concerning the export of certain types of cotton shirts and cotton nightwear from Hong Kong to Norway.

This agreement has been transmitted to the secretariat by the Norwegian delegation in accordance with Article 4 of the Long-Term Arrangement Regarding Trade in Cotton Textiles.

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF HONG KONG  
AND THE GOVERNMENT OF THE KINGDOM OF NORWAY CONCERNING THE  
EXPORT OF CERTAIN TYPES OF COTTON SHIRTS AND COTTON  
NIGHTWEAR FROM HONG KONG TO NORWAY

Preamble

1. The Norwegian Government has requested the Government of Hong Kong to restrain exports from Hong Kong to Norway of:

- (a) woven cotton shirts for work, sport and leisure;
- (b) woven cotton nightwear for men, women and children.

The appropriate items in the Brussels Nomenclature are:

- (a) ex 61.03
- (b) ex 61.03 and ex 61.04

The Hong Kong statistical items are:

- (a) ex 841 040
- (b) 841 050, 841 052 and 841 054.

2. The Norwegian request for restraint is based on the share of the Norwegian market which Hong Kong products have achieved in the last three years, as illustrated in the following tables:

Shirts for Work, Sport and Leisure Purposes

|                               | <u>1959</u>  | <u>1960</u>  | <u>1961</u>  |
|-------------------------------|--------------|--------------|--------------|
|                               | %            | %            | %            |
| Share of total turnover       |              |              |              |
| Norwegian products            | 60.5         | 33.6         | 34.1         |
| Hong Kong products            | 19.0         | 36.8         | 35.3         |
| Products from other countries | <u>20.5</u>  | <u>29.6</u>  | <u>30.6</u>  |
|                               | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

Nightwear

|                               | <u>1959</u>  | <u>1960</u>  | <u>1961</u>  |
|-------------------------------|--------------|--------------|--------------|
|                               | %            | %            | %            |
| Share of total turnover       |              |              |              |
| Norwegian products            | 36.9         | 31.8         | 26.2         |
| Hong Kong products            | 23.3         | 40.2         | 48.1         |
| Products from other countries | <u>36.8</u>  | <u>28.0</u>  | <u>25.7</u>  |
|                               | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

3. Discussion of the Norwegian request took place in Hong Kong from 9 to 19 October 1962 between representatives of the two Governments.

4. While agreeing that Hong Kong's exports to Norway of these products do not strictly constitute marked disruption as defined in the Long-Term Cotton Textiles Arrangement, nevertheless, in view of the very special circumstances arising from the volume of these exports in relation to the size of the Norwegian domestic market, the Governments of Hong Kong and Norway agree to the following arrangements.

Agreement

1. The Government of Hong Kong undertakes to restrain exports of these products to Norway during the period of the Long-Term Cotton Textiles Arrangement to the following maximum levels (figures being in thousands of dozens):

|   | (a) <u>Shirts</u> | (b) <u>Nightwear</u> |
|---|-------------------|----------------------|
| 1st year (1 October 1962 - 30 September 1963) | 46                | 16                   |
| 2nd year (1 October 1963 - 30 September 1964) | 51                | 18                   |
| 3rd year (1 October 1964 - 30 September 1965) | 56                | 20                   |
| 4th year (1 October 1965 - 30 September 1966) | 61                | 22                   |
| 5th year (1 October 1966 - 30 September 1967) | 66                | 23                   |

2. The Government of Norway enters in return into the following undertakings:

(i) Norway agrees to remove its existing restrictions on the importation of these products from Hong Kong;

(ii) Norway agrees not to request the Hong Kong Government to restrain exports in any other category of cotton textiles during the first year of the Long-Term Cotton Textiles Arrangement

(i.e. 1 October 1962 - 30 September 1963). In the second and subsequent years of that Arrangement if Norway wishes to request restraint in any other category, the Norwegian Government will first establish market disruption as defined in the Long-Term Cotton Textiles Arrangement and otherwise proceed in accordance with the provisions of that Arrangement, with the exception that, where the figure and words "5 per cent" appear in Annex B there should be deemed to be substituted the figure and words "10 per cent".

(iii) It is understood that this Agreement is designed to afford the Norwegian industry a degree of protection from competition from Hong Kong in respect of the cotton textile products listed above, but it is not intended to facilitate exports of these products from third countries to the Norwegian market. The Norwegian Government declares that if imports of the said products from any source increase during the period of the Long-Term Cotton Textiles Arrangement, otherwise than as a result of obligations already incurred under paragraph 3 of Article 2 of that Arrangement, the Norwegian Government will on request enter into consultations with the Government of Hong Kong with a view to considering modification of this Agreement.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

Done in duplicate at Oslo, this twenty-eighth day of March 1963, in the English and Norwegian languages, both texts being equally authoritative.

For the Hong Kong  
Government:

For the Norwegian  
Government:

D.R. Holmes (signed)

O.C. Gundersen (signed)