

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TEX/SB/937*
4 July 1984

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Austria and Hong Kong

The Textiles Surveillance Body has received from Austria a notification of a new bilateral agreement with Hong Kong, concluded under Article 4 of the MFA, valid for the period 1 February 1984 to 31 January 1987.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous bilateral agreement is contained in COM.TEX/SB/855.

²See COM.TEX/SB/35, Annex B.

³For the TSB's observations on this notification, see COM.TEX/SB/943.

*English only/anglais seulement/inglés solamente

MEMORANUUM OF UNDERSTANDING

1. Having examined the current pattern and development of trade in certain textile products exported from Hong Kong to Austria, Hong Kong and Austria agree that an export authorisation system shall be introduced for the three years 1 February 1984 to 31 January 1987 in respect of the products listed in the Annex to this Memorandum.

2. Hong Kong shall require all exports to Austria of the products listed in the Annex to be covered by export authorisations issued by the Hong Kong Trade Department. An export authorisation shall be issued only on evidence of a firm contract for the supply of the products involved and shall be valid for up to 6 months from the date of issue.

3. Export licences to ship products covered by an export authorisation will be issued by Hong Kong on presentation of the relevant export authorisation within the latter's validity period. An export licence shall be valid for 28 days from the date of issue. Hong Kong shall not issue export licences in respect of exports to Austria of products listed in the Annex which are not covered by a valid export authorisation.

4. Hong Kong shall provide Austria with half-monthly statistical returns showing the quantities covered by export authorisations issued to Hong Kong exporters in respect of the products listed in the Annex. Hong Kong agrees to notify Austria immediately upon receipt of any applications for export authorizations in exceptionally large amounts in a particular product.

5. Austria shall admit imports of the textile products of Hong Kong origin listed in the Annex where such imports are accompanied by a copy of an export licence issued by the Hong Kong Trade Department.

6. If, in the opinion of Austria, the Austrian market is being disrupted in terms of the definition of market disruption in Annex A of the Arrangement Regarding International Trade in Textiles, by imports from Hong Kong of any product covered by this system, Austria may request consultations under the provisions of the Arrangement Regarding International Trade in Textiles.

7. A request for consultations shall be supported as soon as possible, and in any case within 14 days of the date of the request, by a factual statement of the reasons and justification for the request, including the latest data concerning elements of market disruption.

8. Austria and Hong Kong, unless otherwise agreed, shall consult as soon as possible within 30 days of the request for such consultations and shall make their best efforts to complete such consultations within 30 days of the commencement.

9. Pending the completion of consultations, Austria may request Hong Kong to limit, during the period in which the request for consultations is made, the issue of export authorizations of the product concerned to a level not less than the highest of:

- (a) the level of the export authorizations issued for the product concerned in the immediate preceding period increased by 10%;
- (b) the average of the level of export authorizations issued for the product concerned in the preceding periods since February 1, 1978, increased by 10%;
- (c) the level of export authorizations issued since the commencement of the period in which the request for consultations is made, increased by 10%.

Hong Kong agrees that it will honour such a request.

10. For the purpose of paragraph 9 above, a "period" shall be 1 February of one year to 31 January of the immediately succeeding year. In any case of a product, or part of a product, for which the issue of export authorizations has not commenced until after 1 February 1978, the level of export licences issued in periods preceding the commencement of issue of export authorizations shall be substituted for the level of export authorizations in applying sub-paragraphs (a) and/or (b) of paragraph 9 above, as appropriate.

11. In the event that consultations do not result in agreement, Austria shall have the right to request Hong Kong to limit exports to Austria of the products concerned during the period in which the request for consultations is made to a level not less than that calculated according to the formula set out in paragraph 9 above. Hong Kong agrees that it will honour such a request.

12. Austria and Hong Kong agree that these provisions shall not derogate from the rights of Austria and Hong Kong under the Arrangement Regarding International Trade in Textiles.

13. Hong Kong and Austria agree to consult, at the request of either party, on any matter arising from the implementation of this system.

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

For Austria

For Hong Kong



Gerhard Waas
Director

Federal Ministry of
Commerce, Trade and Industry

Vienna, 24 January 1984



E.P. Ho
Secretary for Trade and Industry
Hong Kong, 12 January 1984

ANNEX

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.		Description
(3)	ex 61.01 23 ex 61.01 25 ex 61.01 29 61.01 71 61.01 73 61.01 75	ex 842 411 ex 842 412 ex 842 421	ex 842 422 ex 842 431 ex 842 432	Jackets, including anoraks and blazers, not knitted or crocheted, wholly or mainly of cotton, of wool or of man-made fibres, men's and boys' wear.
(4)	ex 61.01 33 ex 61.01 35	ex 842 191 ex 842 192 ex 842 193 ex 842 194 842 932 842 933 842 934	842 935 842 942 842 943 842 944 842 945	Coats, including raincoats but excluding capes and gowns, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, men's and boys' wear.
(5)	ex 61.01 23 ex 61.01 25	ex 842 321 ex 842 322 ex 842 331 ex 842 332 ex 842 938 ex 842 939	ex 842 948 ex 842 949 842 936 842 937 842 946 842 947	Gymnastic pants, ski-jackets, ski-vests and swimwear, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, men's and boys' wear.
(6)	61.01 41 61.01 43 61.01 45	ex 842 211 ex 842 212 ex 842 221	ex 842 222 ex 842 231 ex 842 232	Suits, not knitted or crocheted, wholly or mainly of cotton, of wool or of man-made fibres, men's and boys' wear.
(7)	ex 61.03 11 ex 61.03 19 ex 61.03 21 ex 61.03 29	ex 844 213 ex 844 214 ex 844 223	ex 844 224 ex 844 297 ex 844 298	Pyjamas and night-shirts, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, men's and boys' wear.

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.	Description
(9)	61.02 51 61.02 71 61.02 73	843 311 ex 843 930 843 312 ex 843 970 843 411 843 412 843 431 843 432	Dresses, not knitted or crocheted, of wool; skirts, not knitted or crocheted, of wool or of man-made fibres, women's, girls' and infants' wear.
(10)	ex 61.02 33 ex 61.02 35	ex 843 121 843 946 ex 843 122 ex 843 950 ex 843 131 ex 843 957 ex 843 132 843 963 843 943 843 964 843 944 843 965 843 945 843 966 ex 843 970 ex 843 977	Coats, including raincoats but excluding capes and gowns, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, women's, girls' and infants' wear.
(11)	61.02 43 61.02 45	ex 843 221 ex 843 232 ex 843 222 843 234 843 224 843 235 843 225 ex 843 957 ex 843 231 ex 843 977	Costumes and trouser suits, including two- or three-piece suits, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, women's, girls' and infants' wear.
(12)	ex 61.02 31 ex 61.02 33 ex 61.02 35	ex 843 111 ex 843 132 ex 843 112 ex 843 937 ex 843 121 ex 843 957 ex 843 122 ex 843 977 ex 843 131	Jackets, not knitted or crocheted, wholly or mainly of cotton, of wool or of man-made fibres, women's, girls' and infants' wear.
(13)	ex 60.04 48	ex 846 272 ex 846 273 ex 846 276 ex 846 277 ex 846 292	Briefs, drawers, panties, undershorts, and the like, knitted or crocheted, wholly or mainly of cotton.

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.	Description	
(14)	60.04 21	846 211	Shirts, knitted or crocheted, wholly or mainly of cotton, or of man-made fibres, men's and boys' wear.	
	ex 60.04 30	846 212		
	60.04 42	846 321		
		846 322		
		846 413		
		846 414		
		845 930		Blouses, knitted or crocheted, wholly or mainly of cotton, or of man-made fibres, women's, girls' and infants' wear.
	ex 60.04 28	ex 845 937		
	ex 60.04 30	845 950		
	ex 60.04 48	ex 845 957		
	ex 60.05 31	845 970		
	ex 60.05 33	ex 845 977		
	ex 60.05 61			
	ex 60.05 63			
	ex 60.05 69			
	60.05 71			
	60.05 72			
	ex 60.05 88			
	ex 60.04 48	ex 846 282	Singlets and under-shirts, including underwear T-shirts, knitted or crocheted, wholly or mainly of cotton, men's, boy's, women's, girls' and infants' wear.	
	ex 846 283			
	ex 846 286			
	ex 846 287			
	ex 846 292			
(15)	ex 60.04 28	846 284	846 344	Pyjamas and other night garments, knitted or crocheted, wholly or mainly of cotton, or of man-made fibres.
	ex 60.04 30	846 285	ex 846 345	
	ex 60.04 48	846 290	846 404	
		846 291	846 405	
		ex 846 292	846 410	
		846 333	846 411	
		846 334	ex 846 412	
	846 343			
(16)	ex 60.05 31	ex 845 111	ex 845 131	Jackets, sweaters, cardigans, pull-overs and jumpers, knitted or crocheted, wholly or mainly of cotton, of wool or of man-made fibres.
	ex 60.05 32	ex 845 112	ex 845 132	
	ex 60.05 33	ex 845 113	ex 845 133	
	ex 60.05 61	ex 845 114	ex 845 134	
	ex 60.05 62	ex 845 115	ex 845 135	
	ex 60.05 63	ex 845 121	ex 845 141	
	ex 60.05 69	ex 845 122	ex 845 142	
	ex 60.05 81	ex 845 123	ex 845 143	
	ex 60.05 82	ex 845 124	ex 845 144	
	ex 60.05 83	ex 845 125	ex 845 145	
	ex 60.05 88			

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.	Description			
(17)	ex 60.05 32	ex 845 211	Dresses, knitted or crocheted, wholly or mainly of cotton or of wool.			
	ex 60.05 33	ex 845 212				
	ex 60.05 61	ex 845 218				
	ex 60.05 62	ex 845 221				
	ex 60.05 63	ex 845 222				
	ex 60.05 81	ex 845 228				
	ex 60.05 82					
(18)	ex 60.05 31	845 906	845 946	Slacks, shorts, jeans and trousers, knitted or crocheted, wholly or mainly of cotton, of wool or of man-made fibres.		
	ex 60.05 32	845 907	845 947			
	ex 60.05 33	845 913	845 953			
	ex 60.05 61	845 914	845 954			
	ex 60.05 62	ex 845 917	ex 845 957			
	ex 60.05 63	845 926	845 966			
	ex 60.05 69	845 927	845 967			
	ex 60.05 81	845 933	845 973			
	ex 60.05 82	845 934	845 974			
	ex 60.05 83	ex 845 937	ex 845 977			
	ex 60.05 88					
	(19)	60.05 51	ex 845 223		ex 845 245	Track suits, knitted, wholly or mainly of cotton or of man-made fibres.
		60.05 52	ex 845 224		ex 845 920	
ex 60.05 59		ex 845 225	ex 845 921			
		ex 845 233	ex 845 940			
		ex 845 234	ex 845 941			
		ex 845 235	ex 845 960			
		ex 845 243	ex 845 961			
		ex 845 244				

Underwear T-shirts are single-coloured, not patterned nor printed T-shirts. Multi-coloured, patterned or printed T-shirts which are packed and shipped together with matching briefs as sets of underwear are considered as underwear T-shirts.

MEMORANDUM OF UNDERSTANDINGIntroduction

1. This Memorandum of Understanding sets out the arrangements that have been agreed between Hong Kong and Austria regarding Hong Kong's exports of certain textile products to Austria.
2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles and in particular to Article 4 thereof.

Coverage

3. These arrangements shall apply to Hong Kong's exports to Austria of the textile products set out in column (d) of Annex I to this Memorandum.

Restraint Period

4. These arrangements shall apply for the periods 1 February 1984 to 31 January 1985, 1 February 1985 to 31 January 1986 and 1 February 1986 to 31 January 1987.

Restraint Limits

5. Hong Kong shall restrict exports of the products set out in Annex I to the limits set out in columns (e), (f) and (g) for the periods stated therein, save as provided for in paragraphs 8 to 14 below.
6. For the purposes of these arrangements, Austria shall admit imports of the textile products of Hong Kong origin set out in Annex I only where such imports are covered by export licences issued by the Hong Kong Trade Department and endorsed to the effect that the consignments concerned have been debited to the agreed limits for each restraint period.
7. Furthermore, Austria shall admit imports of the textile products of Hong Kong origin set out in Annex I where such imports are covered by export licences issued by the Hong Kong Trade Department on or before 31 January 1984, under the terms of the Memorandum of Understanding regarding restrained items between Hong Kong and Austria signed in Vienna on 27 January 1983 and in Hong Kong on 13 January 1983.

Swing

8. The limits in columns (e), (f) and (g) of Annex I may be increased during the relevant restraint period stated therein by up to five per cent provided that a corresponding reduction is applied to the limits for other products during the same restraint period.
9. For the purposes of calculating such corresponding reductions, the conversion factors listed in column (h) of Annex I shall apply.

Carryover and Carryforward

10. If in the previous restraint period terminating on 31 January 1984 exports from Hong Kong to Austria of any product as set out in Annex I to the Memorandum of Understanding regarding restrained items between Hong Kong and Austria, signed in Vienna on 27 January 1983 and in Hong Kong on 13 January 1983, are less than the limits as set out in column (e) of Annex I thereto, Hong Kong may, after consultation with Austria, during the period 1 February 1984 to 31 January 1985 approve the export of additional amounts equivalent to such shortfalls provided that such exports :

- (i) are in the same products where the shortfalls occurred; and
- (ii) do not exceed 10 per cent of the annual restraint limit of these products specified in column (e) of this Memorandum.

11. If in the previous restraint period terminating on 31 January 1984 exports from Hong Kong to Austria of any product as set out in Annex I to the Memorandum of Understanding regarding restrained items between Hong Kong and Austria, signed in Vienna on 27 January 1983 and in Hong Kong on 13 January 1983, should exceed the limit as set out in Annex I thereto, up to 5% in accordance with the provision of paragraph 11 of that Memorandum, Hong Kong shall inform Austria of the carry forward quantities and debit these to the corresponding limit for the period 1 February 1984 to 31 January 1985 as set out in column (e) of Annex I to this Memorandum.

12. The restraint limit for any product set out in column (d) in Annex I to this Memorandum may be exceeded, after consultations between Austria and Hong Kong, by a carryover of not more than 10 per cent of the receiving restraint period's applicable restraint limit in the case of shortfalls in the corresponding restraint limit for the previous restraint period, and by a carry forward of not more than 5 per cent of the receiving period's applicable restraint limit. The carryover shall not exceed the amount of shortfall in the specific product and shall be used in the same product in which the shortfall occurred. Carry forward shall be deducted from the restraint limit established for the same product for the succeeding restraint period. The combination of carryover and carry forward shall not exceed 10 percent of the receiving restraint period's applicable restraint limit.

13. Should these arrangements be continued for a further period, the carryover and carry forward provisions set out in Annex B of the Arrangement Regarding International Trade in Textiles shall apply.

Re-exports

14. Austria will, as far as possible, inform Hong Kong when imports into Austria of the textile products set out in Annex I that have been debited to the agreed limits are subsequently re-exported from Austria. Hong Kong may then credit the quantities involved to the appropriate limits. To this end an administrative arrangement has been agreed between Austria and Hong Kong as set out in Annex II.

Exchange of Statistics

15. Hong Kong will provide Austria with half-monthly statistics of the textile products set out in Annex I licensed for export to Austria and debited to the limits set out in columns (e), (f) and (g) of Annex I.

16. Austria will provide Hong Kong with quarterly statistics of total imports and of imports from Hong Kong and from other significant suppliers of each of the textile products set out in Annex I.

Consultations

17. Austria and Hong Kong agree to consult, at the request of either party, on any matter arising from the implementation of these arrangements.

18. If 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 another supplier, Hong Kong may request Austria to consult with a view to remedial action such as a reasonable modification of these arrangements.

Annexes

19. Annexes I and II hereof shall be an integral part of this Memorandum.

For Austria



Gerhard Waas
Director
Federal Ministry of
Commerce, Trade and Industry

Vienna, 24 January 1984

For Hong Kong



E.P. Ho
Secretary for Trade and Industry
Hong Kong, 12 January 1984

Annex I

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.	Description	Limits in pieces			Conversion factors for swing purposes (pieces per kilogram)
				(a)	(b)	(c)	
1	ex 61.03 11 ex 61.03 21	844 111 844 112 ex 844 121 ex 844 122	Shirts, not knitted or crocheted, wholly or mainly of cotton or of discontinuous synthetic fibres.	1.2.84 -	1.2.85 -	1.2.86 -	5.00
				31.1.85	31.1.86	31.1.87	
2	61.02 63 61.02 65	843 511 843 512 843 521 843 522 ex 843 957 ex 843 977	Blouses, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres, women's, girls' and infants' wear.	1,082,458	1,087,870	1,093,309	5.00
				1,018,254	1,023,365	1,028,461	
3	61.01 53 61.01 55 61.02 83 61.02 85	842 321 842 322 842 331 842 332 ex 843 421 ex 843 422 ex 843 431 ex 843 432 843 947 843 948 ex 843 950 ex 843 957 843 967 843 968 ex 843 970 ex 843 977	Slacks, shorts, jeans, trousers and divided skirts, not knitted or crocheted, wholly or mainly of cotton or of man-made fibres.	1,507,824	1,537,980	1,568,739	1.76

Item No.	Austrian Statistical Classification No.	Hong Kong Statistical Classification No.	Description	Limits in pieces			Conversion factors for swing purposes (pieces per kilo-gram)
				1.2.84 - 31.1.85	1.2.85 - 31.1.86	1.2.86 - 31.1.87	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
4	ex 60.05 31 61.02 53 61.02 55 61.02 75	843 32i 843 322 843 331 843 332 ex 843 421 ex 843 422 ex 843 950 ex 843 970 ex 845 231 ex 845 232 ex 845 238	Dresses, knitted or crocheted, of synthetic fibres; dresses, not knitted or crocheted, of cotton or man-made fibres; skirts, not knitted or crocheted, of cotton, women's, girls' and infants' wear.	549,829	560,825	572,041	3.10

ANNEX II

Notwithstanding the provisions of paragraph 6 and in furtherance of paragraph 14, Austria and Hong Kong agree the following administrative arrangement:

- (a) For presentation to Austria in support of an application for a corresponding import licence, an export licence ceases to be valid upon the expiration of one hundred and twenty days from the date of issue of the export licence. All export licences covering restrained items will be endorsed to this effect;
- (b) Austria will provide Hong Kong at monthly intervals with a list of export licences which have been presented to Austria in support of applications for import licences indicating the quantity covered by each corresponding import licence issued; and
- (c) In respect of export licences of which the validity of one hundred and twenty days referred to in (a) above has expired and which are not shown on the lists of export licences provided by Austria pursuant to (b) above, Hong Kong will notify Austria, as soon as possible, the numbers of such export licences and the quantity covered by each export licence with an indication that the quantities will be credited back to Hong Kong for re-use if nothing is heard from Austria within six weeks from the date of such notification.