

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1177\*

11 August 1986

Special Distribution

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Amendment of the Bilateral Agreement between Sweden and Hong Kong

The Textiles Surveillance Body received a notification from Sweden of an amendment of its bilateral agreement with Hong Kong. The parties agreed to the deletion of the aggregate limit in the agreement, and the availability of swing for the last two agreement years.<sup>1</sup>

The TSB, pursuant to its procedures regarding notifications made under Article 4,<sup>2</sup> has examined the relevant documentation and is forwarding the<sup>3</sup> text of the notification to participating countries for their information.

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<sup>1</sup>The bilateral agreement is contained in COM.TEX/SB/1090.

<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/1180

\* English only/Anglais seulement/Inglés solamente

The Consulate General of Sweden presents its compliments to the Trade Department and, with reference to the Memorandum of Understanding signed on 20 June, 1983, between the Government of Sweden and the Government of Hong Kong regarding exports of certain textile products from Hong Kong to Sweden, as amended, as well as to the consultations between the two Governments, which took place in Stockholm on 3 - 6 June, 1986, has been instructed to propose the following:

Article 3

The words "to the Aggregate limit, and" shall be deleted.

Article 4

The words "and from the Aggregate" on the fourth line in paragraph (a) shall be deleted. On the last line of paragraph (a) the words "Aggregate esy" shall be replaced by "Total sum esy".

Article 5

The first sentence shall read "In addition to the swing incorporated in the Sub-Group limits in Annex II and the adjustment which may be made in the specific Group and Sub-Group limits by the application of Article 4 of this Memorandum, the following provisions shall apply:"

Paragraph (d) (ii) shall be deleted.

The following paragraph shall be added:

(e) The Government of Hong Kong may request the export of amounts in excess of the Group and Sub-Group limits (swing) in column (f) and in column (g) of Annex II to this Memorandum of Understanding respectively. Swing between 0,5% and 4% of the Group and Sub-Group limits for the Agreement years specified in the above mentioned columns may, following consultations to determine the percentage applicable, be agreed upon. Where specific Group and/or Sub-Group limits have been increased by swing a corresponding reduction shall be made in one or more of other Group and/or Sub-Group limits. For the purpose of calculating swing, conversion factors in Annex I to this Memorandum of Understanding shall apply.

#### Article 7

The words "the Aggregate limit, and" shall be deleted.

#### Annex II

The words "Aggregate in respect of the following eq.sq.yd." and the corresponding figures in columns (d) to (g) shall be deleted.

If the foregoing proposal is acceptable to the Government of Hong Kong, this note and a note to that effect on behalf of the Government of Hong Kong shall constitute an amendment to the above mentioned Memorandum of Understanding between the two Governments, to enter into force on the date of reply.

The Consulate General of Sweden avails itself of this opportunity to renew to the Trade Department the assurance of its highest consideration.

Agreed Minute

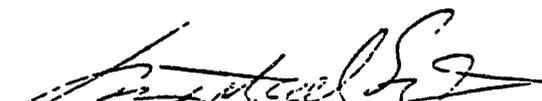
During consultations in Stockholm on June 3-6, 1986, delegations representing the Governments of Sweden and Hong Kong addressed the report of the Textiles Surveillance Body contained in document COM.TEX/SB/1093 of October 7, 1985. The two parties recalled that the Textiles Surveillance Body had noted at paragraph 13 thereof that the special transfer provision provided for a further reduction in the aggregate and that during its hearing on 9 July, 1985, the Textiles Surveillance Body had questioned whether the special transfer provision could be reversed. The two parties noted that Article 4 (c) of the bilateral agreement already provides for Hong Kong to request the return of quantities transferred under the special transfer provision and the Government of Sweden reaffirmed its undertaking to consider any such request in accordance with the consultation provisions of the bilateral agreement.

For the Delegation  
of Sweden



S. Patek

For the Delegation  
of Hong Kong



Michael C.C. Sze

Stockholm, June 6, 1986