

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1726*

29 May 1991

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Austria and India

The Textiles Surveillance Body received a notification from Austria of a bilateral agreement concluded with India for the period 1 January 1992 to 31 December 1992, with the possibility of a further twelve-month extension to 31 December 1993.¹

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

¹The previous bilateral agreement is contained in COM.TEX/SB/1262.

²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Ing^lés solamente

**Memorandum of Understanding between the Government of Austria and
the Government of the Republic of India relating to the export of
certain cotton and man-made fibre textile products
from India 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 and man-made fibre textile products from India for import into Austria.

2. This MOU has been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the ARRANGEMENT") and to the Protocol of July 1991 extending the said ARRANGEMENT.

Restraint Periods

3. The term of this MOU will be the period from 1 January 1992 through 31 December 1992.

4. (i) Should the Uruguay Round transition arrangement for integration of the textile sector into the GATT not come into force on 1 January 1993, this MOU will be extended for a second year commencing on 1 January 1993. However, any such extension of this MOU shall be brought into conformity with any successor to the current Protocol of extension to the MFA if changes are made therein.

(ii) This MOU will cease to have effect from the date the Uruguay Round transition arrangement for integration of the textile sector into the GATT comes into force.

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 and man-made fibre textile products described in Annex I for the calendar year commencing 1 January 1992 to the limits specified therein.

6. Should this MOU be extended for the year 1993 in terms of paragraph 4 of this MOU, Government of India will restrain its exports of the cotton and man-made fibre products described in Annex I to the limits specified therein advanced by the growth rate specified in column D except as provided for in paragraphs 11 and 12 below.

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 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 and man-made fibre 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.

Carryover and Carry forward

11. The export level for any category during any agreement year may be exceeded by a carryover of 10 per cent and a carry forward of 6 per cent. A carryover 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 utilised, the quantity involved shall be deducted from the export level established for the same category in the following year. The combination of carryover and carry forward shall not exceed 11 per cent. All per centages relating to carryover 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 utilisation 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 and man-made fibre textile products specified in Annex I showing the numbers and dates of export certificates and the names of exporters and importers. This will be done on a monthly basis within a period of 30 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 30 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 of 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, Government of Austria may request consultations with 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 Government of Austria, makes necessary the request for consultations. India agrees to consult within 30 days from the date on which the request for consultations has been received, and to make its best efforts to complete such consultations within 30 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 consultation 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 cooperation 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 and man-made fibre products subject to this MOU 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 this MOU having regard to the Arrangement and to the Protocol of July 1991 extending it.

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

Final Provisions

24. this Memorandum of Understanding will become effective on 1 January 1992 subsequent on exchange of notes between the two Governments confirming their acceptance of these arrangements.

Geneva, 29 November 1991

For the Delegation of the
Government of India

For the Delegation of the
Government of Austria

(Signed) S. Narayanar

(Signed) Mag. Georg Weiser

ANNEX I

RESTRAINT LEVELS

| (A) Item Number | (B) Product Description | (C) Restraint Level | (D) Growth | (E) Swing | (F) Carryover/ Carry forward | (G) Conversion Factor |
|-----------------------|---|---------------------------|---------------|--------------|------------------------------------|-----------------------------|
| 1 | Woven blouses of man-made fibres and cotton (Pieces) | 450,000 | 6% | 5% | 10/6% | 180 grams/ piece |
| 2 | Woven shirts of cotton (Pieces) | 195,000 | 6% | 5% | 10/6% | 217 grams/ piece |

ANNEX II

COTTAGE INDUSTRY PRODUCTS

1. The exemption provided for in paragraph 7 of the Memorandum 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 of other textile products, made in the cottage industry of India having been hand-made 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 III

**AGREED 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)
 - applique 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, knee or ankles with quarter, half or full-length narrow or loose sleeves, with or without buttons (not plain) |
| 2 | Pherron | A short of 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 | Churider Pyjama | Trousers, loose at waist (with drawstring 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 trills or flaring below the knee. |

| No. | Name | Description |
|-----|-------------------|--|
| 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. |
| 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 | Ghagra Lahnga | An ankle-length, very wide skirt with drawstring or hooks at waist. |
| 16 | Pavadai | A set made of a full ankle-length skirt and a bodice. |
| 17 | Dupatta | A very light woven scarf about 120cm x 80cm worn with kurta and churidar. |
| 18 | Ohdani | A cloth about 2m x 1m with much ornamentation. |
| 19 | Patka | A long stole, non-printed, ornamented with art work. |
| 20 | Gulu-Band | Neckband with traditional art work. |
| 21 | Kamarband | Decorated waistband and textile belt. |
| 22 | Bazuband | Decorative arm-band. |
| 23 | Mathapati | Decorative forehead band. |
| 24 | Safa | Headwear made-up of traditional embroidery work. |

II. Decorative furnishings

| | | |
|----|------------------------|---|
| 25 | Toran | A textile article, traditionally used to decorate door posts, embroidered or with applique work in folk motifs. |
| 26 | Tombai | Cylindrical hanging with applique work, of hand-printed, hand-painted or hand-embroidered fabrics, traditionally hung from ceilings or in doorways. |
| 27 | Shamiana | Canopy or awning with applique 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. |

| No. | Name | Description |
|-----|----------------------|---|
| 34 | Phulkhari | Decorative embroidered cloth with close darning stitch employed with strands of untwisted silk to make the flower-like embroideries. |
| 35 | Gaddiposh | Decorative version of the bedspread, sometime quilted. |
| 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 stylised 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, polo, 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 Kelem, Schumak and Karamanie types. |
| 38 | Gabba | Floor-coverings produced by hand-embroidery or by applique work on a base consisting of woven wool, felt, or jute, with or without a cotton backing. |
| 39 | Namdas | A floor covering with felted woollen surface with or without traditional embroideries in various shapes and sizes. |

ANNEX IV

| | | |
|--|---|-------------------|
| 1 Exporter (name, full address) | ORIGINAL | 2 No |
| 3 Consignée (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 FOB Value |
| <p>9 CERTIFICATION BY THE COMPETENT AUTHORITY</p> <p>I, the undersigned, certify that the consignment described above includes only the following textile products of India.</p> <ul style="list-style-type: none"> * 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 hand-made 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, country) | At (signature) | on (Stamp) |

* Delete what is not applicable.

ANNEX V

| | | |
|---|---|-------------------|
| 1 Exporter (name, full address) | ORIGINAL | 2 No |
| | 3 Quota year | 4 Category number |
| 5 Consignée (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 FOB Value |
| <p>11 CERTIFICATION BY THE COMPETENT AUTHORITY</p> <p>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.</p> | | |
| 12 Competent authority (Name, full address) | <p>At _____ on _____</p> <p>(signature) (Stamp)</p> | |

ANNEX VI

**List of Cotton textile and textile products
subject to Statistical Surveillance**

- (a) Cotton fabrics, HS 5208, 5209, 5210, 5211, 5212, 5802 10
(CCCN 5508 and 5509)
- (b) Under garments, knitted or crocheted, not elastic nor rubberised, of
cotton HS 6107 11, 6107 21, ex 6108 19, 6108 21, 6108 31, 6109 10,
ex 6111 20 (CCCN ex 6004)
- (c) Outer garments and other articles, knitted or crocheted, not elastic
nor rubberised of cotton HS 6101 20, 6102 20, ex 6103 19, 6103 22,
6103 32, 6103 42, 6104 12, 6104 22, 6104 32, 6104 42, 6104 52,
6104 62, 6106 10, 6107 91, 6108 91, 6110 20, ex 6111 20, 6112 11,
ex 6112 39, ex 6112 49, 6114 20, 6117 10, 6117 20, 6117 80, 6117 90
(CCCN ex 6005)
- (d) Woven outer garments, of cotton HS 6201 12, 6201 92, ex 6203 19,
6203 22, 6203 32, 6203 42, 6207 91, ex 6210 10, ex 6210 20,
ex 6210 40, 6211 11, 6211 32 (CCCN ex 6101)
- (e) Woven outer garments, of cotton, blouses excluded HS 6202 12, 6202 92,
6204 12, 6204 22, 6204 32, 6204 42, 6204 52, 6204 62, 6208 91,
ex 6209 20, ex 6210 30, ex 6210 50, 6211 12, ex 6211 20, 6211 42
(CCCN ex 6102)
- (f) Table linen, toilet linen and kitchen linen, of cotton HS 6302 51,
6302 50, 6302 91 (CCCN ex 6202)
- (g) Cotton bed linen HS ex 6302 10, 6302 21, 6302 31 (CCCN ex 6202)
- (h) Woven shirts of man-made fibres HS 6205 30.

AGREED MINUTE

Both delegations agreed that if restraint levels were introduced for any category or categories of products, that were subject to quantitative limits in the previous agreement but were subsequently removed, the annual levels so reintroduced shall not be less than the previous restraint levels duly increased by an annual growth rate, as far as possible.

AGREED MINUTE

Austria and the Republic of India agree to abide fully by the provisions of paragraph 18 of the Protocol of Extension dated 31 July 1986.

In particular, the introduction of the Harmonized System shall not affect the ability of a participant of this Memorandum to use or benefit fully from it.

In accordance with paragraph 18 above, either government has the right to request consultations with the other Government on any matter arising from the introduction of the Harmonized System.