

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1761\*

7 August 1992

Special Distribution

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4:4

#### Extension and amendment of the bilateral agreement between Norway and Hong Kong

The Textiles Surveillance Body received a notification from Norway of an extension with amendments of its bilateral agreement concluded with Hong Kong for the period 1 July 1992 to 31 December 1993.<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 text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup> The bilateral agreement is contained in COM.TEX/SB/1577.

<sup>2</sup> See COM.TEX/SB/35, Annex B.

<sup>3</sup> For the TSB's observation on this notification, see COM.TEX/SB/1771.

\* English only/Anglais seulement/Inglés solamente

**MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF NORWAY  
AND THE GOVERNMENT OF HONG KONG RELATING TO THE EXPORTS FROM HONG KONG OF  
CERTAIN TEXTILE PRODUCTS FOR IMPORT INTO NORWAY**

**Introduction**

1. This Memorandum of Understanding (hereinafter referred to as "MOU") sets out the arrangements that have been made between the Government of the Kingdom of Norway and the Hong Kong Government regarding exports of certain textile products from Hong Kong for import into Norway.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the MFA") as extended by the Protocol dated 31 July 1986 and as further extended by the Protocol dated 31 July 1991 (hereinafter referred to as "the MFA as extended"), and in particular to the provisions of Article 1:2 and Article 4 of the MFA and paragraph 12 of the Protocol of Extension.

**Coverage**

3. These arrangements apply to Hong Kong's exports to Norway of the textile products listed in Annex A to this MOU, when these are made 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) of the product. These arrangements apply also to the products in Categories 1 and 2 in Annex A the outer shells of which are manufactured from woven fabrics laminated with film or membrane even though this film or membrane can be seen by the naked eye on one side only, or from fabrics woven with micromultifibres, in either case giving the fabric the ability to be water resistant and also to breathe, and apply also to the products in Annex A which are manufactured from impregnated, coated or covered fabrics where the impregnation, coating or covering cannot be seen by the naked eye (for the purpose of this provision no account should be taken of any resulting change of colour).

**Classification**

4. For the purpose of classifying textile products in the appropriate category, the descriptions set out in Annex A will apply.

5. (a) In case of divergent opinions between Hong Kong and the competent Norwegian authorities at the point of entry into Norway on the classification of products covered by this MOU, consultations as provided for in paragraph 14 of this MOU shall be held with a view to reaching agreement on the appropriate classification of the products concerned and to resolving any difficulties arising therefrom. For this purpose, the authorities of Hong Kong shall be informed by the competent authorities in Norway as soon as a case of divergent opinions on the classification of products arises.

(b) Pending agreement on the appropriate classifications and subject to the permission of the authorities of Hong Kong, the products in question shall be cleared for importation on the basis of the classification indicated by the competent Norwegian authorities at the point of entry, in conformity with the provisions of this MOU.

#### **Restraint levels**

6. For products listed in Annex B to this MOU, Hong Kong shall during the term of this MOU (1.7.1992-31.12.1993) restrain its exports to Norway to the limits set out in Annex B, or the limits modified as provided for in paragraph 8 of this MOU.

#### **Surveillance**

7. The Government of Hong Kong will, for the category in Annex A marked with an \*, issue export licences.

#### **Flexibility provisions**

8. (a) **Carryover.** If during the term of this MOU, levels specified in Annex B of this MOU for any categories are not fully utilised, the Hong Kong Government may, after prior notification to the Government of the Kingdom of Norway, during the subsequent twelve-month period, approve the export of additional amounts equivalent to such shortfalls provided that such exports are in the same categories where the shortfalls occurred and do not exceed the percentages set out under column (d), Annex B, computed on the basis of the levels for the subsequent twelve month period. This should also be applicable from the last year of the previous MOU into the eighteen-month period of the present MOU except that the computation of the maximum additional amount (carryover) which shall not be exceeded shall be based on 12/18 ths of the levels of the eighteen-month period. For the purpose of applying the carryover provisions, shortfalls in the restraint period in question shall be calculated without debiting to the limits of that restraint period the use of carryover from the preceding restraint period.

(b) **Carryforward.** During the term of this MOU, the Hong Kong Government may, after prior notification to the Government of the Kingdom of Norway, approve the export of amounts in excess of the levels specified in Annex B to this MOU up to the percentages set out in Annex B under column (e), computed on the basis of 12/18 ths of the levels of the current eighteen month period. Where the specific levels have been increased by carryforward the Hong Kong Government shall inform the Government of the Kingdom of Norway of the carryforward quantities and debit these to the corresponding levels which are agreed or may be agreed upon for the subsequent period.

(c) **Swing.** During the term of this MOU, the Hong Kong Government may approve the export of amounts in excess of the levels specified in Annex B to this MOU up to the percentages set out in Annex B under column (f), computed on the basis of the levels for the current eighteen-month restraint period.

Where specific levels have been increased by swing, a corresponding reduction shall be made in one or more of other levels calculated on the basis of the conversion factors listed in Annex B, column (g).

#### **Admission of imports**

9. Exports from Hong Kong to Norway of textile products listed in Annex A shall be subject to a double-checking system of export and import licensing as specified in Annex C of the MOU. The Government of the Kingdom of Norway shall admit imports of the products of Hong Kong origin listed in Annex A provided such imports are covered by Hong Kong Export Licence endorsed, where appropriate, by the Trade Department, Hong Kong, that the products concerned have been debited to the limits for the relevant restraint period.

#### **Circumvention**

10. (a) The Hong Kong Government and the Government of the Kingdom of Norway agree to collaborate with a view to taking appropriate action to avoid circumvention of this MOU.

The Hong Kong Government and the Government of the Kingdom of Norway reaffirm their willingness to strengthen this collaboration having regard to the administrative and technical procedures in force in Hong Kong for the implementation of this MOU.

(b) Where information available to the Government of the Kingdom of Norway constitutes prima facie evidence that products of Hong Kong origin subject to restraint limits established under this MOU have been transhipped or re-routed into Norway in circumvention of this MOU, the Government of the Kingdom of Norway may request the opening of consultations in accordance with paragraph 14 herein. Where the evidence provided establishes that the provisions of this MOU have been circumvented, the Hong Kong Government undertakes to debit the appropriate limits for the restraint period in which the circumvention took place or for subsequent restraint periods timing and scale of such debiting being decided in consultation with the Government of the Kingdom of Norway.

#### **Seasonal fluctuations**

11. The Government of Hong Kong will endeavour to ensure that exports of textile products subject to restraint limits are spaced out as evenly as possible during the eighteen month restraint period, due account being taken of seasonal factors.

#### **Re-exports**

12. (a) Exports from Hong Kong to Norway of textile products covered by this MOU shall not be subject to the restraint limits established in Annex B, provided that the export licence certifies that the products concerned are for re-export outside Norway.

(b) Where the competent Norwegian authorities have evidence that products exported from Hong Kong and set off by Hong Kong against a restraint limit established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify the Hong Kong Government of the quantities involved. Upon receipt of such notification, the Hong Kong Government may authorise exports for the current restraint period of identical quantities of products within the same category, which shall not be set off against the restraint limits established in Annex B.

#### **Exchange of statistics**

13. (a) For all products listed in Annex A the Hong Kong Government undertakes to provide the Government of the Kingdom of Norway with quarterly statistics of all export licences issued by the authorities for each category for the current eighteen-month restraint period. Each report shall be transmitted within one month after the period covered by the report. For categories listed in Annex B, the final report for the eighteen-month restraint period shall also set out the adjusted limit if a restraint limit has been adjusted as provided for in paragraph 8 of this MOU.

(b) The Government of the Kingdom of Norway will provide the Hong Kong Government with quarterly statistics of total imports and imports from Hong Kong and other significant suppliers of each of the textile products listed in Annex A. In addition, the Government of the Kingdom of Norway will provide quarterly statistics of licences issued for imports from Hong Kong of each of the categories listed in Annex A.

(c) Both parties undertake to consider sympathetically requests from the other party to provide statistical information on their trade in textiles.

#### **Consultations**

14. (a) The Government of Hong Kong and the Government of the Kingdom of Norway agree to consult at the request of either government, on any question arising in the application of this MOU or on any question of textile products in accordance with the provisions of the MFA as extended.

(b) Further, the Government of the Kingdom of Norway and the Government of Hong Kong agree to consult at the request of either government with a view to bringing these arrangements into conformity with any international régime for trade in textile products succeeding or replacing the MFA as extended or any subsequent régime.

(c) Any request for consultations shall be notified in writing to the other party together with a statement explaining the reasons and circumstances that led to the request.

(d) The parties shall enter into consultations within 21 days at the latest from when the request was made, with a view to arriving at a mutually satisfactory conclusion in conformity with the provisions of the MFA as extended or any international régime for trade in textile products succeeding or replacing the MFA as extended, or any subsequent régime, as appropriate, within a further 30 days at the latest.

#### **General**

15. The Hong Kong Government and the Government of the Kingdom of Norway agree that the provisions of this MOU shall not derogate from the rights of Hong Kong and Norway under the MFA as extended or any international régime for trade in textile products succeeding or replacing the MFA as extended or any subsequent régime.

16. The present MOU shall apply with effect from 1 July 1992 until 31 December 1993, unless this is changed by application of the provisions of paragraph 17 of this MOU.

17. Either party may at any time denounce this MOU provided that at least 90 days' written notice is given. In that event the MOU shall come to an end 90 days after receipt of the notice by the other party.

18. Annexes A, B, C and D to this MOU shall be considered as an integral part thereof.

Done in two originals in Hong Kong on

For the Government of the  
Kingdom of Norway

For the Government  
of Hong Kong

ANNEX A

(A) CAT. NO.	(B) DESCRIPTION	(C) NORWEGIAN CLASSIFICATION NO.	(D) HONG KONG CLASSIFICATION NO.
1.	Woven jackets, tailored jackets, blazers, waistcoats, sports jackets (including parts of ski suits), anoraks and similar garments, parkas, one-piece suits and the like, also as parts of suits, sets and costumes, men's & boys', women's & girls' (b & g with height above 152 cm).	ex 6201 9100-9300 ex 6202 9100-9300 ex 6203 1100-3900 ex 6204 1100-3900 ex 6210 4000-5000 ex 6211 2000-3300, -4100-4300	ex 6201 9100-9300 ex 6202 9100-9300 ex 6203 1100-1920 ex 6203 2100-2910 ex 6203 3100-3910 ex 6204 1100-1910 ex 6204 2100-2910 ex 6204 3100-3910 ex 6210 4020-4030 ex 6210 5020-5030 ex 6211 2010-2020 ex 6211 3100-3300 ex 6211 4100-4300
2.	Woven trousers, slacks, jeans, breeches, and the like (including bib and brace overalls), other than swimwear and shorts, also as parts of suits and sets, men's & boys', women's and girls' (b & g with height above 152 cm).	ex 6203 1100-2900 ex 6203 4109, -4209, -4309, -4909 ex 6204 1100-2900 ex 6204 6109, -6209, -6309, -6909 ex 6210 4000-5000 ex 6211 2000-3300, -4100-4300	ex 6203 1100-1920 ex 6203 2100-2910 ex 6203 4110-4920 ex 6204 1100-1910 ex 6204 2100-2910 ex 6204 6110-6920 ex 6210 4020-4030 ex 6210 5020-5030 ex 6211 2010-2020 ex 6211 3100-3300 ex 6211 4100-4300
7.	Bed linen	6302 2100-2290 6302 3100-3290 ex 6302 1000 ex 6302 2900 ex 6302 3900	6302 2100-2200 6302 3100-3200 ex 6302 1000 ex 6302 2900 ex 6302 3900
70*	Knotted netting, made up fishing nets, other made up nets, and the like	5608 1100 5608 1900 5608 9010 5608 9090	5608 1100 5608 1900 5608 9000

ANNEX B

(a) Cat. No.	(b) Restrict Level 1.7.92 - 31.12.93	(c) Growth Percentages	(d) Carryover Percentages	(e) Carry forward Percentages	(f) Swing Percentages	(g) Conversion factor esy/dz units
1	826,500 pc	1	10	5	1	37
2	1,700,000 pc	1	10	5	1	18
7	53,184 kg	3	10	5	3	11 esy/kg



**ANNEX C**

**ADMINISTRATIVE COOPERATION**

1. Products originating in Hong Kong for export to Norway in accordance with the arrangements established by this MOU shall be accompanied by a certificate of Hong Kong origin issued by the Trade Department and other organizations designated by the Hong Kong Government as notified to the Government of the Kingdom of Norway in accordance with paragraph 11 of this Annex.

2. The competent authorities of Hong Kong shall issue an export licence in respect of all consignments from Hong Kong for exports to Norway of products subject to restraint. A specimen of the current export licence is attached at Annex D. Any changes to this licence will be notified to the competent Norwegian authorities.

3. Exports of products listed in Annex B shall be debited to the restraint limits, as appropriate, established for the period in which shipment of the goods is effected.

4. The presentation of an export licence, in application of paragraph 5 below, shall normally be effected not later than 60 days after the end of the restraint period in which the goods covered by the licence have been shipped.

5. Importation into Norway of textile products subject to restraint limits shall be subject to the presentation of appropriate import documents.

The competent Norwegian authorities shall issue such import documents automatically within ten working days of the presentation by the importer of the endorsed copy of the corresponding export licence.

6. The competent Norwegian authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued. The competent Norwegian authorities shall cancel the already issued import documents if the corresponding export licence has been withdrawn. However, if the competent Norwegian authorities have not been notified about the withdrawal or cancellation of the export licence until after the products have been imported into Norway, the quantities involved shall be set off against the restraint limit for the category and restraint period in question and the authorities of Hong Kong shall be informed as soon as possible.

7. If the competent Norwegian authorities find that the total quantities covered by export licences issued by the authorities of Hong Kong for a particular category in any restraint period exceed the restraint limit established for that category or that limit adjusted as provided for in the MOU, the competent Norwegian authorities shall immediately inform the authorities of Hong Kong and the consultation procedure set out in paragraph 14 of the MOU shall be initiated forthwith.

8. Exports of Hong Kong origin products under restraint not covered by export licences issued by the authorities of Hong Kong in accordance with the provisions of this Annex will be refused the issue of appropriate import documents by the competent Norwegian authorities.

9. Each export licence and certificate of Hong Kong origin shall bear a serial number, by which it can be identified. Each export licence shall also include the Category/Hong Kong Commodity Item Code Number.

10. In the event of theft, loss or destruction of an export licence or a certificate of Hong Kong origin, the exporter may apply to the competent authority which issued the document for a replacement. This replacement shall bear an appropriate endorsement, and the date of the original export licence or certificate of Hong Kong origin.

11. The Government of Hong Kong shall send the Royal Norwegian Ministry of Foreign Affairs the names and addresses of the authorities competent for the issue and verification of export licences and certificates of Hong Kong origin together with specimens of the stamps and the certificates used by these authorities. The Government of Hong Kong shall also notify the Ministry of any change in this information.

## ANNEX D

## EXPORT LICENCE (TEXTILES) FORM 5

COPY

Audit No. 0000000000

Exporter (Name & Address)  T.C.R. No. (where applicable)      Tel. No.		Date of Receipt and Receipt No.  Date of Issue and Licence No.		<b>HONG KONG GOVERNMENT</b> Import and Export Ordinance (Cap. 60) Import and Export (General) Regulation	
Consignee  Manufacturer (Name & Address)  T.C.R. No. (where applicable)      Tel. No.		Issue of this licence is approved.  for Director-General of Trade <b>MANUFACTURER'S DECLARATION</b> Date _____ I, _____ principal official of _____ (Name of Manufacturer's Co.) hereby declare that I am the manufacturer of the goods in respect of which the application is made, that the goods are of Hong Kong origin in accordance with condition (2) overleaf and that the particulars given herein are true. **I further declare that I am supplying the quotas for the goods covered by this application in accordance with condition (3) overleaf. (**Delete if not applicable)		Stamp	
Departure Date      Country of Final Destination		Vessel/Flight No.      C.O./Form A No.		Signature      Chop	
FOR CONDITIONS OF ISSUE PLEASE SEE OVERLEAF		WARNING: All alterations must be carried out by authorized officers. Heavy penalties are provided for false declaration and information, unauthorized alterations and misuse of this licence.		Mark(s) and Number(s)      No. of packages      Full Description of Goods (State Country of Origin of raw materials)      No. of Units      Value f.a.b. HK\$	
Mark(s) and Number(s)		No. of packages		Full Description of Goods (State Country of Origin of raw materials)	
No. of packages		Full Description of Goods (State Country of Origin of raw materials)		No. of Units	
Full Description of Goods (State Country of Origin of raw materials)		No. of Units		Value f.a.b. HK\$	
No. of Units		Value f.a.b. HK\$		Total Amount	

SAMPLE

This licence has been issued in accordance with the terms of the HK/Norway Textiles Agreement and that the quantity of \_\_\_\_\_ covered has been charged to 1991/92 quantitative limit(s) prescribed for the category(ies) of the product(s) in question for export to Norway. This copy is for presentation to the competent authorities in Norway.

(Miss CHAN Kit-ling)  
 Licensing Officer No. 30  
 for Director-General of Trade  
 Hong Kong

Item No.	Category/Sub-Category or Commodity Item Code No.	T.C.R. No. of Quota/Export Authorization/ Permit Holder	Quota Reference (see * below)	Quantity Shipped in Quota Units
1				
2				
3				
4				
5				

\* Insert here:—Type of Quota: Export Authorization Number, Sewing Transfer or A—Type Transfer Number or Quota Permit Number as appropriate.

## EXPORTER'S DECLARATION

Date \_\_\_\_\_  
 I, \_\_\_\_\_  
 principal official of \_\_\_\_\_  
 (Name of Exporter's Co.)  
 hereby declare that I am the exporter of the goods in respect of which this application is made and that the particulars given herein are true. \*\*I further declare that I am supplying the quotas for the goods covered by this application in accordance with condition (3) overleaf. (\*\*Delete if not applicable)

Signature

Chop

**Agreed Minute**

1. A delegation of the Government of Hong Kong and a delegation of the Government of the Kingdom of Norway met in Hong Kong on 24-26 March 1992 for consultations on arrangements to succeed the Memorandum of Understanding relating to exports from Hong Kong of certain textile products for import into Norway, signed in Hong Kong on 21 November 1990.

2. The two parties agreed to record their understanding that, with a view to the possible implementation of the proposed Agreement on Textiles and Clothing, currently under consideration in the Uruguay Round of Multilateral Trade Negotiations and, in particular, of such a provision as in Article 2:13 of document MTN.TNC/W/FA, the notional restraint levels and growth rates applying in 1992 for restrictions on exports of textile products from Hong Kong to Norway shall be considered to be as follows:

Category	Notional 1992 Restraint Level	Notional 1992 Growth rate
1	546,451 pcs	1 per cent
2	1,123,976 pcs	1 per cent
7	34,593.7 kg	3 per cent

Mr. Johan Iversen  
Chairman of the  
Norwegian Delegation

Mr. Alan N. Lai  
Chairman of the  
Hong Kong Delegation