

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1860\*  
10 August 1993

Special Distribution

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Bilateral agreement between Austria and Hong Kong

The Textiles Surveillance Body received a notification from Austria of an agreement concluded with Hong Kong for the period 1 February to 31 December 1993,<sup>1</sup> with the possibility for a twelve-month extension to 31 December 1994.

The TSB, pursuant to its procedures regarding notifications concluded 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.

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<sup>1</sup>The previous agreement between the parties is contained in COM.TEX/SB/1534.

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

\*English only/Anglais seulement/Inglés solamente

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**MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF HONG KONG  
AND THE GOVERNMENT OF THE REPUBLIC OF AUSTRIA CONCERNING  
EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM HONG KONG TO AUSTRIA**

**Introduction**

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Hong Kong and Austria regarding Hong Kong's exports of certain textile products to Austria.
2. This MOU was adopted having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the "ARRANGEMENT") done at Geneva on 20 December 1973, as extended by the Protocol of 31 July 1986, and by the Protocol of 31 July 1991, in particular to Article 4 of the Arrangement.

**Coverage**

3. This MOU shall apply to Hong Kong's exports to Austria of the textile products set out in Annexes I and II to this MOU.

**Restraint Period**

4. (i) This MOU shall apply for the period 1 February 1993 to 31 December 1993, if the transition of the textile sector into the GATT will not come into force on 1 January 1993.  
  
(ii) Should the Uruguay Round transition arrangement for integration of the textile sector into the GATT not come into force on 1 January 1994, this MOU will be extended for a second period from 1 January 1994, to 31 December 1994. However, both governments shall consult to bring any such extension of this MOU into conformity with any successor to the current Protocol of extension to the Arrangement if changes are made therein.  
  
(iii) 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 Limits**

5. Hong Kong shall restrict exports of the products set out in Annex I to this MOU to the limits set out in columns (e) and (f) for the periods stated therein, save as provided for in paragraphs 8 to 13 and paragraph 25 below.

6. For the purposes of these arrangements, Austria shall admit imports of textile products of Hong Kong origin set out in Annex I to this MOU 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 textile products of Hong Kong origin set out in Annex I to this MOU where such imports are covered by export licenses issued by the Hong Kong Trade Department on or before 31 January 1993, under the terms of the MOU regarding restrained items between Hong Kong and Austria signed in Vienna on 28 November 1989, and in Hong Kong on 12 January 1990.

#### Swing

8. The limits in columns (e) and (f) of Annex I to this MOU 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 (g) of Annex I to this MOU shall apply.

#### Carryover and Carry Forward

10. If in the previous restraint period terminating on 31 January 1993, exports from Hong Kong to Austria of any product as set out in Annex I to the MOU relating to the export from Hong Kong of certain textile products for import into Austria, signed in Vienna on 28 November 1989, and in Hong Kong on 12 January 1990, are less than the limits as set out in column (g) of Annex I thereto, Hong Kong may, after consultation with Austria, during the period 1 February 1993, to 31 December 1993, approve the exports 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 11 per cent of 12/11ths of the restraint limit of these products specified in column (e) of Annex I to this MOU.

11. If in the previous restraint period terminating on 31 January 1993, exports from Hong Kong to Austria of any product as set out in Annex I to the MOU relating to the export from Hong Kong of certain textile products for import to Austria, signed in Vienna on 28 November 1989, and in Hong Kong on 12 January 1990 should exceed the limits as set out in Annex I thereto, Hong Kong shall inform Austria of the carry forward quantities and debit these to the corresponding limits 1 February 1993, to 31 December 1993, as set out in column (e) of Annex I to this MOU.

12. The restraint limit for any product set out in column (d) of Annex I to this MOU may be exceeded, after consultations between Austria and Hong Kong, by a carryover of not more than 11 per cent of 12/11ths of the limits set out in column (e) of Annex I to this MOU and 11 per cent of the limits set out in column (f) of Annex I to this MOU in the case of shortfalls in the corresponding restraint limit for the previous restraint period, and by a carry forward of not more than 6 per cent of 12/11ths of the limits set out in column (e) of Annex I to this MOU and 6 per cent of the limits set out in column (f) of Annex I to this MOU. The carryover shall not exceed the amount of shortfalls in the specific products where such shortfalls occurred. The 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 11 per cent of 12/11ths of the limits set out in column (e) of Annex I to this MOU and 11 per cent of the limits set out in column (f) of the Annex I to this MOU.

13. Should this MOU be continued for a further period, the carryover and carry forward provision set out in respect of the limits in column (f) of Annex I to this MOU in paragraph 12 above shall apply.

#### Export Authorization

14. Hong Kong shall require all exports to Austria of the products listed in Annex II to this MOU to be covered by export authorizations issued by the Hong Kong Trade Department. An export authorization 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.

15. Export licences to ship products covered by an export authorization will be issued by Hong Kong on presentation of the relevant export authorization 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 Annex II to this MOU which are not covered by a valid export authorization.

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

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

18. 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 by imports from Hong Kong of any product covered by this system, Austria may request consultations under the provisions of the ARRANGEMENT.

19. 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.

20. 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 a further 30 days.

21. 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 per cent;
- (b) the average of the level of export authorization issued for the product concerned in the preceding periods since 1 February 1990, increased by 10 per cent;
- (c) the level of export authorizations since the commencement of the period in which the request for consultations is made, increased by 10 per cent;
- (d) the previous restraint level, if any.

Hong Kong agrees that it will honour such a request.

22. For the purpose of paragraph 21 above, a "period" shall be 1 February of one year to 31 January of the immediately succeeding year up to 31 January 1993; 12/11ths of 1 February 1993, to 31 December 1993, for the purposes of sub-paragraphs 21(a) and (b) above; 1 February 1993 to 31 December 1993, for the purpose of sub-paragraph 21(c) above; and thereafter 1 January to 31 December of the same year.

23. In the event that consultations do not result in an 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 21 above. Hong Kong agrees that it will honour such a request.

24. Austria and Hong Kong agree that the provisions shall not derogate from the rights of both governments under the ARRANGEMENT.

#### Re-exports

25. Austria will, as far as possible, inform Hong Kong when imports to Austria of the textile products set out in Annex I to this MOU that have been debited to 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 both governments as set out in Annex III to this MOU.

Exchange of Statistics

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

27. 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 to this MOU.

Consultations

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

29. 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-à-vis another supplier, Hong Kong may request Austria to consult with a view to remedial action such as a reasonable modification of this MOU. Further, Austria and Hong Kong agree to consult, at the request of either government, with a view to bringing this MOU into conformity with any international arrangement for trade in textile products succeeding or replacing the ARRANGEMENT as extended.

30. Where consultations are requested in accordance with paragraphs 28 and 29 above, Austria and Hong Kong shall enter into such consultations within 30 days of the request and shall endeavour to complete the consultations within a further 30 days.

Annexes

31. Annexes I, II and III hereof shall be an integral part of this Memorandum of Understanding.

**For Austria:**

**Vienna, 10 December 1992**

**Dr. Gabriela Habermayer  
Director**

**For the Government of the  
Federal Republic of Austria**

**For Hong Kong:**

**Hong Kong, 14 January 1993**

**T.H. Chau  
Secretary for Trade and Industry  
For the Government of Hong Kong**

ANNEX I

Item No.	Austria's HS Number	Hong Kong's HS Number	Description	Limits in pieces			Conversion factors for swing purposes (pcs/kg)
				1.2.1993 - 31.12.1993	1.1.1994 - 31.12.1994		
				(a)	(b)	(c)	
1	6205.20	6205 2010	Men's or boys' shirts, not knitted or crocheted, of cotton or discontinuous synthetic fibres	1,412,572	1,625,742	5,00	
		6205 2020					
		6205 2030					
	ex 6205.30	ex 6205 3010					
		ex 6205 3020					
2	6206.30	6206 3010	Women's or girls' blouses, not knitted or crocheted, of cotton or man-made fibres	1,192,906	1,372,927	5,00	
		6206 3020					
	6206.40	6206 4010					
		6206 4020					
	3	6203.42					6203 4210
		6203 4220					
		6203 4280					
		6203 4290					
6203.43		6203 4310					
		6203 4320					
ex 6203.49		6203 4910					
		6203 4920					
ex 6204.52		ex 6204 5210					
		ex 6204 5290					
ex 6204.53		ex 6204 5300					
ex 6204.59		ex 6204 5910					
6204.62		6204 6210					
		6204 6220					
		6204 6280					
		6204 6290					
6204.63	6204 6310						
	6204 6320						
ex 6204.69	6204 6910						
	6204 6920						

Item No.	Austria's HS Number	Hong Kong's HS Number	Description	Limits in pieces		Conversion factors for swing purposes (pcs/kg)
				1.2.1993 - 31.12.1993	1.1.1994 - 31.12.1994	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
	ex 6209.20	ex 6209 2010				
		ex 6209 2020				
	ex 6209.30	ex 6209 3010				
		ex 6209 3020				
	ex 6209.90	ex 6209 9001				
		ex 6209 9002				
4	ex 6201.92	ex 6201 9210	Men's or boy's anoraks (including ski-jackets), wind-cheaters and wind-jackets, not knitted or crocheted, of cotton or man-made fibres	378,891	436,071	2,30
		ex 6201 9290				
	ex 6201.93	ex 6201 9300				



ANNEX II

Item No.	Austria's HS Number	Hong Kong's HS Number	Description
1	6204.42	6204 4210	Women's or girls' dresses and skirts, not knitted of cotton or man-made fibres
		6204 4290	
	6204.43	6204 4300	
	6204.44	6204 4400	
	ex 6204.52	ex 6204 5210	
		ex 6204 5290	
	ex 6204.53	ex 6204 5300	
	ex 6204.59	ex 6204 5910	
2	6204.32	6204 3210	Women's or girls' jackets, anoraks, ski-jackets, wind-cheaters and wind-jackets, not knitted or crocheted, of cotton or man-made fibres
		6204 3290	
	6204.33	6204 3300	
	ex 6204.39	6204 3910	
	ex 6202.92	ex 6202 9210	
		ex 6202 9290	
	ex 6202.93	ex 6202 9300	
3	6106.10	6106 1000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted, of cotton or man-made fibres
	6106.20	6106 2000	
4	6107.21	6107 2100	Men's or boys' or women's or girls' nightshirts or nightdresses and pyjamas, knitted or crocheted, of cotton
	6108.31	6108 3100	
5	6110.10	6110 1010	Men's or boys' or women's or girls' jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted, of wool or fine animal hair, of cotton or man-made fibres
		6110 1020	
	6110.20	6110 2010	
		6110 2020	
	6110.30	6110 3010	
		6110 3020	
6	6103.42	6103 4210	Men's or boys' or women's or girls' trousers, bib and brace overalls, breeches and shorts, knitted or crocheted, of cotton or synthetic fibres
		6103 4220	
	6103.43	6103 4310	
		6103 4320	
	6104.62	6104 6210	
		6104 6220	
	6104.63	6104 6310	
		6104 6320	

ANNEX III

Notwithstanding the provisions in paragraph 5 and in furtherance of paragraph 25 of the Memorandum of Understanding, Austria and Hong Kong agree to the following administrative arrangements:

- (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 restraint 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.