

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1262*

25 May 1987

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Austria and India

The Textiles Surveillance Body received a notification from Austria of a bilateral agreement with India for the period 1 January 1987 to 31 December 1991. For the period 1 August to 31 December 1991 the agreement may be modified in the light of any successor agreement to the MFA. The agreement may also be extended to 31 December 1992.¹

The TSB, pursuant to its² 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.³

¹The bilateral agreement between the parties is contained in COM.TEX/SB/847.

²See COM.TEX/SB/35, Annex B

³For the TSB's observations see COM.TEX/SB/1265

*English only/Anglais seulement/Inglés solamente

Memorandum of Understanding between the Government of Austria and
the Government of the Republic of India relating to the export
from India of certain cotton and synthetic textile products 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 synthetic textile products from India for import into Austria.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the ARRANGEMENT") and to the Protocol of 31 July 1986 extending the said Arrangement.

Restraint Periods:

3. These Arrangements will apply for five calendar year periods commencing on 1 January 1987 and ending on 31 December 1991. For the period August 1 to December 31, 1991 these arrangements are subject to both parties being free to request, at any time, consultations, with a view to proposing revisions in the light of any successor agreement to the ARRANGEMENT as extended by the Protocol of July 31, 1986.

4. These Arrangements may be extended by mutual consent to apply for a sixth year commencing on 1 January 1992 to 31 December 1992 subject to any modifications which either side may propose in the light of any successor agreement to the ARRANGEMENT as extended by the Protocol of July 31, 1986.

Restraint levels and Growth Rate:

5. Except as provided for in paragraphs 11 & 12 below, the Government of India will restrain its exports to Austria of the cotton and synthetic textile products described in Annex I for the calendar year commencing 1 January 1987 to the limits specified therein.

6. Except as provided for in paragraphs 11 & 12 below, for the five calendar year periods commencing 1 January 1987 and ending on 31 December 1991, the Government of India will restrain its exports to Austria of the cotton and synthetic textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column D.

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 synthetic 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.

Carry-over and Carry-forward:

11. The export level for any category during any agreement year may be exceeded by a carry-over of 10% and a carry-forward of 6%.

A carry-over 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 carry-over and carry-forward shall not exceed 11 %. All percentages relating to carry-over 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 % 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 cotton and synthetic textile products specified in Annex I showing the numbers and dates of export certificates issued, quantities covered by the 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 for 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 consultations 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 co-operation and with a desire to reconcile the differences between them.

Re-exports:

21. The Government of Austria will inform the Government of India as a as possible when imports into Austria of the cotton and synthet textile products subject to these arrangements 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 these arrangements having regard to the ARRANGEMENT and to the Protocol of 31 July 1986 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:

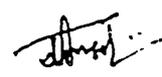
24. This Memorandum of Understanding will become effective on 1st January, 1987 subsequent on exchange of notes between the two Governments confirming their acceptance of these arrangements.

Vienna, October 24, 1986

For the Delegation of the
Government of ~~Austria~~:


H. Krehlik

For the Delegation of the
Government of India:


J.K. Bagchi

Annex I

R E S T R A I N T L E V E L S

(A) Item Number	(B) Product Description	(C) Restraint Level	(D) Growth	(E) Swing	(F) Carry-over/ Carry-forward	(G) Conversion Factor
1.	WOVEN BLOUSES OF MAN MADE FIBRES AND COTTON (Pieces)	350.000	3,5 %	5 %	10/6 %	180 grams/piece
2.	WOVEN SHIRTS OF COTTON (Pieces)	150.000	3,5 %	5 %	10/6 %	217 grams/piece

ANNEX II

Cottage Industry Products

1. The exemption provided for in paragraph 7 of the Memorandum of Understanding in respect 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 or other textile products, made in the cottage industry of India having been handmade 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.

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 unit
- 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 (kalam-kari)
 - 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 or 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
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.

No.	Name	Description
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 hood at waist.
16	Pavadai	A set made of a full ankle-length skirt and a bodice.
17	Dupatta	A very light woven scarf about 120 cm x 80cm worn with kurta and churidar.
18	Ohdani	A cloth about 2 m x 1 m 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 triangles 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.
- 34 Phuikhari 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 stylized 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 Namias A floor covering with felted woollen surface with or without traditional embroideries in various shapes and sizes.

HANDLOOM/FOLKLORE CERTIFICATE

1. Exporter (name, full address)	ORIGINAL		2. No.
3. Consignee (name, full address)	<p>CERTIFICATE is issued to HANDLOOM FABRICS and PRODUCTS OF THE COTTAGE INDUSTRY and TRADITIONAL FOLKLORE PRODUCTS, issued in conformity with and under the conditions regarding trade in textile products with Austria</p>		
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 consignments 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 folklores handicraft textile products, as defined in the list agreed between Austria and India. 			
10. Competent Authority (name, full address)	<p>At, on</p> <p>(Signature) (Stamp)</p>		

* Delete what is not applicable.

Annex V

EXPORT CERTIFICATE

1. Exporter (name, full address)	ORIGINAL	2. No.
3. Consignor (name, full address)	3. Quota Year	4. Category Number
6. Place and date of shipment — means of transport	INDIA EXPORT CERTIFICATE (Textile Products)	
8. Description of goods	9. Quantity	10. FOB Value
<p>11. CERTIFICATION BY THE COMPETENT AUTHORITY 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 style="text-align: center;">(Signature) (Stamp)</p>	

Annex VI

List of Cotton textiles and textile products subject
to Statistical Surveillance

- (a) Cotton fabrics, CCCN Nos. 55.08 and 55.09
- (b) Under garments, knitted or crocheted, not elastic nor rubberised, of cotton, CCCN No. ex 60.04
- (c) Outer garments and other articles, knitted or crocheted, not elastic nor rubberised of cotton, CCCN No. ex 60.05
- (d) Woven outer garments, of cotton, CCCN No.ex 61.01
- (e) Woven outer garments, of cotton, blouses excluded CCCN No.ex 61.02
- (f) Table linen, toilet linen and kitchen linen, of cotton, CCCN No. ex 62.02
- (g) Cotton bed linen CCCN No. ex 62.02

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 31st 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.