ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between Finland and China

The Textiles Surveillance Body received a notification from Finland of a bilateral agreement concluded with China for the period 1 January 1987 to 31 December 1990.¹

The notification was made under Articles 7 and 8 in accordance with the request made by the Textiles Committee that participating countries notify agreements with non-participating countries.

The TSB is forwarding the text of the notification to the Textiles Committee.

¹The previous bilateral agreement between the parties was transmitted under Articles 7 and 8, and is contained in COM.TEX/SB/911.

*English only/Anglais seulement/Inglés solamente
AGREEMENT

relating to trade in textile products

between

the Republic of Finland

and

the People's Republic of China

The Delegation of the Republic of Finland and the Delegation of the People's Republic of China have, with a view to ensuring an orderly and equitable development of the trade in textiles and textile products, agreed to enter into the following agreement (hereinafter referred to as "the Agreement"):

1. Without prejudice to the rights and obligations under the Long-Term Trade Agreement between the Government of the Republic of Finland and the Government of the People's Republic of China, the conduct of their mutual trade in textiles and textile products made of cotton, wool and man-made fibres shall be governed by the provisions of this Agreement.

2. Subject to the provisions of this Agreement, Finland undertakes for the duration of this Agreement not to introduce new quantitative restrictions on imports of textiles and textile products from China.

3. This Agreement shall apply for the period of four years, from January 1, 1987 to December 31, 1990.

4. China agrees that for the textile products specified in Annex I to this Agreement, China shall, for the duration of this Agreement, restrain its exports to Finland to the quantitative limits as set out in that Annex.

5. Finland shall admit imports of the textiles and textile products of the Chinese origin set out in Annex I to the agreed limits provided that such imports into Finland are covered by an export license as per specimen in Annex II, issued by the Chinese Authorities listed in Annex III. The export license shall bear an endorsement by competent officials to the effect that the consignment concerned has been debited to the agreed levels for export to Finland for the relevant period. If the consignment concerned is for re-export or for inward processing and subsequently re-export outside
Finland, such consignment shall not be debited to the agreed levels. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.

6. China shall endeavour to space out as evenly as possible the exports of the textile products subject to quantitative limits, due account being taken, in particular, of seasonal factors. If the information available to the Finnish Authorities shows that the quantitative limits for the products specified in Annex I have already been reached or that the unused balances of those limits are insufficient to cover the goods specified in the export license, the Finnish Authorities may suspend or postpone the admittance of imports of such products for quantities in excess of the quantitative limits set out in Annex I, subject to the provisions of Articles 8 and 9 below. In such a case the Finnish Authorities shall immediately inform the Chinese Authorities of their decision, and consult each other as soon as possible to seek a solution.

7. The description and identification of the products covered by this Agreement are based on the Nomenclature of the Customs Co-operation Council (CCCN) and the Finnish Customs Tariff.

8. In any restraint period advance use (carry-forward) of a portion of the quantitative limits established for the following restraint period is authorized for each category of products up to 5 per cent of the quantitative limits for the current period. Such advance use shall be automatically applicable within the current restraint period. Amounts delivered in advance shall be deducted from the corresponding quantitative limits established for the following restraint period. Carry-over (of amounts not used during any restraint period) to the corresponding quantitative limits for the following restraint period is authorized up to 10 per cent of the quantitative limits for the following restraint period. Carry-over and carry-forward taken together shall not exceed 10 per cent, of which carry-forward shall not represent more than 5 per cent.

9. Transfers between all categories are authorized up to 5 per cent of the quantitative limit for the category to which the transfer is made, provided that a corresponding reduction is applied to the other categories. For the purpose of calculating such corresponding reductions, the conversion factors listed in Annex I to this Agreement shall apply.
10. With the exception of the products set out in Annex I, Finland shall automatically admit imports of textiles and textile products from China into Finland.

Should the Finnish Authorities find that imports of certain textiles or textile products from China to Finland, which are not specified in Annex I, have developed in a manner, which has caused or would cause disruptive effects on the Finnish market, Finland may request consultations with a view to reaching agreement within 90 days at the latest from the date of notification of the request on an appropriate restraint level for the products concerned.

The Finnish Authorities shall provide China, within 30 days from the ratification, with detailed factual information to justify the request. Finland shall authorize imports of the products shipped from China before the date of the request for consultations.

In the course of consultation Finland and China shall made every effort to avoid measures which would have the effect of economic losses for either Contracting Party.

If no satisfactory solution is reached within the period prescribed above Finland shall have the right to introduce a quantitative limit at an annual level not lower than 106 per cent of the level reached by imports of the product in question in the twelve-month period terminating two months preceding the month in which the request for consultation was made.

The amount of products exported from China after the date of the request for consultations shall be deducted from any restraint level agreed or applied in accordance with this Article, unless otherwise agreed upon in the agreement to be reached after consultations.

11. The Finnish Authorities may refuse to admit imports of the textiles and textile products of Chinese origin referred to in Annex I if these products are imported from another source and/or are not covered by export licenses issued by competent Chinese Authorities.

12. If the Chinese Authorities consider that, as a result of the limitations specified in this Agreement, China is being placed in an inequitable position vis-à-vis a third country, the Chinese Authorities may request consultations
with the Finnish Authorities with a view of taking appropriate remedial action such as reasonable modification of this Agreement and the Finnish Authorities shall agree to hold such consultations.

13. Finland and China agree to consult together, at the request of either party, on any matter arising from the implementation of this Agreement. They furthermore agree to enter into consultations on possible extension or modification of the present arrangements.

14. China will forward to Finland quarterly statistics on a cumulative basis on textile products for which export licenses for export to Finland have been issued. Finland will forward to China quarterly statistics on a cumulative basis on imports of the said textile products.

15. The Annexes to this Agreement shall form an integral part thereof.

16. Done in Beijing in two copies on November 19, 1986 in the English and Chinese languages, both texts being equally authentic.

For the Delegation of the Republic of Finland

Alec Aalto

For the Delegation of the People's Republic of China

Li Guodong
## ANNEX I

<table>
<thead>
<tr>
<th>Classification</th>
<th>Description</th>
<th>Unit of</th>
<th>Restraint</th>
<th>Conversion factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.03</td>
<td>Stockings, understockings, socks, anklesocks, sockettes and the like, knitted or crocheted</td>
<td>Pairs</td>
<td>520.000</td>
<td>535.600</td>
</tr>
<tr>
<td>60.04.722</td>
<td>Men's and boys'undergarments, other than shirts, night attire, i.e. knitted briefs, drawers, undershorts and the like, including sets of underwear, made of cotton and of man-made fibres</td>
<td>Pieces</td>
<td>100.000</td>
<td>103.000</td>
</tr>
<tr>
<td>60.04.121</td>
<td>Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of cotton and of man-made fibres</td>
<td>Pieces</td>
<td>610.000</td>
<td>628.300</td>
</tr>
<tr>
<td>60.05</td>
<td>312 356</td>
<td>313 357</td>
<td>315 362</td>
<td>316 363</td>
</tr>
<tr>
<td>Description</td>
<td>Unit of quantity</td>
<td>1987</td>
<td>1988</td>
<td>1989</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>IV 62.02.311 Terry towels</td>
<td>Metric Tons</td>
<td>45</td>
<td>46.4</td>
<td>47.7</td>
</tr>
<tr>
<td>V 61.01.505 Men's and boys'; women's and girls' and infants' trousers of cotton and discontinuous man-made fibres</td>
<td>Pairs</td>
<td>610.000</td>
<td>625.250</td>
<td>640.881</td>
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<td>61.02.605</td>
<td></td>
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<tr>
<td>606</td>
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<tr>
<td>VI 61.02.502 Women's, girls' and infants' blouses, of cotton and man-made fibres</td>
<td>Pieces</td>
<td>145.000</td>
<td>148.625</td>
<td>152.341</td>
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<td>ex 106</td>
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<tr>
<td>VII 61.03.102 Men's and boys' woven shirts of cotton and man-made fibres</td>
<td>Pieces</td>
<td>180.000</td>
<td>183.600</td>
<td>187.272</td>
</tr>
</tbody>
</table>
### ANNEX II

<table>
<thead>
<tr>
<th>1 Exporter (name, full address, country)</th>
<th>ORIGINAL</th>
<th>2 No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Quota year</td>
<td>4 Category number</td>
<td></td>
</tr>
</tbody>
</table>

| 5 Consignee (name, full address, country) | 6 Country of origin | 7 Country of destination |

| 8 Place and date of shipment - Means of transport | 9 Supplementary details |

| 10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS | 11 Quantity | 12 FOB Value |

12 CERTIFICATION BY THE COMPETENT AUTHORITY

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 FINLAND.

14 Competent authority (name, full address, country)

At... on...

(Signature) (Stamp)
THE LIST OF COMPETENT AUTHORITIES ISSUING
EXPORT LICENCES OF TEXTILES AND TEXTILE
PRODUCTS

1. Foreign Trade Administration of the Ministry of
Foreign Economic Relations and Trade
2. Beijing Foreign Economic Relations and Trade Commission
3. Tianjin Foreign Trade Bureau
4. Hebei Foreign Economic Relations and Trade Department
5. Shanxi Foreign Economic Relations and Trade Department
6. Neimenggu Foreign Economic Relations and Trade Department
7. Liaoning Foreign Trade Bureau
8. Jilin Foreign Economic Relations and Trade Commission
9. Heilongjiang Foreign Economic Relations and Trade Department
10. Shanghai Foreign Economic Relations and Trade Commission
11. Jiangsu Foreign Economic Relations and Trade Commission
12. Zhejiang Foreign Economic Relations and Trade Department
13. Anhui Foreign Economic Relations and Trade Commission
14. Fujian Foreign Economic Relations and Trade Commission
15. Jiangxi Foreign Economic Relations and Trade Department
16. Shandong Foreign Trade Bureau
17. Henan Foreign Economic Relations and Trade Commission
18. Hubei Foreign Economic Relations and Trade Department
19. Hunan Foreign Economic Relations and Trade Commission
20. Guangdong Foreign Economic Relations and Trade Commission
22. Sichuan Foreign Economic Relations and Trade Department
23. Yunnan Foreign Economic Relations and Trade Department
24. Shaanxi Foreign Economic Relations and Trade Department
25. Gansu Foreign Economic Relations and Trade Department
26. Xinjiang Foreign Economic Relations and Trade Department
27. Chongqing Foreign Economic Relations and Trade Bureau
28. Wuhan Foreign Economic Relations and Trade Commission
29. Qinghai Foreign Economic Relations and Trade Department
30. Dalian Foreign Economic Relations and Trade Commission
31. Harbin Foreign Economic Relations and Trade Bureau
32. Shenyang Foreign Economic Relations and Trade Bureau