The Textiles Surveillance Body has received from Sweden a notification of an agreement concluded with Thailand under Article 3 of the Arrangement. The TSB is circulating this notification to participating countries for their information.

For observations by the TSB on the review of this agreement, see the report of its second and third meetings (COM.TEX/SB/214).
Excellency,

With reference to the consultations held in Stockholm on 11-13 October 1976, regarding exports of certain textile products from Thailand to Sweden, I have the honour to inform you that the following is the understanding of the Government of Sweden.

1. The following arrangements have been reached under Article 3 of the Arrangement Regarding International Trade in Textiles, bearing in mind particularly the provisions of Article 1 of the said Arrangement.

2. These arrangements will apply for the period 1 December 1976-30 November 1978.

3. The Government of the Kingdom of Thailand will voluntarily limit exports to Sweden of the textile products listed in Annex I to this letter to the levels set out in columns (d) and (e) of that Annex.

4. The Government of Sweden will admit imports, through a system of import licences, of the textile products of Thai origin, listed in Annex I, only when such imports are covered by Export Certificates as per specimen in Annex II, issued by the Department of Foreign Trade of the Ministry of Commerce of Thailand and duly endorsed that the consignments concerned have been debited to the agreed levels for exports to Sweden.

The date of clearance by the Thai Customs Department is considered to be the date of exportation.

5. Both parties regard as essential that the exports of goods listed in Annex I are evenly spaced throughout the periods of agreement. Accordingly, the Government of the Kingdom of Thailand will do its utmost to achieve this.

6. The Government of the Kingdom of Thailand will forward to the Government of Sweden, via the Embassy of Sweden, monthly statistics on a cumulative basis of the quantities of the items, listed in Annex I, for which duly endorsed Export Certificates for exports to Sweden have been issued. The statistics shall reach the Government of Sweden within a period of two months from the month under reference.

H.E. Dr. Upadit Pachariyangkun
Minister of Foreign Affairs of Thailand
Bangkok
7. The Government of Sweden will provide the Government of the Kingdom of Thailand with quarterly statistics on a cumulative basis of imports from Thailand of the items listed in Annex I. The statistics shall be forwarded to the Government of the Kingdom of Thailand, via the Embassy of Sweden in Bangkok, not later than two months from the quarter under reference.

3. (i) During the period 1 December 1976-30 November 1977 carry forward may, after consultation between the two parties, be utilized up to 5 per cent of this period's applicable levels and charged against the next period's applicable levels.

(ii) During the period 1 December 1977-30 November 1978, carryover may, after consultation between the two parties, be utilized as available up to 10 per cent of the applicable levels for that period.

9. The Government of Sweden and the Government of the Kingdom of Thailand agrees to consult each other, at the request of either when any problem arises in connexion with this agreement. The Government of Sweden and the Government of the Kingdom of Thailand agree furthermore to enter into consultations on the extension, modification or elimination of the limitations before the end of the period of agreement. If consultations do not result, within a reasonable period of time, in a mutually satisfactory solution and the elimination or modification of the limitations would result in serious damage to its domestic producers of like or directly competitive products, the Government of the Kingdom of Thailand notes that the Government of Sweden may apply limitations to the extent and for such time as may be found necessary.

10. This note together with your reply will constitute an agreement between the Government of Sweden and the Government of the Kingdom of Thailand. I would appreciate your confirmation that the above is also the understanding of the Government of the Kingdom of Thailand.

Please accept, Excellency, the assurances of my highest consideration.

Göran Bolin
Chargé d'Affaires a.i. of Sweden

Bangkok, 25 November 1976

Att ovenstående är med originalet överensstämmande intygas härmed.

Göran Bolin
Förste ambassadsekreterare
ANNEX I

<table>
<thead>
<tr>
<th>Swedish tariff classification No. (a)</th>
<th>Description</th>
<th>Unit of quantity (c)</th>
<th>Levels for period 1.12.76-30.11.77 (d)</th>
<th>Levels for period 1.12.77-30.11.78 (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. 60.05.30-</strong></td>
<td>Knitted sweaters, pullovers, slipovers, jumpers, cardigans and the like, men's and boys', women's, girls' and infants' wear(^1)</td>
<td>Pieces</td>
<td>645,000</td>
<td>652,000</td>
</tr>
<tr>
<td><strong>II. 61.01.</strong></td>
<td>Trousers, other than shorts, not knitted or crocheted, of cotton or discontinuous synthetic fibres, men's and boys' and women's and girls' wear</td>
<td>Pieces</td>
<td>475,000</td>
<td>480,000</td>
</tr>
<tr>
<td><strong>ex 008, 505</strong></td>
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<td></td>
<td></td>
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<tr>
<td><strong>ex 506</strong></td>
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<tr>
<td><strong>61.02</strong></td>
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<tr>
<td><strong>ex 008, 605</strong></td>
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<tr>
<td><strong>ex 606</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>III. 61.03.10-</strong></td>
<td>Shirts, not knitted or crocheted, men's and boys' wear</td>
<td>Pieces</td>
<td>650,000</td>
<td>656,500</td>
</tr>
</tbody>
</table>

\(^1\) According to Swedish customs classification practice T-shirts are basically considered as undergarments (BTN No. 60.04) and under this heading they are covered by the Swedish statistical classification numbers 60.04.70-, 80- and 90- ("undergarments, knitted or crocheted, other than shirts, night-garments, panty hoses and tights", where 70- represents men's and boys' wear, 80- women's and girls' wear and 90- infants' wear). It might be added that according to this practice T-shirts dyed with one colour only are regarded as undergarments, whatever colour it may be.

However, T-shirts with a printing applied (a printed text or pattern) or anything else giving the impression or evidence that they are to be worn as outergarments are considered as such (BTN No. 60.05). Under this heading they are covered by the Swedish statistical classification number 60.05.30- ("sweaters, pullovers, slipovers, cardigans etc."). These products are covered by restraint group I above.
Ministry of Foreign Affairs
Saranrom Palace

Bangkok, 19 November B.E. 2519 (1976)

Sir,

I have the honour to acknowledge the receipt of your Note of 19 November 1976 referring to the consultations held in Stockholm on 11-13 October 1976 and concerning the understanding of the Government of Sweden regarding exports of certain textile products from Thailand to Sweden which reads as follows:

(See Swedish letter)

In reply I have the honour to inform you that the above is also the understanding of the Government of the Kingdom of Thailand and that your Note and confirmation contained in this Note constitute an agreement between the Government of the Kingdom of Thailand and the Government of Sweden.

Accept, Sir, the renewed assurances of my high consideration.

(signed) Dr. Upadit Pachariyangkun
Minister of Foreign Affairs of Thailand

Mr. Göran Bolin
Chargé d'Affaires ad interim of Sweden,
Bangkok.
MEMORANDUM OF UNDERSTANDING ON A SYSTEM OF EXPORT AUTHORIZATIONS

1. Referring to the exchange of letters on a restraint arrangement regarding Thailand's exports of certain textiles to Sweden, signed earlier today, the following understanding as to a system of export authorizations is agreed for the product specified in the annex to this memorandum. The period covered by this system shall be the same as the agreed for the restraint arrangement.

2. Under the export authorization system no export licence or export certificate for this product will be issued unless an export authorization has previously been obtained in respect of the consignment concerned. Export authorizations are issued only on production of evidence of a firm contract for the supply of the goods in respect of which the applicant seeks such authorization.

3. The application for an export licence or export certificate for the particular goods in respect of which an export authorization is issued must be made before the expiry of the export authorization. Export authorizations will be valid for a period of three months. Export licences or export certificates are valid for only one month. The actual goods must therefore be exported within four months from the issue of the export authorization.

4. The Government of the Kingdom of Thailand will forward via the Embassy of Sweden fortnightly returns to the Government of Sweden showing the quantities covered by export authorizations issued to Thai exporters.

5. The Government of the Kingdom of Thailand will, on request by the Government of Sweden at any time, discontinue the issue of export authorizations for this item. Such requests shall be followed by a request for consultations in accordance with the provisions of Article 3, unless otherwise agreed, of the Arrangement Regarding International Trade in Textiles. Such consultations shall take place within a period of two months from the date on which the request for discontinuation of the issue of export authorizations was made, or at a later time if mutually agreed to. The Government of the Kingdom of Thailand will, pending the holding of such consultations, issue export licences or export certificates for this item only in respect of those shipments covered by export authorizations already issued.

Should such consultations result in the establishment of a restraint for the item in question, the relevant provisions of Annex B to the Arrangement Regarding International Trade in Textiles will be applicable.
6. In the event that the issue of export authorizations for this item is suspended, at the request of the Government of Sweden in accordance with the procedure set out in the preceding paragraph, the Government of Sweden would be prepared to consider giving its consent to the extension of validity of an existing authorization by a further period not exceeding ninety days, if it is satisfied that the failure to apply for an export licence or an export certificate within the period of validity of the export authorization has been caused by circumstances beyond the control of the person to whom export authorization was issued.

7. The Government of Sweden undertakes to admit imports of all goods covered by export authorizations issued before the time at which the Government of Sweden requested that such issue should be discontinued.

For the Government of Sweden

For the Government of the Kingdom of Thailand

Göran Bolin
Chargé d'Affaires a.i.

Upadit Pachariyangkun
Minister of Foreign Affairs

Signed at Bangkok
19 November 1976
### Annex

<table>
<thead>
<tr>
<th>Swedish statistical classification No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.04.10-</td>
<td>Shirts, knitted or crocheted, men's and boys' wear</td>
</tr>
</tbody>
</table>