ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 3 Notification

Agreement between Finland and Hong Kong

The Textiles Surveillance Body has received from Finland a notification of an agreement concluded with Hong Kong under Article 3 of the Arrangement.

The TSB has examined the relevant documentation and has found that this agreement is in conformity with the provisions of the Article under which it is notified, as well as with the other provisions of the Arrangement. The TSB is circulating this notification to participating countries for their information.
MEMORANDUM OF UNDERSTANDING

Introduction

1. This Memorandum of Understanding sets out the arrangement that has been agreed between the Government of Finland and the Government of Hong Kong regarding Hong Kong's exports of certain garments to Finland.

Export restraint arrangements

2. This agreement is made under Article 3 of the Arrangement Regarding International Trade in Textiles.

Coverage

3. This agreement shall apply to Hong Kong's exports to Finland of the garments set out in the Annex to this Memorandum.

Restraint period

4. This arrangement shall apply for the period 1 February 1977 to 31 December 1977.

Restraint limit

5. The Government of Hong Kong shall restrict exports of the garments set out in the Annex to the limit set out in column (d) of the Annex, save as provided for in paragraphs 7, 8 and 9.

6. The Government of Finland shall for the purpose of this arrangement admit imports of the garments of Hong Kong origin set out in the Annex only where such imports are covered by an export licence issued by the Commerce and Industry Department, Hong Kong and endorsed to the effect that the consignments concerned have been debited to the agreed limit.

Swing

7. Exports may exceed the limit in column (d) of the Annex by 7 per cent, provided that corresponding reductions are applied:

   either (a) in the limits set out in the Memorandum of Understanding signed by the Government of Finland on 28 May 1976 and by the Government of Hong Kong on 7 June 1976 for the period 1 June 1976 to 31 May 1977;

or
or (b) in any limits which may be agreed by the Government of Finland and
the Government of Hong Kong for any future period from 1 June 1977.

For the purpose of calculating such corresponding reductions the conversion
factors listed in column (f) of the Annex to this Memorandum of Understanding and
column (f) of Annex I to the Memorandum of Understanding signed by the Government
of Finland on 28 May 1976 and by the Government of Hong Kong on 7 June 1976 shall
apply.

Carry-over and carry-forward

8. The Government of Hong Kong may, after consultation between the Government of
Hong Kong and the Government of Finland, approve the export of amounts in excess
of the agreed limit in column (d) of the Annex by 5 per cent (carry-forward). Where
the agreed limit is increased by carry-forward, corresponding deductions
shall be made from any limit which may be agreed in respect of the same category
in the immediately following restraint period.

9. If exports in the period 1 February 1977 to 31 December 1977 are less than
the agreed limit in column (d) of the Annex, the Government of Hong Kong may,
after consultation between the Government of Hong Kong and the Government of
Finland, approve the export of amounts in excess of any limit which may be agreed
in respect of the same category in the immediately following restraint period,
equal to the actual shortfall or 10 per cent of any limit which may be agreed for
the immediately following restraint period, whichever is the less.

Re-export

10. The Government of Finland will inform the Government of Hong Kong when
imports into Finland of garments that have been debited to the agreed limit are
subsequently re-exported from Finland. The Government of Hong Kong may then
credit the quantities involved to the limit.

Exchange of statistics

11. The Government of Hong Kong will provide the Government of Finland with
monthly statistics of the garments listed in the Annex licensed for export to
Finland and debited to the limit set out in column (d) of the Annex.
12. The Government of Finland will provide the Government of Hong Kong with quarterly statistics of total imports and of imports from Hong Kong and other significant suppliers of the garments set out in the Annex.

Consultations

13. The Government of Finland and the Government of Hong Kong agree to consult together, at the request of either party, on any matter arising from the implementation of this arrangement.

14. If the Government of Hong Kong considers that, as a result of the restraint imposed by this arrangement, Hong Kong is being placed in an inequitable position vis-à-vis a third country, the Government of Hong Kong may request the Government of Finland to consult with a view to appropriate remedial action such as a reasonable modification of this arrangement.

General

15. The Annex to this Memorandum shall be considered an integral part of it.

For the Government of Finland

For the Government of Hong Kong

Signed on 28 January 1977
<table>
<thead>
<tr>
<th>Finnish Statistical Classification No.</th>
<th>Hong Kong Statistical Classification No.</th>
<th>Description</th>
<th>Restraint limit</th>
<th>Notional annual limit</th>
<th>Conversion factor (square yards equivalent per dozen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex 60.04.712</td>
<td>ex 841 439</td>
<td>Briefs, drawers, undershorts and the like, knitted or crocheted, not elastic or rubberized wholly or mainly by weight of cotton or of man-made fibres, men's and boys', excluding infants', i.e. garments of size 26 (European) or under.</td>
<td>559,166 units</td>
<td>610,000 units</td>
<td>9 sq. yd/doz.</td>
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