The Textiles Surveillance Body has received from Finland a notification of an agreement concluded with Macao under Article 3:4 of the Arrangement concerning trade in textiles, for the period 1 June 1977 to 31 July 1978.

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

I. Introduction

1. This Memorandum of Understanding sets out the arrangements that have been agreed between the Government of Finland and the Government of Macau regarding Macau's exports of certain garments to Finland.

II. Export restraint arrangements

2. These arrangements are made under Article 3 of the Arrangement Regarding International Trade in Textiles.

Coverage

3. These arrangements shall apply to Macau's export to Finland of the garments set out in the Annex to this Memorandum.

Restraint period

4. These arrangements shall apply for the period 1 June 1977 to 31 July 1978.

Restraint limit

5. The Government of Macau shall restrict exports of these garments to the limits set out in the Annex to this Memorandum, save as provided for in paragraphs 7, 8 and 9.

6. The Government of Finland shall for the purpose of these arrangements admit imports of the garments of Macau origin set out in the Annex only where such imports are covered by an export licence issued by Repartição dos Serviços de Economia de Macau, and endorsed to the effect that the consignments concerned have been debited to the agreed limits.

Swing

7. Exports may exceed either of the two limits in the Annex by 6 per cent, provided that a corresponding reduction is applied in the other limit. For the purpose of calculating such a corresponding reduction, the conversion factors listed in the Annex shall apply.

Carry over and carry forward

8. The Government of Macau may, after consultation between the Government of Macau and the Government of Finland, approve the export of amounts in excess of
the agreed limits in the Annex by 5 per cent (carry forward). Where the agreed limits are increased by carry forward, corresponding deduction shall be made from any limits which may be agreed in respect of the same categories in the immediately following restraint period.

9. If exports in the period 1 June 1977 to 31 July 1978 are less than the agreed limits in the Annex, the Government of Macau may, after consultation between the Government of Macau and the Government of Finland, approve the export of amounts in excess of any limits which may be agreed in respect of the same categories 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 Macau when imports into Finland of garments that have been debited to the agreed limits are subsequently re-exported from Finland. The Government of Macau may then credit the quantities involved to the appropriate limits.

Exchange of statistics

11. The Government of Macau will provide the Government of Finland with monthly statistics of the garments listed in the Annex licensed for exports to Finland and debited to the quantities set out in the Annex.

12. The Government of Finland will provide the Government of Macau with quarterly statistics of total imports and of imports from Macau and other significant suppliers of each of the garments set out in the Annex.

Consultations

13. The Government of Finland and the Government of Macau agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

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

III. General

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

For the Government of Finland: (signed)

For the Government of Macau: (signed)

<table>
<thead>
<tr>
<th>Category No.</th>
<th>Finnish statistical classification No.</th>
<th>Portuguese statistical classification No.</th>
<th>Description</th>
<th>Restraint limit (in pieces)</th>
<th>Conversion factor (square yards equivalent per dozen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ex 60.04.812</td>
<td>60.04.01</td>
<td>60.04.05.01</td>
<td>Briefs, drawers, panties, undershorts, and the like, knitted or crocheted, not elastic or rubberized, wholly or mainly by weight of cotton or of man-made fibres, women's and girls', excluding infants', i.e. garments of size 26 (European) or under.</td>
<td>225.167</td>
<td>9 sq.yd./doz.</td>
</tr>
<tr>
<td>ex 60.04.813</td>
<td>60.04.01</td>
<td>60.04.05.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ex 60.04.815</td>
<td>60.04.01</td>
<td>60.04.05.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ex 60.04.816</td>
<td>60.04.01</td>
<td>60.04.05.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ex 60.04.817</td>
<td>60.04.01</td>
<td>60.04.05.09</td>
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<td></td>
</tr>
<tr>
<td>2. ex 60.05.314</td>
<td>60.05.04</td>
<td>60.05.04</td>
<td>Jumpers, sweaters, cardigans and pullovers, and the like, knitted or crocheted, wholly or mainly by weight of wool, women's and girls', men's and boys', excluding infants', i.e. garments of size 26 (European) or under.</td>
<td>151.667</td>
<td>36 sq.yd./doz.</td>
</tr>
<tr>
<td>ex 60.05.354</td>
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<td>60.05.04</td>
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