ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Arrangement between Norway and Hong Kong

The following communication has been received by the Director-General from the Norwegian delegation for notification to the Cotton Textiles Committee.

On behalf of the Norwegian authorities concerned, I have the honour to enclose a copy of the Memorandum of Understanding with annex regarding the arrangements that have been agreed upon between the Governments of Norway and of Hong Kong in accordance with the Arrangement regarding International Trade in Cotton Textiles and the provisions of Article XXII(1) of the General Agreement on Tariffs and Trade.

1For previous arrangement see COT/115/Add.1.
MEMORANDUM OF UNDERSTANDING

Introduction

1. This Memorandum of Understanding sets out the arrangements that have been agreed between the Governments of Norway and of Hong Kong regarding the limits that the Government of Hong Kong are to apply to exports of certain garments for importation into Norway.

2. In reaching agreement on these arrangements, both Governments have had regard to the provisions of the Arrangement regarding International Trade in Cotton Textiles, in particular to Article 4 of that Arrangement, and to the provisions of Article XXII(1) of the General Agreement on Tariffs and Trade.

Coverage

3. These arrangements apply to Hong Kong's exports to Norway of the items listed in the annex to this Memorandum.

Restraint period

4. These arrangements will apply from 1 November 1970 to 30 June 1972.

Restraint limits

5. From 1 November 1970 to 31 October 1971, being the first period of these arrangements, the Hong Kong Government will restrict exports to the category limits listed in column (c) of the annex, save as provided for in paragraphs 8 and 9.

6. The Government of Norway will not admit imports of the garments of Hong Kong origin listed in the annex unless such imports are covered by a Hong Kong export licence endorsed by the Commerce and Industry Department, Hong Kong, that the consignments concerned have been debited to the agreed limits.

Growth

7. From 1 November 1971 to 30 June 1972, being the second period of these arrangements, the Hong Kong Government will limit exports to the category limits in column (d) of the annex, which represent two thirds of notional annual limits calculated on the category limits listed in column (c) plus 5 per cent; save as provided for in paragraphs 8 and 10.
Swing

8. During each period exports may exceed the limits for any category by not more than 10 per cent, provided that corresponding reductions are applied in other categories. For the purpose of calculating such corresponding reductions, the conversion factors listed in column (c) of the Annex shall apply.

Carry-over

9. If, at the end of the period covered by the Arrangements expiring on 31 October 1970 exports from Hong Kong to Norway are less than the basic restraint limits for that period specified in the enclosures to the Commerce and Industry Department's Memorandum of 1 September 1970 to the Royal Norwegian Consulate General, Hong Kong may export amounts equivalent to such short-falls during the first period covered by this Memorandum provided that such exports -

(i) are in the categories where the short-falls occurred;
(ii) do not exceed 10 per cent of the basic restraint limits specified in the enclosures to the Commerce and Industry Department's Memorandum of 1 September 1970 to the Royal Norwegian Consulate General.

10. If, at the end of the first period covered by this Memorandum, exports from Hong Kong to Norway are less than the category limits, Hong Kong may export amounts equivalent to such short-falls in the second period provided that such exports -

(i) are in the categories where the short-falls occurred;
(ii) do not exceed 10 per cent of the limits in column (c) of the Annex.

Re-exports

11. The Government of Norway will, so far as possible, inform the Hong Kong Government when imports into Norway of garments that have been debited to the agreed limits are subsequently re-exported from Norway. The Hong Kong Government may then credit the quantities involved to the appropriate limits.

Exchange of statistics

12. The Hong Kong Government will provide the Government of Norway with fortnightly statistics of exports of the garments listed in the Annex licensed for export to Norway and debited to the quantities set out in column (c) of the Annex.

13. The Government of Norway will, so far as possible, provide the Hong Kong Government with quarterly statistics of total imports and of imports from other significant suppliers of each of the items listed in the Annex.
Consultation

14. The Governments of Norway and Hong Kong agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

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

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

<table>
<thead>
<tr>
<th>Hong Kong statistical classification number</th>
<th>Description</th>
<th>12-month limit from 1.11.70-31.10.71 (dozens)</th>
<th>8-month limit from 1.11.71-30.6.72 (dozens)</th>
<th>Square yard equivalent of one dozen</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
</tr>
<tr>
<td>841 451</td>
<td>Undergarments and nightgowns, knitted or crocheted, not elastic nor rubberized, wholly or mainly of cotton, infants' wear</td>
<td>14,000</td>
<td>9,800</td>
<td>5.0</td>
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<td>841 431</td>
<td>Shirts, knitted or crocheted, wholly or mainly of cotton</td>
<td>23,000</td>
<td>16,100</td>
<td>7.234</td>
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<tr>
<td>841 170</td>
<td>Nightgowns, not knitted or crocheted, wholly or mainly of cotton, men's and boys' wear</td>
<td>27,000</td>
<td>18,900</td>
<td>51.96</td>
</tr>
<tr>
<td>841 186</td>
<td>Nightgowns, not knitted or crocheted, wholly or mainly of cotton, women's and girls' wear</td>
<td>95,000</td>
<td>66,500</td>
<td>36.8</td>
</tr>
<tr>
<td>841 462</td>
<td>Jackets, jumpers, sweaters, cardigans and pullovers, knitted or crocheted, wholly or mainly of sheep's wool (including lambs' wool), men's and boys', women's and girls' wear</td>
<td>95,000</td>
<td>66,500</td>
<td>36.8</td>
</tr>
<tr>
<td>841 465</td>
<td>ex 841 866 Jackets, jumpers, sweaters, cardigans and pullovers, knitted or crocheted, wholly or mainly of acrylic fibre, women's and girls' wear</td>
<td>95,000</td>
<td>66,500</td>
<td>36.8</td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>12-month limit from</td>
<td>8-month limit from</td>
<td>Square yard equivalent of one dozen</td>
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<tr>
<td>ex 841 713</td>
<td>Jumpers and the like, not knitted or crocheted, wholly or mainly of discontinuous synthetic fibres, men's and boys' wear</td>
<td>12,500</td>
<td>2,750</td>
<td>41.25</td>
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<tr>
<td>ex 841 751</td>
<td>Jumpers and the like, not knitted or crocheted, wholly or mainly of continuous and discontinuous synthetic fibres, women's and girls' wear</td>
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<td></td>
</tr>
<tr>
<td>ex 841 764</td>
<td>Dress shirts, not knitted or crocheted, wholly or mainly of discontinuous synthetic fibres</td>
<td>15,000</td>
<td>10,500</td>
<td>22.19</td>
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</tbody>
</table>