ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Norway and Yugoslavia

Note by the Chairman

Attached is a notification received from Norway of a bilateral agreement concluded with Yugoslavia for the period 1 January 1985 to 31 December 1987.

1 In the notification made under Article 2:1 (COM.TEX/SB/1007), Norway had made reference to the phasing-out of residual restrictions on imports from certain countries, including Yugoslavia. During the review of this notification, the TSB had been informed that since the notification Norway had concluded an agreement with Yugoslavia.

* English only/Anglais seulement/Inglés solamente
Dear Ambassador Raffaelli,

I have the honour to forward to you the attached notification to the Textiles Surveillance Body of a bilateral agreement between Norway and Yugoslavia relating to exports of certain textile products for imports into Norway.

Yours sincerely,

Johan Iversen

H.E. Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT
Geneva
SHORT REASONED STATEMENT


This agreement covers the period from 1 January 1985 to 31 December 1987. It was initialled in Oslo on 26 October 1984, implemented on a provisional basis from 1 January 1985, and it was signed in Belgrade on 25 April 1985. The agreement has been reached for the purpose of avoiding further market disruption or risks thereof in Norway, while ensuring an orderly development of Yugoslavia's exports to Norway.

The product categories are clothing and one made-up article. Out of the 20 categories covered by the Agreement, 3 are under quota restrictions and the remaining 17 items are subject to an administrative system of surveillance. 8 of the categories in the Agreement were until 1 July 1984 covered by the Norwegian global quota system previously notified under Art. XIX of the GATT. During the period 1 July 1984 to 31 December 1984, these restraints were maintained on the basis of MFA's
Concerning base levels for the restrained items, account has been taken of the level of imports from Yugoslavia in the 12-month period preceding the request for consultations. (The Norwegian request for consultations was submitted at the end of March 1984.)

As to the flexibility provisions in the agreement as well as the rates of growth, account was taken of Annex B of the Arrangement and paragraph 11 of the 1981 Protocol.

The situation for the Norwegian textiles and clothing industries is difficult. The level of production of clothing (excl. knitwear) and the number of persons employed in this sector have been reduced to less than half during the period of 1973-1983. In 1980 the production of clothing (excl. knitwear) was more than 30 per cent higher than in 1983. Production and employment in the textiles and knitwear sectors have also declined continuously after 1980.

Imports of clothing (SITC 84) have increased substantially during the past few years, reaching a share of total domestic supply of 74% (in value terms) in 1982. The volume of imports in 1982 was
two thirds higher than in 1974. After a small
decline in volume in 1983, due to weaker demand,
total imports have in 1984 increased by 18% in
value. In fact, Norway has the world's highest
net imports per capita of textiles and clothing.

For Norway, being a small market with an exceptionally
high level of import penetration and thus a low
domestic production, the maintenance of a minimum
viable production is of vital importance.
AGREEMENT BETWEEN

THE GOVERNMENT OF THE KINGDOM OF NORWAY

AND

THE FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY OF

THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

RELATING TO THE EXPORTS FROM YUGOSLAVIA OF CERTAIN

TEXTILE PRODUCTS FOR IMPORTS INTO NORWAY
Introduction

1. This Agreement sets out the arrangements that have been made between the Government of the Kingdom of Norway and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia regarding the exports of certain textile products from Yugoslavia for imports into Norway.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles, (hereinafter referred to as "the MFA") as extended by the Protocol of 22.12.1981, bearing in mind particularly the provisions of Article 1:2, Article 4 and Article 6 of the MFA.

Average

These arrangements apply to Yugoslavia's export to Norway of the textile products listed in Annex A to this Agreement, when these are made of cotton, wool or man-made fibres, or blend thereof, in which any, or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool) of the product.
Classification

4. For the purpose of classifying textile products in the appropriate category, the definitions set out in Annex A will apply.

5. In case of divergent opinions between the competent authorities of Yugoslavia and the competent Norwegian authorities at the point of entry into Norway on the classification of product covered by this Agreement, consultations as provided for in Article 15 of this Agreement shall be held with a view to reaching agreement on the appropriate classification of the products concerned and to resolving any difficulties arising therefrom. For this purpose, the competent authorities of Yugoslavia shall be informed by the competent authorities in Norway as soon as a case of divergent opinions on the classification of products arises.

Pending agreement on the appropriate classification and in order to avoid disruption of trade, the products in question shall be imported on the basis of the classification indicated by the competent Norwegian authorities at the point of entry, in conformity with the provisions of this Agreement.
Restraint levels

6. For products listed in Annex B of this Agreement, the Federal Executive Council of the Assembly of the SFR of Yugoslavia agrees that for each quota period during the term of this Agreement, export of these products to Norway be restrained to the limits set out in Annex B, or the limits modified as provided for in various articles of this Agreement.

Flexibility provisions

7. Any quantitative limit set out in Annex B may, after notification to and statistical verification by the competent Norwegian authorities be exceeded in either year of any two subsequent agreement years by carry forward and / or carry over. Carry forward and carry over taken together shall not exceed 8 per cent, of which carry forward shall not represent more than 4 per cent.

The statistical verification referred to above shall be completed as soon as possible and not later than 10 working days from the date of the receipt of the notification.
Products covered by the Agreement without quantitative limits

8. Imports of textile products covered by this Agreement which are not subject to quantitative limits shall be subject to automatic import licensing.

When imports of a product listed in Annex A not subject to quota restraint have reached a level corresponding to 1,5 per cent (0,5 per cent for the categories 3, 4, 5, 6 and 8) of the preceding year's total imports into Norway of that product, the Norwegian Government may request consultations in order to establish a quantitative limit for the product concerned.

Pending a mutually acceptable solution through this consultation, the Norwegian Government may fix a quantitative limit at the volume reached by imports of the product in question in the twelve-month period preceding notification, and the annual growth rate in such a case shall be less than 2 per cent.

Exports from Yugoslavia to Norway of textile products listed in Annex B shall be subject to a double-checking system of export and import licensing as specified in Annex C of
the Agreement.

Circumvention

10. The Government of the Kingdom of Norway and the Federal Executive Council of the Assembly of the SFR of Yugoslavia agree to cooperate fully in dealing with problems relating to circumvention of the arrangements set out in this Agreement.

When information available to the Norwegian authorities indicates that products of Yugoslav origin listed in Annex B to this Agreement have been imported into Norway by transshipment, rerouting or otherwise, in circumvention of the arrangements set out in this Agreement, Norway may ask for consultations as provided for in Article 15 of this Agreement, with a view to agree on an appropriate adjustment of quantitative limits for the products concerned.

If the parties fail to reach a mutually
agreement solution within a period of 60 days from the date when the request for consultations was made, the Norwegian authorities shall, if evidence of circumvention has been provided, have the right to carry out a
compensatory reduction of the corresponding restraint level, for the current or the following calendar year.

Seasonal fluctuations

11. The Federal Executive Council of the Assembly of the SFR of Yugoslavia will endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible each calendar year, due account being taken of normal seasonal factors.

Origin

5. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Norway and the procedures for control of the origin of the products set out in Annex C.

Textile products covered by this Agreement shall not exceed the quantitative limits established in Annex B, provided that the export licence for the products concerned are for Norway.

where the competent Norwegian and Yugoslav
authorities have evidence that products exported from Yugoslavia and set off by Yugoslavia against a quantitative limit established in Annex B have been subsequently re-exported outside Norway, the parties shall notify each other of the quantities involved. In such a case, the competent authorities of the SFR of Yugoslavia may authorize exports for the current calendar year of identical quantities of products within the same category, which shall not be set off against the quantitative limits established in Annex B.

Exchange of statistics

4. For all products covered by this Agreement the Federal Executive Council of the Assembly of the SFR of Yugoslavia will provide the Government of Norway with quarterly statistics of all export licences issued by the authorities for each category for the current quota period.

The Government of Norway will provide the Federal Executive Council of the Assembly of the SFR of Yugoslavia with quarterly statistics on imports and licences issued for imports from Yugoslavia of all categories covered by this Agreement.

A report shall be transmitted before the
end of the second month following the quarter covered by the report.

Both parties agree to supply promptly any other pertinent and readily available statistical information requested by the other party.

Consultations

The Government of the Kingdom of Norway and the Federal Executive Council of the Assembly of the SFR of Yugoslavia agree to consult at the request of either government, on any question arising in the application of this Agreement.

Any request for consultations shall be notified in writing to the other party together with a statement explaining the reasons and circumstances that led to the request.

The parties shall enter into consultations within 30 days at the latest from when the request was made, with a view to arriving at a mutually satisfactory conclusion in conformity with the provisions of the MFA within a further 30 days at the latest.
Other textile products

16. Both parties reserve their rights under the MFA with respect to textile products not covered by this Agreement.

General

The present Agreement shall enter into force when the parties have notified each other that all internal procedures which are necessary for the fulfilment of the obligations in the Agreement have been completed.

Provided that such notifications have taken place, the Agreement shall apply with effect from 1 January 1985 until 31 December 1987, unless this is changed by application of the provisions of Article 18 of this Agreement.

Either party may at any time propose modifications to this Agreement. Such proposals shall lead to consultations in accordance with the procedures outlined in Article 15.

Either party may at any time denounce this Agreement provided that at least 60 days' notice is given. In that event the Agreement shall come to an end on the expiry of the notice.
19. The Annexes to this Agreement shall be considered as an integral part thereof.

Done in two originals at Belgrade on April 25, 1985 in the English language, both texts being equally authentic.

For the Government of the Kingdom of Norway

[Signature]

For the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia

[Signature]
## Product Categories Covered by the Agreement

<table>
<thead>
<tr>
<th>Unit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pieces</td>
<td>Outer garments of woven material, men's, boys', women's, girls':</td>
</tr>
<tr>
<td></td>
<td>- Jackets: Tailored jackets, blazers, waistcoats, sports jackets (including parts of ski suits), anoraks and similar garments, parkas, one-piece suits and the like, also as parts of suits, sets and costumes.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Outer garments of woven material, men's, boys', women's, girls':</td>
</tr>
<tr>
<td></td>
<td>- Trousers, slacks, jeans, breeches and the like (including bib and brace overalls), other than swimwear and shorts, also as parts of suits and sets.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Knitted or crocheted shirts, T-shirts and blouses of all kinds.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Knitted or crocheted under garments, men's, boys', women's, girls', infants', other than T-shirts, blouses, night wear and panty hose.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Men's and boys' shirts of all kinds, of woven material.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Outer garments and other articles, knitted or crocheted, not elastic nor rubberised:</td>
</tr>
<tr>
<td></td>
<td>- Pull-overs, sweaters, jumpers, cardigans and jackets.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Outer garments of woven material, women's, girls':</td>
</tr>
<tr>
<td></td>
<td>- Blouses, shirts and the like.</td>
</tr>
<tr>
<td>Pieces</td>
<td>Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberised, except women's stockings, sport stockings and thick woolen socks (known as &quot;ragg-bokke&quot;).</td>
</tr>
</tbody>
</table>
Women's and girls' outer garments of woven material:
- Dresses, housecoats, frocks and gowns.

Outer garments of woven material, women's, girls':
- Skirts, including divided skirts.

Costumes, dresses, suits, skirts and trousers, knitted or crocheted (incl. track suits).

Gloves, mittens and mitts of textile material, not knitted or crocheted.

Outer garments of woven material for infants (defined as for infants of maximum height 110 cm).

Men's, boys', women's and girls' outer garments of woven material:
- Ulsters, overcoats, capes and coats (except those impregnated or coated with oil, varnish rubber, artificial plastic materials and the like).

Under garments, knitted or crocheted:
- Panty hose.

Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised.

Night wear, knitted or crocheted.

Gaiters and spats (short or long ones) of textile materials ("Österdalssokker").

Under garments of woven material, women's and girls' wear (except night wear).
<table>
<thead>
<tr>
<th>UNIT</th>
<th>1985</th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pcs.</td>
<td>26.000</td>
<td>26.130</td>
<td>26.261</td>
</tr>
<tr>
<td>Pcs.</td>
<td>26.000</td>
<td>26.130</td>
<td>26.261</td>
</tr>
<tr>
<td>Kgs.</td>
<td>13.000</td>
<td>13.065</td>
<td>13.130</td>
</tr>
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</table>
ANNEX C:

ADMINISTRATIVE COOPERATION

1. Products originating in Yugoslavia for export to Norway in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Yugoslav origin conforming to the specimen attached as Annex D, including full and detailed description of the goods.

The certificate of Yugoslav origin shall be issued by the Yugoslav Chamber of Economy—General Association of Yugoslav Textile and Garment industry.

The competent authorities of Yugoslavia shall issue an export licence in respect of all consignments from Yugoslavia for exports to Norway of products covered by Annex B. The export licence shall conform to the specimen attached to Annex E.

For products covered by Annex B, the competent authorities of Yugoslavia shall issue export licences up to the quantitative limits agreed through this Agreement (eventually modified as provided for by this Agreement). The export licence must certify that the quantity of the
product in question has been set off against the quantitative limit prescribed for the category of the product in question.

Each export licence shall cover only one of the categories of products listed in Annex A to this Agreement.

Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected.

The presentation of an export licence, in application of Paragraph 7 below, shall be effected not later than 31 January of the year following that in which the goods covered by the licence have been shipped.

Importation into Norway of textile products subject to quantitative limits shall be subject to the presentation of appropriate import documents.

The relevant Norwegian authorities shall issue such import documents automatically within ten working days of the presentation by the importer of the original of the corresponding export licence.
B. The competent Norwegian authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued.

The competent Norwegian authorities shall cancel the already issued import documents if the corresponding export licence has been withdrawn.

However, if the competent Norwegian authorities have not been notified about the withdrawal or cancellation of the export licence until after the products have been imported into Norway, the quantities involved shall be set off against the quantitative limit for the category and quota year in question, and the competent authorities of Yugoslavia shall be informed as soon as possible.

If the competent Norwegian authorities find that the total quantities covered by export licences issued by the competent authorities of Yugoslavia for a particular category in any calendar year exceed the quantitative limit established for that category, the said authorities may suspend the further issue of import documents. In this event, the competent Norwegian authorities shall immediately inform the authorities of Yugoslavia and the special
consultation procedure set out in Article 15
of the Agreement shall be initiated forthwith.

10. Exports of Yugoslav origin of products listed
in Annex B not covered by export licences
shall be permitted by the authorities of Yugoslavia in
accordance with the provisions of this Annex
and it shall be required the issue of appropriate import
documents by the competent Norwegian authorities.

11. The export licence and the certificate of
Yugoslav origin may comprise additional copies
duly indicated as such. They shall be made
out in English. If they are completed by hand,
entries must be in ink and in printscript.

Only the original, clearly marked "original"
shall be accepted by the competent authorities
since it alone will be valid for the purposes of
the Agreement in accordance with the
provisions established by this Agreement.

Each export licence and certificate of Yugoslav
origin shall bear a serial number by which it
can be identified, and contain the information
required, cf. the specimens attached as Annexes

In the event of theft, loss or destruction of
an export licence or a certificate of Yugoslav origin, the exporter may apply to the competent authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement "duplicate".

The duplicate must bear the date and number of the original export licence or certificate of Yugoslav origin.

The Federal Executive Council of the Assembly of the SRH of Yugoslavia will provide the Norwegian side with data regarding authorities (names and addresses) competent for the issue and verification of export licences and certificates of Yugoslav origin, as well as the information in these data, together with descriptions of the stamps used by these authorities.
<table>
<thead>
<tr>
<th>Field</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of origin</td>
<td>Norway</td>
</tr>
<tr>
<td>Description of goods</td>
<td>in accordance with the provisions in force in the case No 6, conformément aux dispositions en vigueur.</td>
</tr>
<tr>
<td>No. of packages</td>
<td>10</td>
</tr>
<tr>
<td>Weight (kg)</td>
<td>20</td>
</tr>
<tr>
<td>FOB value (EUR)</td>
<td>100</td>
</tr>
<tr>
<td>Quantity (1000)</td>
<td>50</td>
</tr>
<tr>
<td>Price (EUR)</td>
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</tr>
<tr>
<td>royal quantity (EUR)</td>
<td>125</td>
</tr>
<tr>
<td>Tariff rate (EUR)</td>
<td>1.20</td>
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<tr>
<td>FOB value (EUR)</td>
<td>100</td>
</tr>
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</table>
**EXPORT LICENCE**

(Internal products)

<table>
<thead>
<tr>
<th>ORIGINAL</th>
<th>2 No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Quota year</td>
<td>Année contingentaire</td>
</tr>
<tr>
<td>4 Category number</td>
<td>Numéro de catégorie</td>
</tr>
</tbody>
</table>

**EXEMPTION**

(Textile products)

<table>
<thead>
<tr>
<th>EXPORT LICENCE</th>
<th>LICENCE D'EXPORTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Produits textiles)</td>
<td>(Produits textiles)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5 Country of origin</th>
<th>Pays d'origine</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Country of destination</td>
<td>Pays de destination</td>
</tr>
</tbody>
</table>

**Place and date of shipment - Means of transport**

<table>
<thead>
<tr>
<th>Pays et dates d'embarquement - Moyen de transport</th>
</tr>
</thead>
</table>

**Number and kind of packages - DESCRIPTION OF GOODS**

<table>
<thead>
<tr>
<th>Quantié (1)</th>
<th>Valeur FOB (2)</th>
</tr>
</thead>
</table>

**Signature by the Competent Authority - Visa de l'Autorité compétente**

Signed, 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 County:

*Norway.*

*Signature*

**Griff Pépité (Nom, adresse complète, pays)**

AI - A

*Signature*
<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity Unit</th>
<th>1981</th>
<th>1982</th>
<th>1983</th>
<th>Jan.-June '83</th>
<th>Jan.-June '84</th>
<th>1983</th>
<th>1982</th>
<th>1983.5 '83</th>
<th>1.5 '84</th>
</tr>
</thead>
</table>
| Woven materials:  
| 1. Jackets (w.)                                        | Piece(s)      | 17879 | 9564  | 23174 | 7262          | 8386          | 0.6   | 0.3   | 0.7       | 0.4     |
| 2. Trousers (w.)                                       | Piece(s)      | 13673 | 5956  | 16588 | 3556          | 4690          | 0.2   | 0.1   | 0.2       | 0.1     |
| 3. Shirts, T-shirts etc. (kn.)                         | Piece(s)      | 53    | 52    | 5011  | 5011          | 41            | -     | -     | -         | -       |
| 4. Other under garments (kn.)                          | Piece(s)      | 1351  | 21764 | 780   | 409           | 3936          | 0     | -     | -         | -       |
| 5. Shirts (w.)                                         | Piece(s)      | 4527  | 195   | 1069  | 43            | 87            | -     | -     | -         | -       |
| 6. Pull-overs etc. (kn.)                              | Piece(s)      | 6255  | 12597 | 10277 | 6425          | 6799          | 0.5   | 1.0   | 0.7       | 0.8     |
| 7. Bed linen                                           | Kgs.          | 3596  | 4701  | 82    | 14            | 0             | 0.1   | 0.1   | -         | -       |
| 8. outer garments of woven material for infants        | Piece(s)      | 58    | 0     | 0     | 0             | 0             | 0     | 0     | 0         | 0       |
| 9. Stockings (kn.) except women's stockings and thick  | Dozen Pairs   | 3609  | 802   | 174   | 142           | 251           | 0.2   | 0.1   | -         | -       |
| 10. Night wear (kn.)                                   | Piece(s)      | 12    | 1748  | 117   | 0             | 0             | -     | 0.1   | -         | -       |
| 11. Skirts (w.)                                        | Piece(s)      | 323   | 109   | 673   | 117           | 8520          | -     | -     | -         | 0.6     |
| 12. Gloves, mittens, mitts (w.)                        | Kgs.          | 6307  | 3704  | 1239  | 130           | 588           | 1.2   | 0.6   | 0.2       | 0.1     |
| 13. Undergarments of woven material for infants        | Piece(s)      | 0     | 0     | 20    | 20            | 0             | 0     | 0     | -         | -       |
| 14. Ulsters, overcoats, capes and coats (not impr. or  | Piece(s)      | 0     | 0     | 0     | 0             | 0             | 0     | 0     | -         | -       |
| 15. Imprinted or coated outer garments (w.)            | Kgs.          | 0     | 0     | 4     | 0             | 63            | 0     | 0     | 0         | 0       |
| 16. Panty hose (kn.)                                   | Kgs.          | 0     | 0     | 0     | 0             | 2285          | 0     | 0     | 0         | 0       |
| 17. Gloves, mittens, mitts (kn.)                       | Kgs.          | 0     | 0     | 0     | 0             | 0             | 0     | 0     | 0         | 0       |
| 18. Night wear (kn.)                                   | Piece(s)      | 0     | 0     | 4     | 0             | 63            | 0     | 0     | 0         | 0       |
| 19. Cafters and napts                                  | Kgs.          | 0     | 0     | 4     | 0             | 63            | 0     | 0     | 0         | 0       |
| 20. Impregnated or coated outer garments (w.)          | Kgs.          | 0     | 0     | 2     | 0             | 0             | 0     | 0     | 0         | 0       |
| 21. Women's and girl's under garments (w.)            | Kgs.          | 0     | 0     | 0     | 0             | 0             | 0     | 0     | 0         | 0       |