TEXTILES SURVEILLANCE BODY

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Korea

Note by the Chairman

Attached is a notification received from Finland of a bilateral agreement concluded with Korea for the period 1 January 1987 to 31 December 1991.

\[1\] The previous bilateral agreement between the parties is contained in COM.TEX/SB/836.

*English only/Anglais seulement/Ingles solamente

87-0220
With reference to Article 4 of the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the MFA), done at Geneva on 2 December 1973, and to the Protocol extending the MFA, done at Geneva on 31 July 1986, I have the honour to notify the Textiles Surveillance Body of a Memorandum of Understanding between Finland and the Republic of Korea, signed on 9 December 1986. The Memorandum provides for limitations to the exports to Finland from the Republic of Korea of outer garments, ulsters, other coats and jackets as well as women's and girls' blouses and men's and boys' shirts. Restraints are effective from 1 January 1987 to 31 December 1991.

The product coverage of the present Memorandum has been narrowed in comparison to the previous Memorandum, which expired on 31 December 1986. The quantitative restraint on socks has been removed. Men's and boys' and women's and girls' ulsters, coats and jackets have been merged from two into one restraint category. Categories of products under administrative control have been reduced from 22 to 11 by removing completely 9 categories and merging some others. The base levels have been increased by 4 per cent. The annual growth rate is 2.5 per cent, which means a slight increase to the previous rate. The Memorandum provides for carry over and carry forward, taken together up to 10 per cent, of which carry forward shall not represent more than 5 per cent. It also allows for a swing of 5 per cent.

The Government of Finland believes this Memorandum of Understanding is in conformity with the provisions of the MFA and its Protocol of Extension.

Yours sincerely,

Pekka Sällä
Minister-Counsellor

Mr. M. Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs Centre William Rappard 154, rue de Lausanne 1211 Geneva 21
MEMORANDUM OF UNDERSTANDING

During the Consultations held in Helsinki on 8-9 December 1986, between a delegation from Finland and a delegation from the Republic of Korea, and having regard to the Arrangement Regarding International Trade in Textiles, in particular Article 1:2, 4 and Annex B, Paragraph 2, and to the Protocol of 31 July 1986, extending the said Arrangement, agreement was reached as follows:

1. The following arrangements shall apply for the period of 1st of January 1987 to 31st of December 1991.

2. The Republic of Korea agrees to voluntarily restrain the exports to Finland of the textile products specified in Annex I to the limits set out in that Annex.

3. Finland will for the purpose of the present arrangements admit imports of the textile products of Korean origin set out in Annex I to the agreed limits provided that such imports into Finland are covered by an export licence and a certificate of origin, as per specimen at Annex III, issued by the Korean authorities listed at Annex IV. The export licence shall bear an endorsement by competent officials to the effect that the consignment concerned has been debited to the agreed levels for exports to Finland for the relevant period. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.

4. If the information available to the Finnish authorities through the import surveillance system shows that the quantitative limits for the products specified in Annex I have already been reached or that the unused balances of those limits are insufficient to cover the goods specified in the export licence, the Finnish authorities may, subject to the provisions of Articles 5 and 6, refuse to admit imports of such products for any quantity in excess of the quantitative limits set out in Annex I. In such a case the Finnish authorities shall immediately inform the authorities of the Republic of Korea of their decision.
5. Exports may exceed the limits in Annex I by 5 (five) percent, provided that a corresponding reduction is applied to the other limits. For the purpose of calculating such a reduction the conversion factors listed in Annex I shall apply.

6. Carry-over and carry forward taken together shall not exceed 10 (ten) percent, of which carry forward shall not represent more than 5 (five) percent.

7. The Republic of Korea shall endeavour to ensure that exports of the textile products subject to quantitative limits are spaced out as evenly as possible over the year, due account being taken, in particular, of seasonal factors.

8. Imports from the Republic of Korea into Finland of the textile products specified in Annex II shall be subject to a system of administrative control.

   In respect of exports of products specified in Annex II Finland will automatically admit imports upon the presentation of export licences issued by the competent Korean authorities.

   When the Finnish authorities find that the exports of these products from the Republic of Korea to Finland develop in a manner which in their opinion would result in serious damage to its domestic producers, Finland may request consultations with a view to reaching agreement on an appropriate restraint level for the products in question.

   The Parties shall enter into consultations within one month at the latest from the notification of the request with a view to reaching agreement within fifteen days at the latest.

   Should the Parties be unable to reach a satisfactory solution Finland shall have the right to introduce a quantitative limit at an annual level no lower than that reached by imports of the products in question in the twelve-month period terminating two months preceding the month in which the request for consultations was made.

9. Finland and the Republic of Korea agree to consult together, at the request of either party on any matter arising from the implementation of these arrangements. They furthermore agree to enter into consultations on possible extension or modification of the present arrangements.
10. Finland may request consultations with the Republic of Korea with a view to reaching a mutually acceptable solution for the imports of textile products not specifically provided for in this Memorandum when, in the opinion of Finland, limitations on trade in such products may be necessary to eliminate real risks of market disruption.

The Parties shall enter into consultations within one month at the latest of the notification of the request with a view to reaching agreement within one further month at the latest.

Pending a mutually acceptable solution through these consultations the Korean authorities undertake, if so requested by the Finnish authorities, to limit shipments from the date on which Finland requests consultations in order to ensure that exports of the products in question to Finland do not exceed, based on an annual rate, the level of 102 percent of the exports recorded in the twelve month period ending two months before the month in which the request for consultations was made.

11. The Republic of Korea will forward to Finland monthly statistics on a cumulative basis on the textile products for which export licences for export to Finland have been issued. Finland will forward to the Republic of Korea monthly statistics on a cumulative basis on imports of the said textile products.

12. The Annexes to this Memorandum of Understanding shall form an integral part thereof.


Done in Helsinki, 9th of December 1986

For the Government of the Republic of Finland

Alec Aalto
Ambassador
Ministry for Foreign Affairs

For the Government of the Republic of Korea

Un Suh Park
Director General
Ministry of Trade and Industry
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<tbody>
<tr>
<td>I</td>
<td>60.05</td>
<td>Outer garments, knitted or crocheted, not elastic nor rubberised</td>
<td>Pcs</td>
<td>198 580</td>
<td>203 545</td>
<td>208 634</td>
<td>213 850</td>
<td>219 196</td>
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<td>5 Pcs/Kg</td>
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<td>II</td>
<td>61.01.105</td>
<td>Men's, boys', women's, and girls' and infants' ulsters, other coats and jackets of cotton and discontinuous man-made fibres</td>
<td>Pcs</td>
<td>115 033</td>
<td>117 909</td>
<td>120 857</td>
<td>123 878</td>
<td>126 975</td>
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<td>1,15 Pcs/Kg</td>
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<td>III</td>
<td>61.02.502</td>
<td>Women's and girls' blouses and men's and boys' shirts of cotton and man-made fibres</td>
<td>Pcs</td>
<td>56 315</td>
<td>57 723</td>
<td>59 166</td>
<td>60 645</td>
<td>62 161</td>
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<td>5,1 Pcs/Kg</td>
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Annex II

I  ex 51.04  Woven fabrics of man-made fibres, other than unbleached and undyed
    ex.56.07
II  60.03  Stockings, under stockings, socks, anklesocks, sockettes and the like, knitted or crocheted, not elastic nor rubberised
III  60.04  Under garments, knitted or crocheted
IV  61.01.102  Men's, boys', women's, girls' and infants' ulsters, coats and jackets of continuous man-made fibres
           61.01.402
           61.02.102
V  61.01.305  Men's and boys' suits of cotton and discontinuous man-made fibres
           306
VI  61.01.505  Men's and boys' trousers of cotton and discontinuous man-made fibres
           506
VII  61.02.202  Women's, girls' and infants' suits and costumes
              204
              205
              206
              209
VIII  61.02.605  Women's, girls' and infants' trousers of cotton and discontinuous man-made fibres
                606
IX  61.09.201  Brassieres, ready made
X  62.02  Bed linen, table linen, toilet linen, kitchen linen, curtains and other furnishing articles
XI  ex 62.04  Tarpaulins, sails, awnings, sunblinds, tents and camping goods other than jute
CERTIFICATE OF EXPORT LICENCE OF TEXTILE PRODUCTS

TO FINLAND

DATE OF ISSUE: __________ 198
SERIAL NO. ______________________

EXPORTER: ______________________

IMPORTER: ______________________

C.C.C.N. NO.: ______________________

DESCRIPTION OF GOODS: ______________________

QUANTITY: ______________________

AMOUNT: US $ /FOB. C&F. CIF.

This is to certify that the above export has been debited to the agreed levels for exports to Finland (198 . . . ~ 198 . . . ) as set out in Annex I of the Memorandum of Understanding between the Republic of Korea and Finland.

DIRECTOR, EXPORT DIVISION I
MINISTRY OF TRADE AND INDUSTRY
THE REPUBLIC OF KOREA
Annex IV

Director, Export Division I
Ministry of Trade and Industry
Republic of Korea