ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Norway and Hungary

Note by the Chairman

Attached is a notification received from the Norway of a bilateral agreement concluded with Hungary for the period 1 January 1987 to 31 December 1991.¹

¹The previous bilateral agreement is contained in COM.TEX/SB/1076.
Dear Mr. Ambassador,

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles as extended by the 1986 Protocol, I am pleased to notify the Textiles Surveillance Body of the conclusion of a bilateral agreement between the Government of the Kingdom of Norway and the Government of the Hungarian People's Republic.


The agreement has been reached for the purpose of avoiding market disruption or risks thereof in Norway, while ensuring an orderly development of Hungary's exports to Norway.

The former bilateral MFA-agreement between Norway and Hungary initially included 22 categories, of which 14 were subject to quota-limitations, while the remaining 8 were subject to an administrative system of surveillance. This new agreement covers a total of 15 categories, of which 11 are subject to quota-limitations and the remaining 4 are subject to an administrative system of surveillance.

Mr. Marcello Raffaelli
Ambassador
Chairman of the Textiles Surveillance Body
GATT
Geneva
Increases in base levels varied between 0.5 and 7 per cent. In the new agreement, growth rates vary between 0.5 - 3 per cent, while growth rates in the previous agreement were 0.2 or 2.0 per cent.

In contrast to the former agreement, this new agreement includes all types of flexibility for all categories under quota restriction.

As to the flexibility provisions in the agreement as well as the rates of growth, reference is made to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extention.

Norway is a small market, with an exceptionally high level of imports and a correspondingly low level of domestic production, and is thus particularly exposed to the problems arising from imports causing market disruption. In spite of this Norway has, in it's bilateral MFA-agreement with Hungary, agreed to reductions in the number of categories covered by the agreement, increases in growth rates and introduction of all kinds of flexibility into the agreement.

Yours faithfully,

Martin Huslid
Ambassador
Permanent Representative of Norway
AGREEMENT BETWEEN

THE GOVERNMENT OF THE KINGDOM OF NORWAY

AND

THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

RELATING TO THE EXPORTS FROM THE HUNGARIAN PEOPLE'S REPUBLIC

OF CERTAIN TEXTILES PRODUCTS FOR IMPORTS INTO NORWAY
A Delegation from Norway and a delegation from Hungary met in Oslo from 24 - 25 November 1986 to hold consultations on trade in certain textile products.

As a result of such consultations both Delegations agreed to initial the Agreement, the Memorandum of Understanding and the exchange of Letters, as attached, on an ad referendum basis.

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Knut Kvamme
Leader of the Norwegian Delegation

Oslo, 25 November 1986

Ivan Novak
Leader of the Hungarian Delegation
Introduction

1. This Agreement sets out the Arrangements that have been made between the Government of Norway and the Government of the Hungarian People's Republic regarding the exports of certain textile products from the Hungarian People's Republic 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 31.07.1986, bearing in mind particularly the provisions of Article 1:2; Article 1:6 and Article 4 of the MFA.

Coverage

3. These arrangements apply to the exports of the Hungarian People's Republic to Norway of the textile products listed in Annex A to this Agreement when these are made of cotton, wool, man-made fibres or blends 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 Norwegian and Hungarian authorities on the classification of products covered by this Agreement, consultations as provided for in Paragraph 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 authorities of the Hungarian People's Republic 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, in conformity with the provisions of this Agreement.

Restraint levels

6. For products listed in Annex B to this Agreement, the Hungarian People's Republic shall for each period during the term of this Agreement restrain its exports to Norway to the limits set out in Annex B.

Flexibility provisions

7. (a) If in any restraint period of this Agreement, levels specified in Annex B of this Agreement for any categories are not fully utilized, the Government of the Hungarian People's Republic may after prior notification to the Government of Norway during the subsequent twelve month period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports are in the same categories where the shortfalls occurred and do not exceed the percentages set out under column (d), Annex B.

(b) During each restraint period of this Agreement, the Government of the Hungarian People's Republic may, after prior notification to the Government of Norway, approve the export of amounts in excess of the levels specified in Annex B to this Agreement up to the percentages set out in Annex B under column (e) increased by the appropriate growth rate of these levels (carry forward) for the current restraint period. Where specific levels have been increased by carry forward the Government of the Hungarian People's Republic shall inform the Government of Norway of the carry forward quantities and debit these to the corresponding levels which are agreed or may be agreed upon for the subsequent period.
(c) During each restraint period of this Agreement, the Government of the Hungarian People's Republic may, after prior notification to the Government of Norway, approve the export of amounts in excess of the levels specified in Annex B to this Agreement up to the percentages set out in Annex B under column (f) increased by the appropriate growth rate (swing). Where specific levels have been increased by swing a corresponding reduction shall be made in one or more of other levels calculated on the basis of the conversion factors listed in Annex B, column (h).

(d) During each restraint period of this Agreement, the additional export quantities resulting from carryover, carry forward and swing taken together shall, for each specific level, not exceed the percentages set out in Annex B under column (g).

Products covered by the Agreement without restraint levels.

8. Imports of textile products covered by this Agreement which are not subject to restraint levels shall be subject to a dual system of export and import administrative control.

When imports of a product listed in Annex A not subject to restraint levels have reached a level corresponding to 1.5% of the preceding calendar year's total imports into Norway of that product and the imports cause or threaten to cause market disruption as defined in Annex A of the MFA, the Norwegian Government may request consultations in order to establish a restraint level for the product concerned.

Pending a mutually acceptable solution through this consultation, the Norwegian Government may fix a quantitative limit at least at the volume reached by imports of the product in question in the twelve-month period preceding the request for consultation, and the annual growth rate in such a case shall not be less than 2%.
Administration

9. Exports from the Hungarian People's Republic to Norway of textile products listed in Annex B shall be subject to a double-checking system by the Norwegian and Hungarian authorities, as specified in Annex C of the Agreement.

Circumvention

10. The Government of Norway and the Government of the Hungarian People's Republic 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 Hungarian 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 Paragraph 15 of this Agreement, with a view to agree on an appropriate solution.

If the parties fail to reach a mutually satisfactory solution within a period of 51 days from the date when the request for consultations was received, the Norwegian authorities may, if solid evidence of circumvention has been provided and pending the outcome of the consultations, carry out an appropriate adjustment of the restraint level for the products concerned, for the current or the following calendar year.

Seasonal fluctuations

11. The Government of the Hungarian People's Republic will endeavour to ensure by way of issuing export licences that exports of textile products covered by this Agreement and subject to restraint levels are spaced out as evenly as possible each calendar year, however taking into consideration possible concentration of exports attributable to normal seasonal factors.
Rules of origin

12. 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. Any changes in these rules shall be notified to the Hungarian authorities.

Re-exports

13. Exports from the Hungarian People's Republic to Norway of textile products covered by this Agreement shall not be subject to restraint levels established in Annex B, provided that the export licence certifies that the products concerned are for re-exports outside Norway.

Where the competent Norwegian authorities have evidence that products exported from the Hungarian People's Republic against a restraint level established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify the Government of the Hungarian People's Republic of the quantities involved. Upon receipt of such notification, the Government of the Hungarian People's Republic may authorize 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

14. For all products covered by Annex B of this Agreement

- the Government of the Hungarian People's Republic undertakes to provide the Government of Norway with quarterly statistics of all export licences issued by the authorities for each category for the current restraint period.
For all products covered by this Agreement

- the Government of Norway undertakes to provide the Government of the Hungarian People's Republic with quarterly statistics of total imports and of imports authorised from Hungary by the authorities for each category for the current restraint period.

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

Consultations

15. The Government of Norway and the Government of the Hungarian People's Republic agree to consult at the request of either Government, on any question arising in the application of the 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 21 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 Arrangement 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.

Reintroduction of restraints

17. It is agreed by the Government of Norway that if restraint levels were introduced under the provisions of Paragraph 15 of this Agreement for any category or categories of products that were subject
to quantitative limits in the agreement of July 1984 but were subsequently removed, the annual restraint levels so fixed shall not be less than the highest restraint levels obtained for that category or categories of products in any agreement year in the past duly increased by an annual growth rate.

General

18. The present Agreement shall provisionally enter into force from 1 January 1987, until 31 December 1991.

19. 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 period of notice.

20. The Annexes to this Agreement and the Agreed Minutes shall be considered as an integral part thereof.

Done in two originals in Oslo on 25 November 1986 in the English language, both texts being equally authentic.

For the Government of the Kingdom of Norway

For the Government of the Hungarian People's Republic
## PRODUCT CATEGORIES COVERED BY THE AGREEMENT

**ANNEX A**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Unit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>Pieces</td>
<td>Outer garments of woven material, men's, boys', women's, girls':</td>
<td>61.01.240-.290</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Jackets: tailored jackets, blazers, waistcoats, sports jackets (including parts of ski suits), anoraks and similar</td>
<td>ex 61.01.340-.390</td>
</tr>
<tr>
<td></td>
<td></td>
<td>garments, parkas, one-piece suits and the like, also as parts of suits, sets and costumes.</td>
<td></td>
</tr>
<tr>
<td><strong>2.</strong></td>
<td>Pieces</td>
<td>Outer garments of woven material, men's, boys', women's, girls':</td>
<td>61.01.540-.590</td>
</tr>
<tr>
<td></td>
<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>
<td>ex 61.01.340-.390</td>
</tr>
<tr>
<td><strong>3.</strong></td>
<td>Pieces</td>
<td>Knitted or crocheted shirts, T-shirts and blouses of all kinds.</td>
<td>60.04.120-.190</td>
</tr>
<tr>
<td><strong>4.</strong></td>
<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>
<td>60.04.720-.990</td>
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<tr>
<td><strong>5.</strong></td>
<td>Pieces</td>
<td>Men's and boys' shirts of all kinds of woven material.</td>
<td>61.03.150-.190</td>
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</tbody>
</table>
6. Pieces Outer garments and other articles, knitted or crocheted, not elastic nor rubberised:
- Pull-overs, sweaters, jumpers, cardigans and jackets.

7. Kgs Bed linen

8. Pieces Outer garments of woven material, women’s girls’:
- Blouses, shirts and the like.

9. Pairs Stockings, under stockings, socks, anklesocks, sockettes and the like, knitted or crocheted, not elastic nor rubberised, except women’s stockings, sport stockings, and thick woolen socks (known as “raggsokker”).

10. Pieces Women’s and girls’ outer garments of woven material:
- Dresses, housecoats, frocks and gowns.

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

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

17. Pairs Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised
23. Kgs  Woven fabrics of cotton except unbleached or printed

25. Kgs  Table linen containing cotton.

Any changes in the classification shall be notified to the Hungarian authorities and shall not have the effect of reducing any quantitative limit established in Annex B.
<table>
<thead>
<tr>
<th>Cat. No</th>
<th>Restraint Level</th>
<th>Annual Carry-Over Rate</th>
<th>Carry-Forward Rate</th>
<th>Swing</th>
<th>Total Conversion Flexibility</th>
<th>Unit pr. Kg</th>
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<td>4</td>
<td>2.5</td>
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<td></td>
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<td>2.5</td>
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* Shirts of woven material
ANNEX C

ADMINISTRATIVE COOPERATION

1. Products originating in the Hungarian People's Republic for export to Norway in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Hungarian origin conforming to the specimen attached as Annex D, including full description of the goods.

The certificate of Hungarian origin shall be issued by the Hungarian Chamber of Commerce.

2. The competent authorities of the Hungarian People's Republic shall issue export licences in respect of consignments from the Hungarian People's Republic for exports to Norway of products covered by Annex B. The export licences shall conform to the specimen attached as Annex E.

3. For products covered by Annex B, the authorities of the Hungarian People's Republic shall issue export licences up to the restraint levels agreed through this Agreement. The export licence must certify that the quantity of the product in question has been set off against the restraint level prescribed for the category of the product in question.

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

5. Exports shall be set off against the restraint levels established for the year in which shipment of the goods has been effected.

6. 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.

7. Importation into Norway of textile products subject to restraint levels shall be subject to the presentation of appropriate import documents.

The competent 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.

8. 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 restraint level for the category and period in question, and the authorities of the Hungarian People's Republic shall be informed as soon as possible after the receipt of the notification on the withdrawal of the export licence.

9. If the competent Norwegian authorities find that the total quantities covered by export certificates issued by the authorities of the Hungarian People's Republic for a particular category in any period exceed the restraint levels 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 the Hungarian People's Republic and the special consultation procedure set out in Paragraph 15 of the Agreement shall be initiated forthwith.
10. For exports of products of Hungarian origin and listed in Annex B not covered by export licences issued by the authorities of the Hungarian People's Republic in accordance with the provisions of this Annex, the issue of appropriate import documents may be refused by the competent Norwegian authorities.

11. The export licence and the certificate of Hungarian 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 in Norway as being valid for the purposes of export to Norway in accordance with the arrangements established in this Agreement.

12. Each export licence and certificate of Hungarian origin shall bear a serial number, by which it can be identified. The export licence shall also contain the following information:


b. Country of origin.

c. Name and address of exporter (and if possible manufacturer).

d. Name and address of importer.

e. Full description of the goods, including if possible tariff classification numbers, both in the system of the exporting country and of Norway.

f. Relevant category number and description as set out in Annex A of the Agreement.

g. F.O.B value.

h. Quantity in units set out in Annex A

i. Expected place and date of shipment - means of transport.
13. In the event of theft, loss or destruction of an export licence of Hungarian origin, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate or any such certificate or licence so issued shall bear the endorsement "duplicate".

The duplicate must bear the date of the original export licence or certificate of Hungarian origin.

14. The Government of the Hungarian People's Republic shall send the Norwegian Ministry of Trade the names and addresses of the governmental authorities or other bodies competent for the issue and verification of export licences and certificates of Hungarian origin together with specimens of the stamps used by them. The Government of the Hungarian People's Republic shall also notify the Ministry of any change in this information.
<table>
<thead>
<tr>
<th>Számkötv.</th>
<th>Paketküaddock - Packages</th>
<th>Adatnévtartalom</th>
<th>Súly - Gewicht - Weight*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

**SZÁRMAZÁSI BIZONYÍTVÁNY**

URSPRUNGSZEUGNIS
CERTIFICATE OF ORIGIN
CERTIFICAT D'ORIGINE
CERTIFICADO DE ORIGEN

Alulirott MAGYAR KERESKEDELMI KAMARA bizonyítja, hogy az alant felsorolt áruk
Die unterfertige Ungarische Handelskammer bescheinigt, dass die unten angeführten Waren
The undersigned Hungarian Chamber of Commerce certifies that the following goods
La Chambre de Commerce de Hongrie soussignée certifie que les marchandises spécifiées ci-dessous sont
La infrascrita Cámara de Comercio de Hungría, certifica que las mercancías abajo especificadas son

<table>
<thead>
<tr>
<th>Számkötv.</th>
<th>Paketküaddock - Packages</th>
<th>Adatnévtartalom</th>
<th>Súly - Gewicht - Weight*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Származása:**
Ihren Ursprung haben in:
Originates in:
originaires de:
originarias de:

MAGYAR KERESKEDELMI KAMARA
UNGARISCHE HANDELSKAMMER
HUNGARIAN CHAMBER OF COMMERCE
CHAMBRE DE COMMERCE DE HONGRIE
CAMARA DE COMERCIO DE HUNGRÍA
## ANNEX E

<table>
<thead>
<tr>
<th>A. Country of origin</th>
<th>B. Country of destination</th>
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<table>
<thead>
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<th>C. Place and date of shipment</th>
<th>D. Place and date of deconsignment</th>
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<table>
<thead>
<tr>
<th>E. Nature of transaction</th>
<th>F. Description of goods</th>
</tr>
</thead>
<tbody>
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### Table: Description of Goods

<table>
<thead>
<tr>
<th>Number of parcel</th>
<th>Description of goods</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>

**NOTE:** The undersigned hereby declare that the goods described above have been shipped against this application and are as described above.

**NORWAY**

**Contract No.**

**Identification by the Competent Authority/Visa de l'autorité compétente**

**Date:**

**Signature:**

*Signature*

**Comment:**

*Comment*