ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between
Sweden and Turkey

Note by the Chairman

Attached is a notification received from Sweden of the first bilateral agreement concluded with Turkey for the period 16 May 1988 to 15 May 1991.

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

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles, as extended through the 1986 Protocol, I am notifying the Textiles Surveillance Body of the conclusion of a bilateral agreement between Turkey and Sweden.

The agreement with Turkey has been entered into for the period May 16, 1988 to May 15, 1991.

Being the first bilateral restraint Agreement between Sweden and Turkey, transitional quantities have been agreed for the first period of the Agreement. Therefore, in addition to the restraint levels for that period, the Swedish side admit 950 000 pieces in group 5, 300 000 pieces in group 8, 150 000 pieces in group 9 and 20 tons in group 13 to be imported. Base levels are above those of Annex B of the Arrangement, and growth rates for all categories under restraint are 1,25 % during the second 12 month period and 1,5 % during the third 12 month period of the Agreement.

All three elements of flexibility, i.e. carryover, carry forward and swing, are each available at 3 %. The use of flexibility provisions taken together shall not exceed 6 % of the restraint limits. The levels of flexibility have been agreed taking into account the sensitivity of the products under restraint in the Swedish market.

With respect to growth rates and flexibility provisions, reference is made to Annex B, paragraph 2 of the Arrangement and paragraph 12 of the Protocol.
The situation of the Swedish textile and clothing industry remains exposed, although there were signs of certain improvement in some sectors. There are indications, however, that they were merely of a temporary nature. The number of persons employed in this sector has been further reduced during the period 1980-1989, from 34 000 to 22 000 in 1989. Average profitability in the textile and clothing industry is lower than in the industry in general.

Imports of clothing and other made-up textile products increased by 19,5 % in volume between 1986 and 1989. Imports from developing countries during the same period increased by 26,2 %. The market share for domestically produced items is thus decreasing. Import penetration in this sector as an average is well over 80 %.

A copy of the Agreement is attached.

Yours sincerely,

Lars Anell
Ambassador
Permanent Representative of Sweden
AGREEMENT
BETWEEN
THE GOVERNMENT OF TURKEY
AND
THE GOVERNMENT OF SWEDEN
REGARDING THE EXPORTS OF CERTAIN TEXTILE PRODUCTS
FROM TURKEY TO SWEDEN

ARTICLE 1
The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of article 4 thereof and the provisions of GATT document L/6030.

ARTICLE 2
This Agreement shall apply for the periods specified in Annex I.

ARTICLE 3
The Government of Turkey will limit exports from Turkey to Sweden of the textile products, listed in Annex I to this Agreement, to the levels set out in that Annex. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.
ARTICLE 4

(a) This Agreement shall apply to exports from Turkey to Sweden of the textile products described in Annex I.

(b) The classification of the products by this Agreement is based on the International Convention on the Harmonized Commodity Description and Coding System (HS) and the Swedish customs tariff derived from this system (Annex II).

(c) The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Sweden.
ARTICLE 5

The Government of Sweden will admit imports of the textile products of Turkish origin, listed in Annex I, provided that such imports are covered by an Export Information Document (EID) as per specimen in Annex IV. Such a document shall be issued by the Exporters Union of Turkey, be consecutively numbered, state the group number, and bear an endorsement that the consignments concerned have been approved and debited to the agreed group limit for exports to Sweden for the relevant period.

a) If it is found out that the quantity indicated on the Export Information Document (EID) is less than that of the shipment, entry shall not be permitted.

b) If it is found out that the quantity indicated on the EID is more than that of the shipment, entry shall be permitted and only the actual quantity in the shipment (and not the EID quantity) shall be charged to the restraint level and the Government of Turkey has to be notified.

c) The entry of shipment may not be permitted if the shipment does not have an EID, or if the EID number, date of issuance, signature, category, quantity of units or quantity are missing, incorrect or illegible, or have been crossed out or altered in any way.

d) If an EID is not acceptable, then a new EID must be obtained from the Government of Turkey.
e) If an EID is deficient, the Swedish authorities will not return the original document after entry, but will provide a certified copy of that EID for use in obtaining a new correct original EID.

f) Any shipment which requires an EID but which is not accompanied by a valid and correct EID may be denied entry by the Government of Sweden as stated in paragraphs (a) and (c) of this article, unless the Government of Turkey authorizes the entry and any charges to the restraint levels.
ARTICLE 6

(a) If in any twelve months period of this Agreement, the group limits specified in Annex I to this Agreement are not fully utilized, the Government of Turkey may, after prior notification to the Government of Sweden, during the subsequent twelve months period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports

i) are in the same group where the shortfalls occurred;

ii) do not exceed 3 per cent of the limits for these groups for the period during which the shortfalls occurred.

(b) During each twelve months period of this Agreement, the Government of Turkey may, after prior notification to the Government of Sweden, approve the export of amounts in excess (carry forward) of the group limits specified in Annex I to this Agreement up to 3 per cent of these limits for the relevant period. Where specific group limits have been increased by carry forward the Government of Turkey shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group limits which are agreed or may be agreed upon for the subsequent period.
(c) During each twelve months period of this Agreement, the Government of Turkey may, after prior notification to the Government of Sweden, approve the export of amounts in excess of the group limits specified in Annex I to this Agreement up to 3 per cent of these limits (swing). Where specific group limits have been increased by swing a corresponding reduction shall be made in one or more of other group limits. For the purpose of calculating swing, the conversion factors in Annex I shall apply.

(d) During each twelve months period of this Agreement, the additional export quantities resulting from carryover, carry forward and swing taken together shall not exceed 6 per cent of the respective agreed limit.
ARTICLE 7

The Government of Turkey will forward to the Government of Sweden, via the Embassy of Sweden in Ankara, monthly statistics on a cumulative basis of the quantities of the items as listed in Annex I for which duly endorsed (export information document) for export to Sweden have been issued. The statistics shall reach the Government of Sweden within a period of two months from the month under reference.

The Government of Sweden will forward to the Government of Turkey, via the Embassy of Sweden in Ankara, monthly statistics on a cumulative basis of licences issued for imports from Turkey. The statistics shall reach the Government of Turkey within a period of two months from the month under reference.
ARTICLE 8

The Government of Turkey and the Government of Sweden agree to consult each other, at the request of either party, when any problem arises from the implementation of this Agreement. The Government of Turkey and the Government of Sweden agree furthermore to enter into consultations on a prolongation, modification or removal of the limitations before the end of the period of the Agreement.

Should a textile product, not included in this Agreement, be imported into Sweden from Turkey in such quantities as to cause a real risk of market disruption in the opinion of the Government of Sweden, the said Government may request consultations concerning that product. Both parties agree to consult as soon as possible with a view to finding a mutually acceptable solution.

In case there are divergent opinions on classifications of products at the point of entry into Sweden, between the two parties to this Agreement, the classification shall be based on information provided by the competent Swedish authorities. Should the Turkish authorities request consultations concerning the classification of the product concerned, such consultations shall take place with a view to reaching agreement as soon as possible.
ARTICLE 9

The Government of Turkey and the Government of Sweden agree to collaborate with a view to taking appropriate action to avoid circumvention of limitations set out in this Agreement.

The Government of Turkey and the Government of Sweden reaffirm their willingness to strengthen this collaboration, having regard to the administrative and technical procedures in force in Turkey for the implementation of this Agreement.
ARTICLE 10

For the products covered by this Agreement, it is agreed that either Government may have recourse to any or all of the provisions of the MFA.

ARTICLE 11

The Government of Sweden will inform the Government of Turkey, as far as possible, when textile products which have been debited to the restraint levels in Annex I of this Agreement and imported into Sweden have subsequently been reexported there from. The Government of Turkey may then credit the quantities involved to the appropriate restraint levels.
ARTICLE 12

Either Government may terminate this agreement before the end of the period of validity, provided that at least one hundred and twenty days' notice is given. In such event the Agreement shall come to an end on the expiry of the period of notice.

ARTICLE 13

The Annexes to this Agreement shall be considered as an integral part of it.

ARTICLE 14

This Agreement has been drawn up in two copies in the English language, each of these being equally authentic.

Done in Stockholm on March 18, 1956.

For the Government of Turkey

For the Government of Sweden
### ANNEX I

**EXPORTS OF CERTAIN TEXTILES FROM TURKEY TO SWEDEN**

<table>
<thead>
<tr>
<th>(a)</th>
<th>(b) Description</th>
<th>(c) Unit</th>
<th>(d) Level for period 16.5.1988-15.5.1989</th>
<th>(e) Level for period 16.5.1989-15.5.1990</th>
<th>(f) Level for period 16.5.1990-15.5.1991</th>
<th>(i) Conversion factors (pcs/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts, knitted or crocheted</td>
<td>pcs</td>
<td>4.600.000</td>
<td>4.657.500</td>
<td>4.727.363</td>
<td>9.8</td>
</tr>
<tr>
<td>8</td>
<td>Trousers other than shorts (including work trousers e.g. trousers with bib and braces)</td>
<td>pcs</td>
<td>1.630.000</td>
<td>1.650.375</td>
<td>1.675.131</td>
<td>1.7</td>
</tr>
<tr>
<td>9</td>
<td>Costumes, dresses and skirts</td>
<td>pcs</td>
<td>720.000</td>
<td>729.000</td>
<td>739.935</td>
<td>1.7</td>
</tr>
<tr>
<td>13</td>
<td>Bed linen</td>
<td>kg</td>
<td>299.000</td>
<td>302.738</td>
<td>307.279</td>
<td>1.0</td>
</tr>
</tbody>
</table>

A) Two or more pieces of garments delivered in combination, set or ensemble, even if packed, consigned and sold together, should be charged against the group to which every single piece of the combination, set or ensemble belongs.

B) The denomination babies' garments applies to sizes not exceeding 86 centimetres.

C) Babies' garments, not knitted or crocheted, are not restrained.
## Annex II

### Exports of Certain Textiles from Turkey to Sweden

<table>
<thead>
<tr>
<th>Group No</th>
<th>Ex Swedish Statistical Classification No (HS)</th>
</tr>
</thead>
</table>
| 5        | 61.09.10-  
|          | 61.10.20-  
|          | 61.11.20-  |
| 8        | 61.03.42-  
|          | 61.04.62-  
|          | 61.11.20-  
|          | 62.03.42-  
|          | 62.04.62-  |
| 9        | 61.04.12-, 42-, 52-  
|          | 61.11.20-  
|          | 62.04.12-, 42-, 52-  |
| 13       | 63.02.21-, 31-  |
AGREED MINUTES

As a transitional measure, the Swedish side will admit the following quantities to be imported into Sweden above the quotas for the first restraint period in the textile agreement between Turkey and Sweden, initialled today.

<table>
<thead>
<tr>
<th>Groups</th>
<th>Description</th>
<th>Transitional quantities</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Sweaters, pull-overs, waistcoats and cardigans etc</td>
<td>950,000 pieces</td>
</tr>
<tr>
<td>8</td>
<td>Trousers</td>
<td>300,000 - &quot; -</td>
</tr>
<tr>
<td>9</td>
<td>Costumes, dresses and skirts</td>
<td>150,000 - &quot; -</td>
</tr>
<tr>
<td>13</td>
<td>Bed linen</td>
<td>20 tons</td>
</tr>
</tbody>
</table>

Stockholm, March 18, 1988

Chairman of the Turkish Delegation

Chairman of the Swedish Delegation
EXHIBIT INFORMATION DOCUMENT (EID)
FOR TEXTILE PRODUCTS EXPORTED TO SWEDEN

COUNTRY OF DESTINATION: ...........................................................................................................................................
COUNTRY OF ORIGIN: ....................................................................................................................................................
IMPORTER'S NAME AND ADDRESS: ....................................................................................................................................
EXPORTER'S NAME AND ADDRESS: .....................................................................................................................................
GROUP NO.: ...........................................................................................................................................................................
DESCRIPTION OF PRODUCTS: ..................................................................................................................................................
STATISTICAL CLASSIFICATION NO. (HS): ..................................................................................................................................
QUANTITY: ..............................................................................................................................................................................
VALUE: FOB .............................................................................................................................................................................
OR CIF: ....................................................................................................................................................................................
RESTRAINT PERIOD: ..................................................................................................................................................................

THIS IS TO CERTIFY THAT THE ABOVE EXPORT HAS BEEN DEBITED TO THE
APPLICABLE QUANTITATIVE LIMIT FOR EXPORT TO SWEDEN AS SET OUT IN ANNEX
I OF THE AGREEMENT BETWEEN THE GOVERNMENT OF TURKEY AND THE GOVERNMENT
OF SWEDEN REGARDING TO EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM TURKEY
TO SWEDEN.

STAMP AND SIGNATURE

1 - ORIGINAL COPY