ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Sweden and India

Note by the Chairman

The attached communication received from the delegation of Sweden concerns the conclusion of a new bilateral agreement between Sweden and India.

Note

1 For previous agreement see COM.TEX/SB/371.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord bilatéral entre la Suède et l'Inde

Note du Président

La délégation de la Suède a fait parvenir au secrétariat la communication ci-jointe relative à la conclusion d'un nouvel accord bilatéral entre la Suède et l'Inde.

Note

1 Pour l'accord précédent, voir le document COM.TEX/SB/371.
Dear Mr. Ambassador,

I am notifying to the Textiles Surveillance Body a new agreement concerning trade in textiles between India and Sweden.

This agreement has been reached for the purpose of eliminating real risks of market disruption in Sweden, while ensuring an orderly development of textile exports from India to Sweden and is being notified with reference to Article 4 of the Arrangement Regarding International Trade in Textiles, as well as the Protocol of Extension and the understandings set forth therein (L/4616), acceded to by Sweden through letter of April 28, 1978.

The more comprehensive approach in this, as well as in other Swedish textile agreements, has been made necessary by the deteriorating situation in whole segments of the Swedish textile industry and by the real risks of market disruption which, according to past experience, an agreement covering only certain sensitive products would present in a country like Sweden.

This agreement is based on a categorization into the following groups, comprising the most sensitive textile products within CCCN BTN) chapters 60-62:

I Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres

II Shirts

III Night garments
IV Underwear, knitted or crocheted, other than shirts, night garments and tights

V Sweaters, pullovers, slipovers, jumpers and cardigans etc, knitted or crocheted

VI Overcoats and jackets

VII Suits, lounge coats and blazers

VIII Trousers other than shorts

IX Costumes, dresses and skirts

X Blouses

XI Clothing included in Commodity List No. 28, other than elsewhere specified

(Note: Commodity List 28 refers to textile products under the import licence surveillance system in Sweden. It is annexed to this letter.)

XII Travelling rugs and blankets

XIII Bed linen

XIV Towels and similar articles

XV Curtains and other furnishing articles

XVI Table linen

In this agreement with India separate restraint levels have been established for the above groups II, IV, V, IX, X, XV, XVI, XIII, whereas the remaining items have been merged into a common rest group, which should make a fair amount of flexibility possible. It can also be noted that most of the specific groups have a wide product coverage, which should work in the same direction. The absence of swing between the restraint groups is a reflection of a mutual recognition of the minimum viable production principle. No textiles under CCCN chapters 50-59 are subject to restraint in the present agreement.

The difficult situation of the Swedish textile industry has become further aggravated during the last years. Imports of garments have increased substantially. A further decrease of domestic production has taken place. As in previous years, a number of factories have had to close down. It should be recalled that Sweden is the country which has the highest import penetration in the world when it comes to textiles and the highest per capita import of clothing from developing countries.
For Sweden, which is a small market, with an exceptionally high level of imports and a low domestic production, the maintenance of a minimum viable production of textiles is of vital importance.

Yours sincerely,

Hans V. Ewerlöf
Permanent Representative

Annexes

As stated
SWEDISH BOARD OF COMMERCE
1979-09-12

Garments and made up textile articles included in Commodity list No 28

<table>
<thead>
<tr>
<th>SWEDISH CCC No</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.03.003-109, 902-909</td>
<td>Stockings, under stockings, socks, ankle-socks, sockettes and the like other than ladies' stockings of continuous synthetic fibres, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>60.04.all</td>
<td>Under garments, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>60.05.all</td>
<td>Outer garments and other articles, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>61.01.all</td>
<td>Men's and boys' outer garments</td>
</tr>
<tr>
<td>61.02.all</td>
<td>Women's, girls' and infants' outer garments</td>
</tr>
<tr>
<td>61.03.all</td>
<td>Men's and boys' under garments</td>
</tr>
<tr>
<td>61.04.all</td>
<td>Women's, girls' and infants' under garments</td>
</tr>
<tr>
<td>61.09.102-209</td>
<td>Corsets, corset-belts, suspenders, garters and brassières (including such articles of knitted or crocheted fabric)</td>
</tr>
<tr>
<td>62.01.all</td>
<td>Travelling rugs and blankets</td>
</tr>
<tr>
<td>62.02.all</td>
<td>Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles</td>
</tr>
<tr>
<td>62.04.210-290</td>
<td>Sails</td>
</tr>
</tbody>
</table>
Article 1

The following Agreement has been reached in terms of the Arrangement Regarding International Trade in Textiles, particularly articles 1 and 4, and the provisions of GATT document COM.TEX/W/47.

Article 2

This Agreement shall apply to India's exports to Sweden of the textile products of cotton, wool, man-made fibres or blends thereof which are listed in Annex I and which have been classified in groups I to XVI. The description and identification of the groups of products covered by this Agreement are based on Customs Cooperation Council Nomenclature and the Swedish Tariff Nomenclature as prevailing on 1st January 1978. The Agreement shall apply for a period of eighteen months with effect from July 1, 1979.

Article 3

The Government of India will limit exports, through a system of export certificates, from India to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of issue of shipping documents is considered to be the date of exportation.
Article 4

The Government of Sweden will admit imports of the textile products of Indian origin, listed in Annex 1, provided that the consignments concerned are covered by Export Certificates, as per specimen in Annex II. Such a document shall be issued by the competent authorities designated by the Government of India, whose names will be communicated to the Government of Sweden. The certificates shall be consecutively numbered and bear an endorsement that the consignments concerned have been approved and debited to the agreed levels for exports to Sweden for the relevant period.

Article 5

(a) If in the period 1 March, 1978 to 30 June, 1979 exports from India to Sweden of the groups IV, V, IX and the "rest-group" in the Agreement of 14 April, 1978 are less than 16/12 of the levels specified in Annex I thereto and if in the period 1 July, 1978 to 30 June, 1979 exports from India to Sweden of the groups II, X and XIII in the Agreement of 14 April, 1978 are less than the levels specified in Annex I thereto, the Government of India may, after prior information to the Government of Sweden, during the period 1 July, 1979 to 31 December, 1979 approve the exports of additional amounts equivalent to such shortfalls provided that such exports -

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

(ii) do not exceed 5 per cent of the levels specified in the Agreement of 14 April, 1978.
(b) If in the period 1 July, 1979 to 31 December, 1979 exports from India to Sweden are less than the levels specified in column (e) of Annex I hereof, the Government of India may, after prior information to the Government of Sweden, for the period 1 January, 1980 to 31 December, 1980 approve the export of additional amounts equivalent to such shortfalls provided that such exports -

(i) are in the same groups where the shortfalls occurred;

(ii) do not exceed 5 per cent of the levels specified in column (e) of Annex I hereof.

(c) During the period 1 July, 1979 to 31 December, 1979 the Government of India, after prior information to the Government of Sweden, may approve exports of amounts in excess of the levels specified in column (e) of Annex I hereof up to 2.5 per cent of those levels (carry forward). Where a level is increased by carry forward the Government of India shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding level for the period 1 January, 1980 to 31 December, 1980 specified in column (f) of Annex I hereof.

Article 6

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in an Export Certificate, has already been reached or the unused portion of that limit is insufficient to cover the goods specified in the certificate, subject to the provisions of Article 5, the
said authorities may refuse to admit any quantity in excess of the quantitative limit. In this event the Swedish authorities shall inform the authorities of India as soon as possible.

Article 7.

Both parties agree that exports to Sweden of the textile products listed in Annex I should be evenly spaced throughout the period of agreement taking into account normal seasonal factors and that, in the allocation of quotas, due consideration is given to traditional patterns of trade. Accordingly, the Government of India undertakes to provide a procedure to achieve this.

Article 8

The Government of India will forward to the Government of Sweden, via the Embassy of Sweden in New Delhi, monthly statistics on a cumulative basis of the number or quantities as the case may be, of the groups II, IV, V, IX, X, XIII, XV, XVI and the "rest group", listed in Annex I, for which duly endorsed Export Certificates for exports to Sweden have been issued for the relevant period of agreement.

Article 9

The Government of India and the Government of Sweden agree to consult each other, at the request of either, when any unforeseen problem arises from the implementation of this Agreement. The Government of India and the Government of Sweden furthermore agree to enter into consultations on the extension, modification or elimination of the limitations before the end of the period of agreement.
Article 10

The two Annexes to this Agreement shall be considered as integral parts of the Agreement.

Article 11

This Agreement shall be drawn up in two copies in the English language, each of these texts to being equally authentic.

Done in New Delhi on October 23, 1979

For the Government of Sweden

For the Government of India

[Signatures]
<table>
<thead>
<tr>
<th>II</th>
<th>60.04.102-106</th>
<th>Men's and boys' shirts, of cotton, wool or man-made fibres</th>
<th>Piece</th>
<th>357 000</th>
<th>728 000</th>
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<tr>
<td></td>
<td>61.03.102-106</td>
<td>ex 109</td>
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<td>IV</td>
<td>60.04.702-706</td>
<td>Knitted underwear, of cotton, wool or man-made fibres, other than shirts, nightwear and tights (including underwear T-shirts)</td>
<td>Piece</td>
<td>81 000</td>
<td>164 000</td>
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<td>602-806</td>
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<td>902-906</td>
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<td>V</td>
<td>60.05.302-306</td>
<td>Knitted sweaters, pullovers, slipovers, jumpers and cardigans etc (including outerwear T-shirts), of cotton, wool or man-made fibres</td>
<td>Piece</td>
<td>555 000</td>
<td>1 127 000</td>
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<td>IX</td>
<td>60.05.502-506</td>
<td>Costumes, dresses and skirts, of cotton, wool or man-made fibres</td>
<td>Piece</td>
<td>265 000</td>
<td>530 000</td>
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<td>61.02 ex 003</td>
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<td>ex 992-996</td>
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<td>X</td>
<td>60.05 ex 303-804</td>
<td>Women's, girls' and infants' blouses, of cotton, wool or man-made fibres</td>
<td>Piece</td>
<td>459 000</td>
<td>936 000</td>
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<td>61.02 ex 920</td>
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<td>ex 992-996</td>
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</table>
XIII 62.02.110 ex 190 ex 792-5
Bed linen x), of cotton, wool or man-made fibres
Kilogram 289 000 (In addition, and on an ad hoc basis another 51 500 kilograms of bed linen may be exported by India during this period)

XV 62.02.710, ex 792-3 ex 799
Curtains and other furnishing articles, not knitted or crocheted, of cotton, wool or man-made fibres
Kilogram 52 500

XVI 62.02.210, ex 299 ex 792-3
Table linen, of cotton, wool or man-made fibres
Kilogram 34 500

Restrictions
I, III, VI-VIII
XI-XII, XIV

60.03.003 102-6, ex 109
Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, of cotton, wool or man-made fibres other than ladies stockings of continuous synthetic fibres
902-6, ex 909

60.04.212-216
Nightwear, panty hose and tights, knitted or crocheted, of cotton, wool or man-made fibres
202-256
602-606

x) The denomination "bed linen" refers to bedsheets, pillow cases, pillow slips, bolsters or eiderdown cases, mattress covers, quilt or blanket covers.
Outerwear, knitted or crocheted, of cotton, wool or man-made fibres, other than sweaters, pullovers, slipovers etc (group V), costumes, dresses and skirts (ex group IX) and blouses (ex group X)

Men's and boys' woven outer garments, of cotton, wool or man-made fibres

Women's, girls' and infants' woven outer garments, of cotton, wool or man-made fibres, other than costumes, dresses and skirts (ex group IX) and blouses (ex group X)

Men's and boys' woven nightwear, of cotton, wool or man-made fibres

Women's, girls' and infants' woven nightwear, of cotton, wool or man-made fibres

Travelling rugs and blankets, of cotton, wool or man-made fibres

Towels and similar articles, of cotton, wool or man-made fibres

Kilogram 70 000 143 000
Certificate No. SW/....................... Valid for shipment to Sweden upto .......

K/s .................................................. (name and address of the exporter in India)

are hereby authorised to export .................................................................

(quantities and description of goods)

details of which are given below, to M/s ..................................................

(name and address of importer in Sweden)

vide Shipping Bill No. .................. dated .............................................

Issued at .............................. on ..............................................

.................................................................................................

Signature of the Authorising Officer