ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment to the Bilateral Agreement between Finland and Hong Kong

Note by the Chairman

The attached notification received from the Finnish Mission concerns an amendment to the bilateral agreement covering certain textile products between Finland and Hong Kong.

1/ For details of the original agreement see COM.TEX/SB/609.

*English only/Anglais seulement.
Sir,

I have the honour to transmit hereby to the Textiles Surveillance Body two amendments to the art. 4-agreements concluded by Finland with India and Hong Kong, respectively. The amendments have the following contents:

The amendment to the agreement with India provides for two improvements requested by the Indian side. Firstly, a provision of 5% swing has been included in the agreement, which originally did not provide for any swing between the three product categories subject to restraints. Secondly, the amendment specifies the conditions, under which Indian traditional folklore handicraft textile products will be considered to fall outside the quotas. None of the other provisions of the original agreement is affected by this amendment. In the context of this amendment the delegations of Finland and India agreed to recommend to their Governments the prolongation of the Memorandum of Understanding signed in 1978 (to which I have referred as the original agreement) as amended, by one year starting on 1st January 1982, with the assumption that the MFA is renewed.

H.E. Mr. Paul Wurth
Chairman,
Textiles Surveillance Body
GATT
The amendment of the agreement with Hongkong established a quota for brassieres (ex 61.09.201), which had previously been included in Annex II of the original agreement. Annex II provides for consultations in case the Finnish authorities have reason to believe that imports of products included in the annex are causing or threatening to cause damage in the Finnish market. Imports from Hongkong of the item concerned had risen in the period 1st of September 1979 - 31st of August 1980, which was the roll back-period used in the consultations, up to 212 513 pieces. The annual import levels from Hongkong had been in 1978:82 429 pieces and in 1979:175 629 pieces, Hongkong being the biggest lowcost supplier of this item to the Finnish market. The consultations led to an agreement on a restraint level of 279 500 pieces (notional annual level), with a growth rate of 3%. The growth rate is based on the provisions regarding minimum viable production as set out in art. 1:2, paragraph 2 of Annex B and paragraph 6 of the protocol of extension. The other elements of the original agreement, as regards i.a. the flexibility provisions, will be applied to this item as originally agreed.

Please accept, Sir, the renewed assurances of my highest consideration.

Matti Pullinen
First Secretary
The Honourable W. Dorward, OBE, JP,
Director of Trade Industry and Customs,
Trade Industry and Customs Department, 15/F. Ocean Centre,
5 Canton Road,
Kowloon,
Hong Kong

Dear Sir,

I have the honour to refer to the Memorandum of Understanding concerning trade in certain textile products between Hong Kong and Finland done in Hong Kong on 2 July 1960. I have the honour to refer further to consultations between the two Governments which have taken place in London on 4 December 1960.

2. As a result of the above mentioned consultations, I propose on behalf of the Government of Finland that the Memorandum of Understanding be amended as follows:

(i) As of 1 December 1980, Category Z1 (brassiers, wholly or mainly by weight of cotton or of man-made fibres) shall be removed from the list of products in Annex II to the Memorandum of Understanding. The Government of Hong Kong may continue to issue export licences against export authorizations issued prior to 22 November 1960.

(ii) As of 1 December 1980, the following Category shall be added to Annex I to the Memorandum of Understanding:
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<tr>
<th>(a)</th>
<th>(b)</th>
<th>(c)</th>
<th>(d)</th>
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<tbody>
<tr>
<td>Category</td>
<td>Finnish Statistical Classification No.</td>
<td>Hong Kong Statistical Classification No.</td>
<td>Description</td>
</tr>
<tr>
<td>&quot; 4</td>
<td>ex 61.09.201</td>
<td>846 511</td>
<td>&quot;Brassieres, wholly or mainly by weight of cotton or of man-made fibres&quot;</td>
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<td></td>
<td></td>
<td>ex 846 512</td>
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<td>ex 844 311</td>
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<td>ex 844 396</td>
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<table>
<thead>
<tr>
<th>(e)</th>
<th>(f)</th>
<th>(g)</th>
</tr>
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<tbody>
<tr>
<td>Restraint</td>
<td>Limit</td>
<td>Conversion Factor</td>
</tr>
<tr>
<td>1 Aug. 1980 to 31 July 1981</td>
<td>1 Aug. 1981 to 31 July 1982</td>
<td>(sq. yds. equivalent per dozen)</td>
</tr>
<tr>
<td>&quot; (279,500 pieces) ×</td>
<td>287,665 pieces</td>
<td>4.8 sq. yds./dozen</td>
</tr>
</tbody>
</table>

×) notional annual limit "

(iii) For the purposes of applying paragraph 5 of the Memorandum of Understanding, Hong Kong shall restrict exports of Category 4 to 186,333 pieces during the period 1 December 1980 to 31 July 1981, which figure shall be applied for the purposes of paragraphs 7 to 11 of the Memorandum.

3. If the foregoing proposal is acceptable to the Government of Hong Kong, this note and your note of acceptance on behalf of the Government of Hong Kong shall constitute an amendment to the Memorandum of Understanding between the Governments of Finland and Hong Kong.

Accept, Sir, the renewed assurances of my highest consideration.

Erkki Pajari
Ambassador
Ministry for Foreign Affairs
of Finland
12 January 1981

Ambassador E. Pajari,
Special Trade Advisor,
Ministry for Foreign Affairs,
Finland.

Dear Sir,

I have the honour to acknowledge receipt of your letter of 2 January 1981 proposing an amendment to the Memorandum of Understanding between Finland and Hong Kong done in Hong Kong on 2 July 1980, and to confirm that your proposed amendment is acceptable to the Government of Hong Kong.

Accept, Sir, the renewed assurances of my highest consideration.

(W. Dorward)
Finland/Hong Kong (TEX.SB/610)

Original agreement: COM.TEX/SB/609
Period of agreement: 1 August 1980 - 31 July 1982
Product coverage: Briefs, drawers etc. for MBWA, shirts not knitted.
(ex in addition eight categories of products subject to export authorization)

Present notification:

The agreement has been amended to introduce restraints on brassieres beginning 1 December 1980. The item was previously subject to an agreed export authorization system.

<table>
<thead>
<tr>
<th>Roll-back level</th>
<th>1980-81 notional</th>
<th>1.12.80-1.8.81</th>
</tr>
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<tbody>
<tr>
<td>Roll-back level</td>
<td>31.7.81 level</td>
<td>31.7.82 level</td>
</tr>
<tr>
<td>212,513 pcs</td>
<td>279,500 pcs</td>
<td>186,333 pcs</td>
</tr>
</tbody>
</table>

Growth: 3%

Swing, carryover, carry forward as in original agreement i.e. 5%, 11/6.