ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Sri Lanka

Note by the Chairman

Attached is a notification received from Finland concerning a new bilateral agreement between Finland and Sri Lanka, valid for the period 1 June 1981 to 31 May 1984. This agreement supersedes provisional measures taken by Finland under Article 3:6 in June 1981 (TEX.SB/653).

*English only/Anglais seulement.
Sir,

I have the honour to inform you that a new Art. 4-agreement between Finland and Sri Lanka has been officially signed in Colombo on 16 September, 1981 and consequently hereby notified to the Textiles Surveillance Body. The agreement covers the period of 1 June 1981 to 31 May 1984. As was pointed out in my previous notification of an Art. 3:6 provisional action in June, the product in question has been and continues to be extremely sensitive in the Finnish market. In order to pay due attention to Sri Lanka's level of development, it has, in spite of the difficult market situation, been agreed that the restraint levels be those set out in Annex I, which in practical terms means a very high base level and a very strong front-end loading.

In order to summarize the essential aspects of the agreement I would like to make the following remarks:

1. The roll-back level for the period of 1 February 1980 to 31 January 1981 was 56 473 pieces.

H.E.
Mr. Paul Wurth
Chairman of the TSB
GATT
Geneva
2. The reason for the strong front-end loading related to practical commercial considerations of the Sri Lankan side, such as the number of contracts concluded etc.

3. Carryover and carryforward are provided for at the level of 10/5%.

4. Since the agreement covers a very special practical situation, it would seem unnecessary to pay attention to formalities, such as what the growth rate might theoretically have been. Should such questions arise, it ought to be noted that the restraint level for the third agreement year, which is the first "normal" year in the life-time of the agreement, is considerably above the roll-back level, as calculated according to Annex B.

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

Matti Pullinen
First Secretary

ENCL.
MEMORANDUM OF UNDERSTANDING

During the consultations held in Geneva on 17th July, 1981, between a delegation from Finland and a delegation from Sri Lanka and having regard to the Arrangement Regarding International Trade in Textiles, in particular Article 4, and to the Protocol extending the said Arrangement, agreement was reached as follows:

1. The following arrangement shall apply for the period of 1st June 1981 to 31st May 1984.

2. This Memorandum of Understanding is made on the assumption that the Arrangement Regarding International Trade in Textiles is renewed. Either Party may at any time request consultations on the modification of this Memorandum of Understanding if later developments so warrant.

3. The Government of Sri Lanka agrees to limit the exports to Finland of the textile products specified in Annex I to the levels set out in that Annex.

4. Finland will for the purpose of the present arrangements admit imports of the textile products of Sri Lankan origin set out in Annex I to the agreed limits provided that such imports into Finland are covered by an export license as per specimen at Annex II, issued by the Sri Lankan Ministry of Textiles Industries. The export license 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.
5. 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 license, the Finnish authorities may, subject to the provisions of Article 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 Sri Lankan authorities of their decision.

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

7. Sri Lanka 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. Finland and Sri Lanka 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.

9. Sri Lanka will forward to Finland monthly statistics on a cumulative basis on the textile products for which export licenses for export to Finland have been issued. Finland will forward to Sri Lanka monthly statistics on a cumulative basis on imports of the said textile products.
10. The Annexes to this Memorandum of Understanding shall form an integral part thereof.

Done in Colombo on 16th September 1981

For the Government of Finland

For the Government of Sri Lanka
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<tr>
<th>Finnish tariff classification No.</th>
<th>Description</th>
<th>Unit of quantity</th>
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</table>
MINISTRY OF TEXTILE INDUSTRIES OF SRI LANKA
(EXPORT DIVISION)

EXPORT CERTIFICATE FOR FINLAND

1. Country of Origin: ...........................................
2. Export Certificate No. 001: .................................
3. Exporter's name and Address: .............................

We certify that the above exporter has been authorised to export the following goods which have been debited against the restraint level for export to Finland during the agreement period 1st June, 198 to 31st May, 198.

1. Destination: .............................................
2. Order/L.C. No: ...........................................
3. Sri Lanka Export Licence No: .........................
4. Description of goods: ..................................
5. BTN No: ...............................................  
6. Quantity (pieces): ......................................
7. Value (F0R): ............................................
8. Date of shipment (approx.): ...........................
9. Importer's name and address: ..........................

We certify that these goods are of Sri Lanka origin.

(Seal of the Ministry of Textile Industries, Colombo, SRI LANKA.)

(Exports Division) MINISTRY OF TEXTILE INDUSTRIES.

(Copy forwarded to:)
The Principal Collector of Customs, COLOMBO 1.

bma: