ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Sweden and Thailand

Note by the Chairman

The TSB has received from the delegation of Sweden the attached notification of a new bilateral agreement between Sweden and Thailand, covering the period 1 July 1981 to 30 June 1983. Also attached is the short reasoned statement.

\[1\) For previous agreement see COM.TEX/SB/624.

*English only.*
Dear Mr. Ambassador,

I am notifying to the Textiles Surveillance Body a new agreement concerning trade in textiles between Thailand and Sweden. The agreement is valid for the period July 1, 1981 to June 30, 1983.

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 Thailand 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), accepted 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:

<table>
<thead>
<tr>
<th>Group</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres</td>
</tr>
<tr>
<td>II</td>
<td>Shirts</td>
</tr>
<tr>
<td>III</td>
<td>Night garments</td>
</tr>
</tbody>
</table>
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

In this agreement with Thailand separate restraint levels have been established for the above groups II, V, VI, VIII, IX, X and XIV, 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 agreement hereby notified to the Textiles Surveillance Body has the same product coverage as the previous agreement with Thailand, which expired on June 30, 1981 (cf.doc. COM.TEX/SB/624). The restraint groups are also the same as in the old agreement, with the exception that a sub-level within the rest group has been introduced for group I (stockings etc), the figure for this sub-level being 250,000 pairs.

The annual restraint levels of the specific groups in the old agreement and the corresponding restraint levels in the new agreement are shown in the following table:
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
Ambassador
Permanent Representative

Annexes as stated
### 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>50.03.003-109, 902-909</td>
<td>Stockings, under stockings, socks, ankle-socks, sockettes and the like other than ladies' stocking 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>
AGREEMENT
BETWEEN
THE GOVERNMENT OF SWEDEN
AND
THE GOVERNMENT OF THE KINGDOM OF THAILAND
REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS
FROM THAILAND TO SWEDEN

ARTICLE 1
The following Agreement has been reached with reference
to the Arrangement Regarding International Trade in Textiles,
particularly articles 1:2 and 4, and the provisions of GATT
document COM.TEX/W/47.

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

ARTICLE 3
The Government of the Kingdom of Thailand will limit
exports from Thailand to Sweden of the textile products listed
in Annex I to the levels and sublevel set out in that Annex.
The date of issue of shipping documents is considered to be the
date of exportation.

/ ARTICLE 4 ...

/
ARTICLE 4

(a) This Agreement shall apply to exports from Thailand to Sweden of the textile products described in Annex I hereof of cotton, wool, man-made fibres, or blend 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).

(b) The provisions of this Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in Annex II.

ARTICLE 5

The Government of Sweden will admit imports of the textile products of Thai origin, listed in Annex I, only when such imports are covered by Export Certificates as per specimen in Annex III. Such a document shall be issued by the Department of Foreign Trade of the Ministry of Commerce of Thailand, be consecutively numbered, state the group number of each item and bear an endorsement that the consignments concerned have been debited to the agreed levels for exports to Sweden for the relevant period.

ARTICLE 6

(a) If in the period July 1, 1980 to June 30, 1981 the group levels specified in column (f) of Annex I to the
Supplementary Protocol to the Agreement of August 23, 1978

are not fully utilized, the Government of the Kingdom of Thailand may, after consultation with the Government of Sweden, during the period July 1, 1981 to June 30, 1982 approve the export of additional amounts (carryover) 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 of these groups specified in column (f) of Annex I to the Supplementary Protocol to the Agreement of August 23, 1978.

(b) If in the period July 1, 1981 to June 30, 1982 the group levels/sub level specified in column (e) of Annex I to this Agreement are not fully utilized the Government of the Kingdom of Thailand may, after consultations with the Government of Sweden, during the period July 1, 1982 to June 30, 1983 approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports:

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

(ii) do not exceed 5 per cent of the levels of these groups specified in column (e) of Annex I to this Agreement;

/ (c) During ...
(c) During the period July 1, 1981 to June 30, 1982 the Government of the Kingdom of Thailand may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels/sub level specified in column (e) of Annex I to this Agreement up to 5 per cent of those levels (Carry forward). Where specific group levels/sub level are increased by carry forward the Government of the Kingdom of Thailand shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group levels/sub level in column (f) of Annex I to this Agreement.

(d) During the period July 1, 1982 to June 30, 1983 the Government of the Kingdom of Thailand may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels/sub level specified in column (f) of Annex I to this Agreement up to 5 per cent of those levels (Carry forward). Where specific group levels/sub level are increased by carry forward the Government of the Kingdom of Thailand shall inform the Government of Sweden of the carry forward quantities and debit these to any corresponding group levels/sub level that may be agreed upon for a subsequent restraint period.

(e) During each restraint period specified in Annex I, the additional export quantities resulting from carryover and carry forward taken together shall, for each group/subgroup, not exceed 5 per cent of the respective agreed levels.
ARTICLE 7

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in the Export Certificate has already been reached, or the unused portion of that limit is insufficient to cover the goods specified in the certificate, 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 the Kingdom of Thailand as soon as possible.

ARTICLE 8

Both parties regard it as essential that exports from Thailand to Sweden of the textile products listed in Annex I are evenly spaced throughout the period of Agreement and that, in the allocation of quotas, due consideration is given, as far as possible, to traditional patterns of trade. Accordingly, the Government of the Kingdom of Thailand undertakes to provide a procedure to achieve this.

ARTICLE 9

The Government of the Kingdom of Thailand will forward to the Government of Sweden, via the Embassy of Sweden in Bangkok, monthly statistics on a cumulative basis of the quantities of the groups/subgroup and of the weight of 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.

/ The ...
The statistics shall reach the Government of the Kingdom of Sweden within a period of two months from the month under reference.

ARTICLE 10

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

ARTICLE 11

This Agreement is concluded for a period of two years. Either Government may however terminate this Agreement with effect from July 1, 1982. Such termination shall be notified not later than three months before the expiry of the first year. There shall be mutual consultations before such notification.

ARTICLE 12

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

/ ARTICLE 13 ...
ARTICLE 13

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

Done in Bangkok on 6 October, 1981.

For the Government of Sweden

(Axel Edelstam)
Ambassador Extraordinary and Plenipotentiary
Embassy of Sweden

For the Government of the Kingdom of Thailand

(Vitthya Vejjajiva)
Director - General
Economic Department
Ministry of Foreign Affairs
<table>
<thead>
<tr>
<th>Group No</th>
<th>Ex Swedish Tariff Classification No</th>
<th>Description</th>
<th>Unit</th>
<th>Level for period 1-7-81-30-6-82</th>
<th>Level for period 1-7-82-30-6-83</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>60.04.10-61.03.10-</td>
<td>Shirts</td>
<td>Pieces</td>
<td>752,500</td>
<td>767,250</td>
</tr>
<tr>
<td>V</td>
<td>60.05.30-</td>
<td>Sweaters, pullovers, Slipovers, jumpers and cardigans etc (including outerwear T-shirts), knitted or crocheted</td>
<td>Pieces</td>
<td>668,000</td>
<td>681,230</td>
</tr>
<tr>
<td>VI</td>
<td>60.05.80-,81-,87-,89-61.01.003,004,006,10-,45-61.02.004,006,11-,15-,99-</td>
<td>Overcoats and jackets</td>
<td>Pieces</td>
<td>143,100</td>
<td>145,220</td>
</tr>
<tr>
<td>VIII</td>
<td>60.05.80-,83-61.01.003,005,50-61.02.005,60-,99-</td>
<td>Trousers, other than shorts (including work trousers e.g. trousers with bib and braces and trousers made of impregnated fabrics)</td>
<td>Pieces</td>
<td>488,200</td>
<td>492,440</td>
</tr>
<tr>
<td>IX</td>
<td>60.05.60-61.02.006,20-,30-,40-,99-</td>
<td>Costumes (including two or three pieces of ladies costumes), dresses and skirts</td>
<td>Pieces</td>
<td>91,500</td>
<td>92,000</td>
</tr>
<tr>
<td>X</td>
<td>60.05.80-,82-61.02.006,50-,99-</td>
<td>Blouses</td>
<td>Pieces</td>
<td>279,700</td>
<td>283,450</td>
</tr>
<tr>
<td>XIV</td>
<td>62.02.792-3,31-,39-</td>
<td>Towels and similar articles</td>
<td>Metric tons</td>
<td>99</td>
<td>101</td>
</tr>
<tr>
<td>Group No</td>
<td>Ex Swedish Tariff Classification No.</td>
<td>Description</td>
<td>Unit</td>
<td>Level for period 1-7-81-30-6-82</td>
<td>Level for period 1-7-82-30-6-83</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Rest Group</td>
<td>60.03.00-10-.90</td>
<td>Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres</td>
<td>Pairs</td>
<td>250,000</td>
<td>253,750</td>
</tr>
<tr>
<td>I, III, IV, VII, XI, XII, XIII</td>
<td>60.04.21-.25-.60-, 70-.80-.90-</td>
<td>Underwear, knitted or crocheted, (including underwear T-shirts) other than shirts (group II)</td>
<td>Metric tons</td>
<td>85,300</td>
<td>86,610</td>
</tr>
<tr>
<td></td>
<td>60.05.10-.20-.80-, 812,89-</td>
<td>Outer garments, knitted or crocheted, other than sweaters, pullovers, etc. (group V), overcoats and jackets (group VI), trousers other than shorts (group VIII), costumes, dresses and skirts (group IX) and blouses (group X)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>61.01.003,006,30-, 41-.70-.90-</td>
<td>Outer garments, not knitted or crocheted, men's and boys' wear, other than overcoats and jackets (group VI) and trousers, other than shorts (group VIII)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### ANNEX I

<table>
<thead>
<tr>
<th>(a) Group No</th>
<th>(b) Ex Swedish Tariff Classification No</th>
<th>(c) Description</th>
<th>(d) Unit Level for period 1-7-81-30-6-82</th>
<th>(e) Level for period 1-7-82-30-6-83</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.02.006 80-,90-, 99-</td>
<td>Outer garments, not knitted or crocheted, women's, girls' and infants' wear, other than overcoats and jackets (group VI), trousers other than shorts (group VIII), costumes, dresses and skirts (group IX) and blouses (group X)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61.03.20-</td>
<td>Night wear, not knitted or crocheted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61.04.10-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62.01.101-900</td>
<td>Travelling rugs and blankets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62.02.11-,19-,792-793</td>
<td>Bed linen</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Definition of "Impregnated Fabrics" for the purposes of Article 4

1. Fabrics of cotton, wool or man-made fibres or any blend containing one or more of those fibres in which either wool represents 17 per cent or more by weight or any or all of those fibres in combination represent 50 per cent or more by weight of the unfinished fabric shall be defined as "impregnated fabrics" where those fabrics have been impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials whatever the nature of the plastic materials (compact, foam, sponge or expanded).

2. The definition does not cover:

   (a) Fabrics which, after impregnation, coating, covering or laminating, cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm at a temperature between 15°C and 30°C.

   (b) Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.
DEPARTMENT OF FOREIGN TRADE

Ministry of Commerce
Thailand

EXPORT CERTIFICATE
(Special form for textiles)

At the request of M/s
(address)

We hereby certify that the above-mentioned products are of the commodity of exportation

(Thailand)

To be exported to M/s
(address)

Issued on

(Goods may be exported within two weeks of the date of issue.)

Department of Foreign Trade

<table>
<thead>
<tr>
<th>BSN or Textile</th>
<th>Quantity</th>
<th>Consignee</th>
<th>Mailing Address &amp; Number of Packages</th>
<th>Value (F.O.B. Bangkok)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>