ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Malaysia

Note by the Chairman

Attached is a notification received from Finland, concerning a new bilateral consultation agreement concluded under Article 4 of the MFA with Malaysia, valid from 1 January 1982 to 31 December 1986.

The previous bilateral agreement is contained in COM.TEX/SB/470.

*English only/Anglais seulement.
Dear Mr. Chairman,

I have the honour to notify hereby to the Textiles Surveillance Body the Article 4-agreements concluded by Finland with India, Korea, Thailand, Romania and Malaysia. The agreement with Malaysia is a consultation agreement, the others contain effective restraints. All these agreements supercede previous Article 4-agreements.

All the agreements containing specific restraints provide for usual growth and flexibility in Finnish agreements, i.e. normally lower than 6% growth based on the relevant MVP-provisions in the MFA and its Protocol of Extension and flexibility at least to the extent provided for in Annex B. The product coverage of the agreements has remained mainly unchanged, in some cases product categories have been combined, thus allowing for additional flexibility.

The reasons underlying the renewal of these bilateral agreements have already been discussed in some detail in the context of previous Finnish notifications in 1982, and the basic facts remain unchanged. The production and employment outlook of the Finnish clothing industry remains gloomy, import penetration ratios in the categories under restraint are very high and imports have tended to increase further. Enclosed you will find some recent trade figures of the kind, in which the TSB has shown interest in certain recent cases. I hope to be able to supply some further data in the next few weeks on those product categories, notably CCCN 60.05, where the figures are still missing.

H.E.
Mr. Marcelo Raffaelli
Chairman
Textiles Surveillance Body
I will be pleased to provide further details to the Secretariat, should you consider it necessary.

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

Matti Pullinen
First Secretary
MEMORANDUM OF UNDERSTANDING

The Government of Finland and the Government of Malaysia have agreed, with regard to the Arrangement Regarding International Trade in Textiles, in particular Article 4 thereof, and the Protocol Extending the said Arrangement, dated 22nd December 1981, about following arrangements concerning exports of certain textile products from Malaysia into Finland:

1. Exports of men's and boys' woven shirts of cotton and man-made fibres (Finnish Tariff Classification 61.03.102-109) shall be subject to a system of administrative control.

In respect of these products Finland will automatically issue import licenses upon the presentation of export licenses (see sample in Appendix I) issued by the competent Malaysian authorities.

When the Finnish authorities find that import licenses for these products have been issued to unusually large amounts that would make limitations of further trade necessary in order to eliminate real risks of market disruption, Finland may request consultations with a view to reaching agreement on an appropriate restraint level for these products.

In judging what constitutes unusually large amounts of licenses the Finnish authorities will have regard to recent levels of trade and, in particular, to the limits set out in the Memorandum of Understanding signed between Finland and Malaysia on 25th January 1979 that expired on 1st January, 1982.

The Parties shall enter into consultations with a view to reaching agreement within two months at the latest of the date on which the request for consultations was made.

Pending a mutually acceptable solution Finland shall have the right to introduce a quantitative limit at an annual level not lower than that reached by imports of the product in question in the twelve-month period terminating two months preceding the month in which the request for consultations was made.
2. Finland and Malaysia agree to consult each other, at the request of either party, on any matter arising from the implementation of these arrangements.

3. Malaysia will forward to Finland monthly statistics on a cumulative basis of the quantity of the products for which licenses for export to Finland have been issued. Finland will forward to Malaysia monthly statistics on a cumulative basis of imports from Malaysia of the said products.

4. Malaysia shall endeavour to ensure that exports of these products are spaced out as evenly as possible over the year, due account being taken, in particular, of seasonal factors.

5. These arrangements shall apply for the period of 1st January 1982 to 31st July 1986.

6. Either party may at any time terminate these arrangements provided that at least ninety day's notice is given, in which event the arrangements shall come to an end at the expiry of the ninety day period.

Done in Kuala Lumpur on 29th of April 1982

For the Government of Finland

For the Government of Malaysia
<table>
<thead>
<tr>
<th>1</th>
<th>Exporter (name, full address, country)</th>
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<tr>
<td>2</td>
<td>No</td>
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<tr>
<td>3</td>
<td>Quota year</td>
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<td>4</td>
<td>Category number</td>
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<td>5</td>
<td>Consignee (name, full address, country)</td>
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<td>6</td>
<td>Country of origin</td>
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<td>7</td>
<td>Country of destination</td>
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<td>8</td>
<td>Place and date of shipment – Means of transport</td>
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<td>9</td>
<td>Supplementary details</td>
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<tr>
<td>10</td>
<td>Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS</td>
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<tr>
<td>11</td>
<td>Quantity (1)</td>
</tr>
<tr>
<td>12</td>
<td>FOB Value (2)</td>
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</table>

**EXTRA DETAILS**

13 CERTIFICATION BY THE COMPETENT AUTHORITY – VISA DE L'AUTORITE COMPETENTE

I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in Box No 3 at respect of the category shown in Box No 4 by the provisions regulating trade in textile products with the country shown below in Box No 12.

Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case No 3 pour la catégorie désignée dans la case No 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la **Finland**.

14 Competent authority (name, full address, country)

**Dahagian Perdagangan Antarabangsa**

Kementerian Perdagangan dan Perindustrian

P. O. Box 1017, Kuala Lumpur

**MALAYSIA**

B. P. Batu Berendam Kedah

Kementerian Perdagangan dan Perindustrian

**KUALA LUMPUR**

**MALAYSIA**