

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1070*

10 January 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Sweden and Macao

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded under Article 4¹ between Sweden and Macao for the period 1 January 1984 to 31 December 1987.

¹ The previous bilateral agreement is contained in COM.TEX/SB/704

* English only/Anglais seulement/Inglés solamente

SWEDISH DELEGATION

Geneva, November 30, 1984

For	Approved	Comment	Initials
CHIEF DEPT. A			
Gen. Sec. & Div.			
Development Div.			
Text. Coop. Div.			
Text. Fin. Div.			
Text. Prog. Div.	X		
CHIEF DEPT. B			
Gen. Sec. & Div.			
Development Div.			
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Personnel Off.			
Administration Off.			

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	- 6 DEC 1984	

Dear Mr. Ambassador,

Pursuant to Article 4:4 of the Arrangement as extended through the 1981 Protocol, I am notifying the Textiles Surveillance Body of the conclusion of a four-year bilateral agreement between Macau and Sweden. The agreement covers the period January 1, 1984 to December 31, 1987.

This agreement has been reached for the purpose of avoiding risks of further market disruption in Sweden, while ensuring an orderly development of exports from Macau to Sweden. The product categories in this agreement are of a similar scope as in other agreements notified by Sweden under the Arrangement as extended by the 1981 Protocol. The restraint groups are the same as in the preceding agreement between Macau and Sweden.

As to the flexibility provisions in the agreement as well as the terms of growth, reference is made to Annex B of the Arrangement and paragraph 11 of the 1981 Protocol.

The situation for the Swedish textile industry is difficult. The level of production of made-up textile articles has been reduced to less than half during the period 1973 - 1983. The number of persons employed in this sector has been further reduced by ten per cent in the years 1980 - 1983.

Imports of made-up articles increased heavily during 1980 but declined in 1981 due to weak demand and has since remained at a level which is still very high. Sweden still has the highest import penetration of textiles in the world.

For Sweden, being a small market with an exceptionally high level of imports and a low domestic production, the maintenance of a minimum viable production is of vital importance.

Copies of the Agreement and related documents are attached.

Hans V. Ewerlöf
Hans V. Ewerlöf
Hans V. Ewerlöf
Ambassador
Permanent Representative

Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT
G E N E V A

AGREEMENT BETWEEN THE GOVERNMENT OF MACAO AND THE GOVERNMENT
OF SWEDEN REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM
MACAO TO SWEDEN

Article 1

The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of article 1:2 and article 4 thereof and the provisions of GATT document L/5276.

Article 2

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

Article 3

The Government of Macao will limit exports to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex.

Article 4

(a) This Agreement shall apply to exports from Macao to Sweden of the textile products described in Annex I hereof, of cotton, wool or 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) This Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in Annex II of this Agreement.

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Article 5

(a) The Government of Sweden will admit imports of the textile products of Macao origin, listed in Annex I, provided that such imports are covered by a Certificate of Origin ("Certificado de Origem"), as per specimen in Annex III. Such a document shall be issued by Direcção dos Serviços de Economia de Macau, be consecutively numbered, state the group number, and bear an endorsement that the consignments concerned have been approved and debited to the agreed group levels for exports to Sweden for the relevant period.

(b) The date of shipping, stamped on the Certificate of Origin, shall be considered to be the date of exportation.

Article 6

(a) If in the period January 1, 1983 to December 31, 1983 the group levels specified in column (g) of Annex I to the Agreement of April 28, 1981 are not fully utilized, the Government of Macao may, after consultation with the Government of Sweden, during the period January 1, 1984 to December 31, 1984 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 3 per cent of the levels of these groups specified in column (g) of Annex I to the Agreement of April 28, 1981.

(b) If in any twelve months period of this Agreement, the group levels specified in Annex I to this Agreement are not fully utilized, the Government of Macao may, after consultation with the Government of Sweden, during the subsequent restraint period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports

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- 1) are in the same groups where the shortfalls occurred;
- ii) do not exceed 3 per cent of the levels of these groups for the period during which the shortfalls occurred.

(c) During each of the periods in columns e - h of Annex I to this Agreement, the Government of Macao may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels specified in Annex I to this Agreement up to 3 per cent of these levels (carry forward) for the relevant period. Where specific group levels have been increased by carry forward the Government of Macao shall inform the Government of Sweden of the carry forward quantities and debit those to the corresponding group levels, which are or may be agreed upon for the subsequent period.

(d) During each of the periods in columns e - h of Annex I to this Agreement the Government of Macao may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels specified in Annex I to this Agreement up to 3 per cent (swing) of these levels. Where specific levels have been increased by swing a corresponding reduction shall be made in one or more of other group levels. For the purpose of calculating swing, the conversion factors in Annex IV shall apply.

(e) During each of the periods in columns e - h of Annex I to this Agreement, the additional export quantities resulting from carryover, carry-forward and swing taken together shall, for each specific group level, not exceed 3 per cent of the respective agreed level.

Article 7

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in a Certificate of Origin 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 Government of Sweden shall in-

form the Government of Macao as soon as possible. Should any excess quantity be permitted to enter Sweden the authorities of Macao shall, upon information by the Swedish authorities, deduct the overshipped quantity from the relevant level which is agreed or may be agreed upon for the following restraint period.

Article 8

Both parties regard it as essential that exports 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 to traditional patterns of trade. Accordingly, the Government of Macao undertakes to provide a procedure to achieve this.

Article 9

The Government of Macao will forward to the Government of Sweden, via the Consulate General of Sweden in Hong Kong monthly statistics on a cumulative basis of the quantities of the groups listed in Annex I herewith, for which duly endorsed Certificates of Origin for exports to Sweden have been issued. The statistics shall reach the Consulate General of Sweden in Hong Kong within a period of two months from the month of reference.

The Swedish Government will forward to the Government of Macao monthly statistics on a cumulative basis of licences issued for imports from Macao of the above mentioned groups listed in Annex I. The statistics shall reach the Government of Macao, via the Consulate General of Sweden in Hong Kong, within a period of two months from the month of reference.

Article 10

The Government of Macao and the Government of Sweden agree to consult each other, at the request of either party, if any problem should arise from the implementation of this Agreement. The Government of Macao and the Government of Sweden furthermore agree to enter into consultations on the extension, modification or elimination of limitations before the end of the period of agreement.

Article 11

The Government of Macao and the Government of Sweden agree to collaborate with a view to taking appropriate action to avoid circumvention of limitations by such devices as transshipment, re-routing, fraud etc.

Articolo 12

Either Government may terminate this Agreement before the end of the period of validity, provided that at least ninety days' notice is given. In such event the Agreement shall come to an end on the expiry of the period of notice.

Article 13

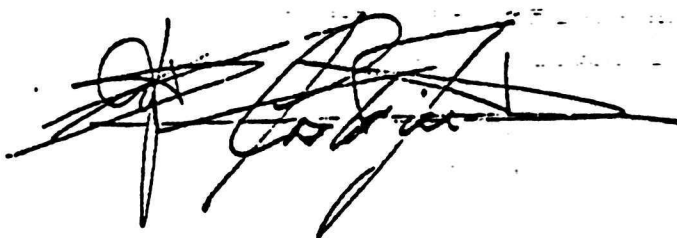
The Annexes of this Agreement shall be considered as integral parts of the Agreement.

Article 14


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

Done in *Macao* on *June 11*, 1984

For the Government
of Macao



For the Government
of Sweden

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And Berg 

up a)	Ex Swedish Tariff Classi- fication No (b)	Description (c)	Unit (d)	Level for period			
				1.1-31.12.1984 (e)	1.1-31.12.1985 (f)	1.1-31.12.1986 (g)	1.1-31.12.1987 (h)
	60.03.00- ✓ 10- ✓ 90- ✓	Stockings, under- stockings, socks, ankle socks, sockettes and the like, other than ladies' stockings of continuous synthetic fibres	Pairs	492763	494734	496713	498700
	60.04.10- ✓ 61.03.10- ✓	Shirts	Pcs	265213	266937	268672	270418
	60.04.21- 25- 61.03.20- 61.04.10-	Nightwear	Pcs	76777	76853	76930	77007
	60.04.70- 80- 90-	Underwear, other than shirts, night- wear and tights, (including under- wear T-shirts)	Pcs	779399	784075	788779	793512
	60.05.30-	Sweaters, pullo- vers, jumpers and cardigans etc (including outer- wear T-shirts)	Pcs	724203	727824	731463	735120

Two or more pieces of garments delivered in combinations, even if packed, consigned and sold together, should be charged against the group which every single piece of the combination belongs.

(b)	(c)	(d)	(e)	(f)	(g)	(h)
60.05.80- 81- 84- 87- 89- 61.01.004 006 003 10- 45- 61.02.004 006 11- 15- 99-	Overcoats and jackets	Pcs	114005	114689	115377	116069
60.05.80- 83- 84- 61.01.0C3 0C5 5C- 61.02.0C5 60- 99-	Trousers, other than shorts, (including work trousers e g trousers with bib and braces and trousers made of "impregnated fabrics")	Pcs	365845	367674	369513	371360
60.05.60- 61.02.006 20- 30- 40- 99-	Costumes, dresses and skirts	Pcs	78378	78457	78535	78614

Two or more pieces of garments delivered in combinations, even if packed, consigned and sold together, should be charged against the group to which every single piece of the combination belongs.

(b)	(c)	(d)	(e)	(f)	(g)	(h)
60.05.80- 82- 84- 61.02.006 50- 99-	Blouses	Pcs	174701	176011	177331	178661
60.05.20 80- 84- 896 61.01.003 006 904-909 922 61.02.006 902-906 909 99-	Bathing suits and trunks	Pcs	70671	70741	70812	70883
61.09.20-	Brassières	Pcs	138050	138602	139157	139713

Two or more pieces of garments delivered in combinations, even if packed, consigned and sold together, should be charged against the group which every single piece of the combination belongs.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
11a, 60.04.60-		Panty hose and tights					
14,							
20							
60.05.84-		Outer garments, knit-					
10-		ted or crocheted,					
812		other than sweaters,					
85-		pullovers, slipovers					
87-		etc (group 5), over-					
80-		coats and jackets					
89-		(group 6), trousers					
		other than shorts					
		(group 8), costumes,					
		dressess and skirts					
		(group 9), blouses					
		(group 10) and bathing					
		suits and trunks					
		(group 11b).	Metric tons	14,625	14,771	14,919	15,068
61.01.003		Outer garments, woven,					
006		men's and boys' wear,					
30-		other than overcoats					
41-		and jackets (group 6),					
70-		trousers other than					
912		shorts (group 8) and					
90-		bathing suits and trunks					
95-		(group 11b).					
922							
61.02.006		Outer garments, woven,					
80-		women's, girls' and in-					
90-		fant's wear, other than					
95-		overcoats and jackets					
94-		(group 6), trousers					
99-		other than shorts (group 8)					
		costumes, dresses and skirts					
		(group 9), and bathing suits					
		and trunks (group 11b).					

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	61.09.10-	Corsets, corset- belts, suspenders and garters					
	62.01.10-	Travelling rugs and blankets					
	40-						
	50-						
	60-						
	90-						
	62.02.11-	Bed linen					
	19-						
	792						
	793						
	62.02.31-	Towels and similar articles					
	39-						
	792						
	793						
	62.04.290	Sails of man-made fibres					

Two or more pieces of garments delivered in combinations, even if packed, consigned and sold together, should be charged against the group to which every single piece of the combination belongs.

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 material (compact, foam, sponge or expanded).
2. The definition does not cover -
 - a) fabrics which, after impregnation, coating, covering or lamination, cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm at a temperature between 15 degrees C and 30 degrees C.
 - b) fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material

ANNEX IV

For the purpose of calculating swing, the following conversion factors shall apply:

<u>Group N°</u>	<u>Conversion factor</u> Pieces per kilogram
1	24,0
2	4,5
3	3,5
4	15,0
5	4,5
6	1,4
8	2,0
9	2,0
10	6,0
11b	15,0
17	25,0