GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/1077*
25 February 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 7

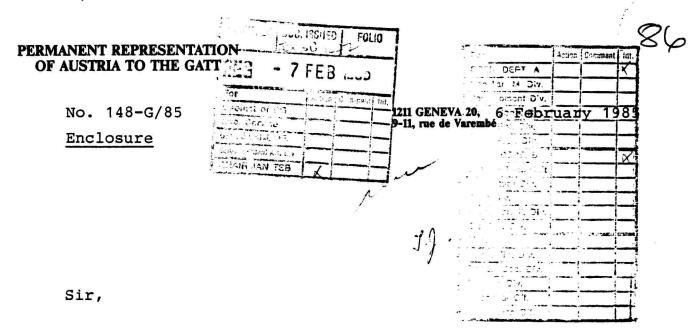
Export Surveillance System between Austria and the Philippines

Note by the Chairman

Attached is a notification received from Austria of an agreed export surveillance system covering certain clothing items, concluded between Austria and the Philippines. This arrangement includes products which had previously been subject to restraint.

¹See COM.TEX/SB/792, 892 and 939

^{*}English only/Anglais seulement/Inglés solamente



With reference to Article 7 of the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT), as extended I have the honour to transmit the following notification concerning a bilateral agreement between Austria and the Philippines concluded by exchange of notes dated 14 December 1984 and 9 January 1985 which entered into force on 9 January 1985.

In this connection I wish to recall that the agreement signed between Austria and the Philippines on 17 November 1983 which was due to expire on 31 December 1984 covered one item namely woven blouses of synthetic fibres and/or cotton.

Slacks, shorts, jeans and trousers of cotton, men's and boys' wear and woven shirts of man made fibres or of cotton were liberalized and under surveillance only.

In the recent past the economic conditions of the Austrian textiles industry have continued to deteriorate. There was a further downwards trend in orders and production was declining. In 1983 overall production in the textile sector declined by 5.4 per cent in comparison to 1982. The number of jobs in 1983 declined by 4 per cent and in the

first half of 1984 by 1.4 per cent in comparison to the previous period. At the same time the textile industry has been confronted with steadily rising import penetration (1983 imports reached already a share of 85.77 per cent of the Austrian production).

Due to the situation prevailing in the market it was not possible to reflect fully increases in production costs by price measures.

As a consequence profits were substantially curtailed and twelve factories were shutting down in 1983.

At the same time Austria agreed with the Philippines that notwithstanding the serious problems to which this sector of the Austrian industry is exposed that the last item which was under restraint under the agreement of 17 November 1983 namely woven blouses of synthetic fibres and/or of cotton shall be liberalized with effect of 9 January 1985 and at the same time be put under the statistical surveillance system only.

I should be grateful if you could make this information available to the Textile Surveillance Body.

Accept, Sir, the assurances of my highest consideration.

Richard Hochörtler Deputy Permanent Representative

R. Micherter

Mr. Marcelo Raffaelli Chairman Textiles Surveillance Body GATT Geneva Ministerialrat
Dr. Gerhard WAAS
Leiter der Sektlon II
(Außenhandel und Integration)

No. 27.647.3/29-II/7a/84

Vienna, December 14, 1984

Excellency,

Refering to the Memorandum of Agreement between the Philippines and Austria relating the export from the Philippines of certain categories of garments into Austria dated 17 November 1983 and to the letter of the Ministry of Trade and Industry of the Philippines dated 17 October 1984 I have the honour to inform you that in view of the circumstances given Austria accepts the Philippine proposal to place exports of woven blouses of man made fibres or of cotton under an export surveillance system.

Consequently, in respect of exports of woven slacks, shorts, jeans and trousers of cotton, men's and boy's wear, CCCN No. ex 61.01; woven shirts of man made fibres or of cotton, CCCN No. ex 61.03 and starting with 1 January 1985 woven blouses of man made fibres or of cotton, CCCN No. ex 61.02 the competent Austrian authority will upon presentation of a Special Export License, a specimen of which is attached as Annex, issued by the competent Philippine authority and indicating Austria as the country of final destination, automatically issue import license and will provide the Philippines with information concerning such import license on a quarterly basis.

Should emports of the above garments from the Philippines to Austria develop in a manner which causes real risks of market disruption, Austria may request consultations with the Philippines with a view to reaching an agreement on mutually acceptable terms. The request for such consultations shall be accompanied by a statement containing relevant data of the market conditions which, in the view of Austria, make necessary the request for consultations. Both parties agree to consult within thirty days from the date on which the request for consultations has been received, and to exert their best efforts to complete such consultations within fifteen days of their commencement. If no agreement is reached, the Philippines will limit exports of the above garments during the year in question to a level not lower than that achieved during the twelve-month period preceding the month in which the consultations were requested.

Special Export Licenses as set out above shall cease to be valid four months after the date of issue for purposes of presentation to the competent Austrian authority.

If this proposal is acceptable to the Philippines this note and your note of confirmation shall constitute an agreement between Austria and the Philippines.

Accept, Excellency, the assurances of my highest consideration.

Enclosure:

Annex

Milian,

H.E.
DOMINGO L. SIAZON Jr.
Ambassador
Embassy of the Philippines

Gregor Mendel-Straße 48 1190 Wien

(Stamp - Cachet)

(Signatura)

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