

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/1142*
2 August 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Sweden and Korea

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded with Korea for the period 1 March 1983 to 28 February 1987.¹

¹ The previous agreement between the parties is contained in COM.TEX/SB/732

* English only/Anglais seulement/Inglés solamente

TS/140-4

SWEDISH DELEGATION

Geneva, July 19, 1985

718

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	Action	Comment	Int.
OPER. DEPT. A			
Non-Tar. M. Div.			
Development Div.			
ech. Coop. Div.			
Trade Pol. Div.			
Sec. Proj. Div.			
OPER. DEPT. B			
Anal. Unit			
Culture Div.			
Diff. Div.			
ch. Bar. T. Div.			
Rel. Div.			

Mr. Marcelo Raffaelli
Chairman of the Textiles
Surveillance Body
GATT

Centre William Rappard
54, rue de Lausanne

211 GENEVA 21

ANSWERED	DATE FORWARDED	FILED
	16/2	
23 JUL 1985		

Dear Mr Raffaelli,

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles as extended by the 1981 Protocol, I hereby wish to notify the Textiles Surveillance Body of the conclusion of a four-year bilateral agreement between the Republic of Korea and Sweden. The agreement covers the period March 1, 1983 to February 28, 1987.

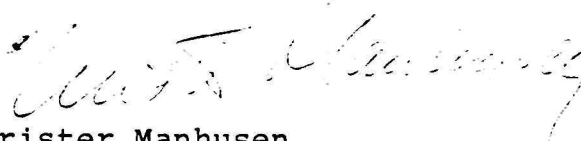
This agreement has been reached for the purpose of avoiding risks of further market disruption in Sweden, while ensuring an orderly development of exports from the Republic of Korea to Sweden. The product categories in this agreement are of a similar scope as in other agreements notified by Sweden under the Arrangement as extended by the 1981 Protocol. Compared with the preceding agreement between the Republic of Korea and Sweden this agreement contains one new specific restrained group, group 17 brassieres. Level for this group is 255 000 pieced whereas imports during 1982 was 245 000 pieced. Group 13, bedlinen, and group 14, towels, previously two separate restrained groups have been merged into one group. Flexibility incorporated in the aggregate, so called build-in swing, has been reduced from 5,5 per cent during the last period of the previous agreement to 2 per cent in the present agreement.

The agreement in the view of Sweden, constitutes a demonstration of the goodwill of the Republic of Korea as a predominant supplier of textile products to the Swedish market. 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 of the Swedish textile industry remains precarious. The number of persons employed in this sector has been further reduced by ten per cent in the years 1980-1983 and now stands at 28.000. The level of production of made-up textile articles has been reduced by ten per cent in the years 1973-1983 and now accounts for an average of no more than 13% of the Swedish market. For a number of important items the coverage is as low as 5% or less. It means that Sweden has the highest import penetration of textiles in the world. Thus Sweden has to count on the understanding of its partners in the Arrangement and on their just interpretation of its provisions as supplemented by the Protocol of Extension. In the latter the specific position of a country like Sweden, being a small market with an exceptionally high level of imports and a low domestic production for which the maintenance of a minimum viable production is of vital importance, was again recognized and enforced.

Copies of the Agreement and related documents are enclosed.

Yours sincerely,



Christer Manhusen
Counsellor

cc. Mr I. Sun, Permanent Mission of the Republic of
Korea

Mr. I. Iverson, Permanent Mission of Norway

MINISTRY
FOR
FOREIGN AFFAIRS

The Ministry for Foreign Affairs presents its compliments to the Embassy of the Republic of Korea and has the honour to acknowledge receipt of the latter's note of 5 December, 1983 (KSD/83-149).

The Ministry has the honour to inform the Embassy that the terms of the initialled Agreement of 31 March, 1983, concerning exports of certain textile products from the Republic of Korea to Sweden, as annexed to this note, are acceptable to the Government of Sweden.

The Ministry confirms that the abovementioned note of the Embassy of the Republic of Korea shall, together with this reply, constitute an Agreement between the two Governments, to enter into force retroactively on March 1, 1983.

The Ministry for Foreign Affairs avails itself of this opportunity to renew to the Embassy of the Republic of Korea the assurances of its highest consideration.

Stockholm, January 13, 1984



Embassy of the Republic
of Korea

STOCKHOLM

AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF KOREA AND THE GOVERNMENT OF
SWEDEN CONCERNING EXPORTS OF CERTAIN TEXTILE
PRODUCTS FROM THE REPUBLIC OF KOREA 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 L 5276.

ARTICLE 2

This Agreement shall apply for the period
March 1, 1983 - February 28, 1987.

ARTICLE 3

The Government of the Republic of Korea will limit exports to Sweden of the textile products listed in Annex I to this Agreement to the aggregate levels, group levels and sublevels set out in Annex II. The date of shipment indicated on the shipping documents shall be considered to be the date of delivery (exportation).

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ARTICLE 4

- (a) This Agreement shall apply to exports from the Republic of Korea 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) 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 III of this Agreement.

ARTICLE 5

The Government of Sweden will admit imports of the textile products of Korean origin listed in Annex I, provided that such imports are covered by an Export Certificate, as per specimen in Annex IV.

Such a document shall be issued by the Ministry of Commerce and Industry of the Republic of Korea, be consecutively numbered, state the group number and bear an endorsement that the consignments concerned have been approved and debited to the agreed levels for exports to Sweden for the relevant period.

ARTICLE 6

In addition to the flexibility incorporated in the aggregate, the specific group and sub-group levels in Annex II, the following provisions shall apply.

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- (a) In any one Agreement year advance use of a portion of the quantitative level established for the following Agreement year may be agreed, following consultations, between 0.5% and 4% of the quantitative level for the current Agreement year. Amounts delivered in advance shall be deducted from the corresponding quantitative level established for the following Agreement year.
- (b) If in any one Agreement year the group or sub-group levels are not fully utilized, carryover to the corresponding level for the following Agreement year may be agreed, following consultations, between 0.5% and 4% of the quantitative level for the current Agreement year.
- (c) During any Agreement year the increase in any group or sub-group resulting from the cumulative application of the above-mentioned provisions shall not exceed 4%.
- (d) For the purpose of applying the flexibility provisions in this article:
- (i) shortfalls in the year in question shall be calculated without taking into account the use of carryover from the preceding year or the use of carry forward from the succeeding year;
 - (ii) the use of carryover shall be subject to the availability of an equivalent amount of shortfall in the Aggregate level of the source year and carryover and carry forward shall not be subject to the sub-group, group and Aggregate levels of the year in which it is used;

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- (iii) the use of carryover from a sub-group shall be subject to the availability of a corresponding shortfall in the respective group.

ARTICLE 7

If the information available to the Swedish authorities shows that the quantitative level for the category of products specified in an Export Certificate has already been reached, or the unused portion of that level is insufficient to cover the goods specified in the Certificate, the said authorities may refuse to admit any quantity in excess of the quantitative level. In this event the Swedish authorities shall inform the Korean authorities. Should any excess quantity be permitted to enter Sweden, the over-shipped quantity shall, after consultations with the Government of the Republic of Korea, be deducted from the relevant level which is or may be agreed upon for the following restraint period.

ARTICLE 8

- (a) 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, taking into account normal seasonal factors, and that due consideration is given to traditional patterns of trade. Accordingly, the Government of the Republic of Korea undertakes to provide a procedure to achieve this.
- (b) If the Government of Sweden considers that as a result of the application of this Agreement there is undue concentration of exports or the possibility thereof in any particular products, the Govern-
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ment of Sweden may request the Government of the Republic of Korea to consult with a view to appropriate remedial action such as a reasonable modification of this Agreement.

ARTICLE 9

The Government of the Republic of Korea and the Government of Sweden agree to collaborate with a view to taking appropriate action to avoid circumvention of this Agreement by transshipment, re-routing or whatever other means. The Government of the Republic of Korea and the Government of Sweden reaffirm their willingness to strengthen this collaboration having regard to the administrative and technical procedures in force in the Republic of Korea for the implementation of this Agreement. Where information available to the Government of Sweden constitutes clear evidence that products of Korean origin subject to quantitative levels established under this Agreement have been transshipped or re-routed into Sweden in circumvention, the Government of Sweden may request consultations with the Government of the Republic of Korea. Where the evidence provided establishes that the provisions of this Agreement have been circumvented, the Government of the Republic of Korea undertakes to debit the appropriate quantitative levels for the year in which the circumvention took place or for subsequent years, the timing and scale of such debiting being decided in consultation with the Government of Sweden.

ARTICLE 10

Should it come to the attention of the Government of Sweden that textile products subject to this

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Agreement licensed by the Government of the Republic of Korea for export to Sweden and debited to the levels set out in Annex II have been imported into Sweden and subsequently re-exported therefrom, the Government of the Republic of Korea shall be informed and consultations may be requested in accordance with Article 12 of this Agreement.

ARTICLE 11

- (a) The Government of the Republic of Korea will forward to the Government of Sweden monthly statistics on a cumulative basis of the aggregate quantities as well as of the quantities of the specific groups/sub-groups listed in Annex II, which have been duly authorized for export to Sweden and debited to the agreed levels in that Annex.
- (b) The Government of Sweden will forward to the Government of the Republic of Korea monthly statistics on a cumulative basis of licences issued for imports from the Republic of Korea.

ARTICLE 12

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

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ARTICLE 13

Either Party may at any time denounce this Agreement provided that at least sixty days' notice is given. In such event the Agreement shall come to an end on the expiry of the period of notice.

ARTICLE 14

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

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ANNEX I

The Swedish Group System (including subgroups; ex CCCN 60.03 to 62.04)

(a) Group No	(b) Ex Swedish Statistical Classification No (CCCN)	(c) Description	(d) pieces per kg
1	60.03.00-, 10-, 90-	Stockings,understockings,socks, ankle socks, sockettes and the like,knitted or crocheted, <u>other than ladies' stockings of continuous synthetic fibres</u>	24,0
- 1a	60.03.10-	- Anklesocks and men's stockings	24,0
- 1b	60.03.00-, 90-	- Stockings,understockings,socks, sockettes and the like, <u>other than ladies stockings of continuous synthetic fibres</u> ,ankle socks and men's stockings	24,0
2	60.04.10- 61.03.10-	Shirts	4,5
- 2a	60.04.10-	- Shirts,knitted or crocheted	4,5
- 2b	61.03.10-	- Shirts,not knitted or crocheted	4,5
3	60.04.21-, 25- 61.03.20- 61.04.10-	Night garments	3,5
- 3a	60.04.21-, 25-	- Night garments,knitted or crocheted	3,5
- 3b	61.03.20- 61.04.10-	- Night garments,not knitted or crocheted	3,5
4	60.04.70-, 80-, 90-	Underwear,knitted or crocheted,other than shirts,night garments and tights	15,0
- 4a	60.04.70-	- Underwear etc men's and boys' wear	15,0
- 4b	60.04.80-	- Underwear etc women's and girls' wear	15,0
- 4c	60.04.90-	- Underwear etc infants' wear	15,0
5	60.05.30-	Sweaters,pullovers,slipovers,jumpers and cardigans etc,knitted or crocheted	4,5
- 5a	60.05.304	- Sweaters etc of wool	4,5
- 5b	60.05.302,303,306	- Sweaters etc of synthetic or regenerated fibres	4,5
- 5c	60.05.305,309	- Sweaters etc of other fibres	4,5

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Group No	Ex Swedish Statistical Classification No (CCCN)	Description	pieces per kg
6	60.05.803-4,809,812, 815,84-,87-,89- 61.01.10-,45-,003,004,006 61.02.11-,15-,004,006,99-	Overcoats and jackets	1,4
- 6a	60.05.80-,84-,89- 61.01.10-,003,006	- Overcoats men's and boys' wear	1,4
- 6b	60.05.80-,84-,87-,89- 61.02.11-,006,99-	- Overcoats women's, girls' and infants' wear	1,4
- 6c	60.05.80-,812,815,84-,896	- Jackets, knitted or crocheted	1,4
- 6d	61.01.45-,003,004 61.02.15-,004,99-	- Jackets, not knitted or crocheted	1,4
7	60.05.80-,812,84-,89- 61.01.30-,41-,003,006 61.02.006,902-906,909	Suits, lounge coats and blazers	1,4
- 7a	60.05.80-,812,84-,89- 61.01.30-,003,006	- Suits	1,4
- 7b	60.05.80-,84-,89- 61.01.41-,003,006 61.02.006,902-906,909	- Lounge coats and blazers	1,4
8	60.05.80-,83-,84- 61.01.50-,003,005 61.02.60-,005,99-	Trousers other than shorts (including work trousers e.g. trousers with bib and braces and trousers made of impregn fabrics)	2,0
- 8a	60.05.80-,83-,84-	- Trousers etc, knitted or crocheted	2,0
- 8b	61.01.50-,003,005 61.02.60-,005,99-	- Trousers etc, not knitted or crocheted	2,0
9	60.05.60- 61.02.006,20-,30-,40-,99-	Costumes, dresses and skirts	2,0
- 9a	60.05.60-	- Costumes, dresses and skirts, knitted or crocheted	2,0
- 9b	61.02.006,20-,30-,99-	- Costumes and dresses, not knitted or crocheted	2,0
- 9c	61.02.006,40-,99-	- Skirts, not knitted or crocheted	2,0
10	60.05.80-,82-,84- 61.02.006,50-,99-	Blouses	6,0
- 10a	60.05.80-,82-,84-	- Blouses, knitted or crocheted	6,0
- 10b	61.02.006,50-,99-	- Blouses, not knitted or crocheted	6,0

Group No	Classification No (CCCN)	Description	per k
11	60.04.60- 60.05.10-,20-,80-,84-,85-, 87-,89 61.01.003,006,70-,90-,95 61.02.006,80-,901,902-906 907,909,95-,99- 61.03.90- 61.04.20-	Clothing included in Commodity List No 28 other than groups. 1 - 10,14 and 17	
- 11a	60.05.10-,80-,84-,896 61.01.003,006,901-902 61.02.006,901,907,903-904, 906,909,99-	Track suits	1,7
- 11b	60.05.20-,80-,84-,896 61.01.003,006,904-909 61.02.006,902-906,909,99-	Bathing suits and trunks	15,0
- 11c	60.05.80-,84-,87-,89- 61.01.003,006,70- 61.02.006,80-,99-	Shorts	
- 11d	60.04.60-	Panty hose and tights	
- 11f	60.05.80-,84-,85-,87-,89-	Outer garments (incl in Commodity List No 28) other than groups 1 - 11c, knitted or crocheted	
- 11g	61.01.003,006 61.02.006	Outer garments (incl in Commodity List No 28 other than groups 1 - 11c, not knitted or crocheted, of continuous regenerated fibres, men's and boys' wear; Outer gar- ments (incl in Commodity List No 28) other than groups 1 - 11c, not knitted or crocheted, impregnated, coated, cov- ered or laminated	
- 11h	61.01.904-909,95- 61.02.902-906,909,95-	Outer garments (included in Commodity List No 28) other than groups 6 - 11c and 11g, not knitted or crocheted, men's, boys', women's and girls' wear	
- 11i	61.02.99-	Outer garments (included in Commodity list No 28) other than groups 6 -11c, not knitted or crocheted, infants' wear	

-- Groups 11d, f, g, h and i are divided into:

-- A Protective and work clothing (for industrial
or occupational use, whether or not also suit-
able for domestic or leisure time use), rain-
suits and coveralls, including sets of such
garments. (Individually packed and shipped
overalls and work trousers are to be classi-
fied in group 8)

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(a) Group No	(b) Ex Swedish Statistical Classification No (CCCN)	(c) Description	(d) pieces per kg
-- B		Sets of matching outer garments including inter alia ski suits, and Santa Claus suits, which are invoiced, packed and shipped together as sets (excluding costumes in group 9 and suits in group 7, 11a and 11b)	1,7
-- C		Waist coats	
-- D		Garments, woven, knitted or crocheted, other than products covered by groups 1 - 11b, A - C and 17	
12	62.01.all	Travelling rugs and blankets	
13	62.02.11-,19-,792-3	Bed linen	
14	62.02.31-,39-,792-3	Towels and similar articles	
17	61.09.20-	Brassières	

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Exports of certain Textiles from the Republic of Korea during the period 1 March 1983 to 8 February 1987

For the full description and classification numbers of the groups see Annex I

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Group No	Description	Unit	Level for period 1.3.83 - 29.2.84	Level for period 1.3.84 - 28.2.85	Level for period 1.3.85 - 28.2.86	Level for period 1.3.86 - 28.2.87
	AGGREGATE for Groups 1 to 12	kilograms	2.624.264	2.632.137	2.640.033	2.645.313
1	Stockings etc	pairs	3.976.511	3.988.441	4.000.406	4.008.407
2	Shirts	pieces	601.509	603.314	605.124	606.334
- 2a	- knitted	pieces	162.407	162.895	163.383	163.710
- 2b	- woven	pieces	481.207	482.651	484.099	485.067
3	Night garments	pieces	143.375	143.805	144.236	144.524
4	Underwear etc	pieces	456.135	457.503	458.876	459.794
- 4a	- men's and boys' wear	pieces	228.068	228.752	229.438	229.897
- 4b	- women's and girls' wear	pieces	259.997	260.977	261.559	262.083
5	Sweaters etc	pieces	4.699.656	4.713.755	4.727.896	4.737.352
6	Overcoats etc	pieces	630.917	632.810	634.708	635.977
- 6c,d	- Jackets	pieces	473.188	474.608	476.031	476.984
7	Suits etc	pieces	76.674	76.904	77.135	77.289
8	Trousers	pieces	594.026	595.808	597.595	598.790

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(a)	(b)	(c)	(d)	(e)	(f)	(g)
Group No	Description	Unit	Limit for period 1.3.83 - 29.2.84	Limit for period 1.3.84 - 28.2.85	Limit for period 1.3.85 - 28.2.86	Limit for period 1.3.86 - 28.2.87
9	Costumes etc	pieces	238.437	239.152	239.869	240.349
- 9a	- knitted	pieces	52.456	52.613	52.771	52.877
- 9b	- costumes and dresses, woven	pieces	162.137	162.623	163.111	163.437
- 9c	- skirts, woven	pieces	40.534	40.656	40.778	40.859
10	Blouses	pieces	408.765	409.991	411.221	412.043
- 10a	- knitted	pieces	122.630	122.997	123.366	123.613
- 10b	- woven	pieces	314.749	315.693	316.640	317.273
11a	Track suits	pieces	78.756	78.992	79.229	79.387
11b	Bathing suits	pieces	106.036	106.354	106.673	106.886
A	Protective- etc	kilograms	65.167	65.363	65.559	65.690
B	Sets etc	pieces	209.002	209.629	210.258	210.679
C,D,12	Other garments, including waist coats; Travelling rugs and blankets	kilograms	30.365	30.456	30.547	30.608
<u>Products subject to specific group limits only:</u>						
13,14	Bed linen, towels	kilograms	91.601	91.876	92.152	92.336
17	Brassieres	pieces	255.000	255.765	256.532	257.045

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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° C and 30° C.
 - (b) Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

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[Handwritten signature]

1 Exporter (name, full address, country)		EXPORT CERTIFICATE (TEXTILE PRODUCTS)	
3 Consignee (name, full address, country)			
6 Place and date of shipment - Means of transport		4 Quota period	5 Group number
		7 Country of origin	8 Country of destination
		9 Approved and debited quantity against restraint level	
10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS		11 Quantity or weight	12 FOB Value
13 CERTIFICATION BY THE COMPETENT AUTHORITY			
<p>I, the undersigned, certify that the goods described above are originating in _____ in accordance with the provisions in force in Sweden and these goods have been charged against the quantitative limit established for the quota year shown in box no 4 in respect of the group shown in box no 5 by the provisions regulating trade in textile products with Sweden.</p>			
14 Competent authority (name, full address, country)		At on	
		(Signature)	(Stamp)

Points to be conveyed to Sweden and Korea

After its first discussion, the TSB decided not to reach any conclusion on the agreement ^{or on the applicability of par. 6 to it} at present but thought it advisable to convey certain elements to both parties.

implied

1. The fact that Sweden [stated] that paragraph 6 has been invoked and Korea stated that in no way it accepted the validity of paragraph 6 for this case.
2. The TSB recalls the principle that the restraint level for a subsequent year should be higher than the level specified in the preceding twelve-month period. In this agreement:

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(a) although there are reductions in levels for Groups subject to the aggregate, there is a marginal increase in access in the aggregate;

(b) the large reductions in Groups 13 and 14 appear not to be compensated ^{for} in any way, and therefore could only be justified under paragraph 6 of the 1981 Protocol of Extension, if applicable;

(c) ~~however, the large reductions in Groups 13 and 14 have resulted in a reduction in the overall access in the agreement despite the increase in the aggregate.~~

3. The TSB decided it was best to give the parties time to review the agreement by utilizing the consultation provisions contained therein, and report back to the TSB before 30 November 1985.