

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1178*

31 October 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Norway and Sri Lanka

Note by the Chairman

Attached is a notification received from Norway of a bilateral agreement concluded with Sri Lanka for the period 1 July 1984 to 31 December 1987.¹

¹ In its notification under Article 2:1, Norway had reported that it had initialled a bilateral agreement with Sri Lanka. (COM.TEX/SB/1007)

* English only/Anglais seulement/Inglés solamente

H.E. Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT
GENEVA

SHORT REASONED STATEMENT

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles as extended by the 1931 Protocol, I am pleased to notify the Textiles Surveillance Body of the conclusion of a bilateral agreement between Norway and Sri Lanka, cf. COM.TEX/27/Add.12 of 10 July 1984.

This agreement covers the period from 1 July 1984 to 31 December 1987. It was initialled in Colombo on 1 November 1983, implemented on a provisional basis from 1 July 1984, and it was signed in Stockholm on 21 January 1985. The agreement has been reached for the purpose of avoiding further market disruption or risks thereof in Norway, while ensuring an orderly development of Sri Lanka's exports to Norway.

The product categories are clothing and one made-up article. Out of the 21 categories covered by the Agreement, 12 are under quota restrictions and the remaining 9 items are subject to an administrative system of surveillance. 8 of the 12 categories under restraint were until 1 July 1984 covered by the Norwegian global quota system previously notified under Art. XIX of the GATT. Concerning base levels for the restrained items, account has been taken of the restraint levels in the former

bilateral agreement between Norway and Sri Lanka which applied for the period 1 January 1978 - 31 December 1982. (The Norwegian request for consultations was submitted in September 1983.)

As to the flexibility provisions in the agreement as well as the rates of growth, account was taken of Annex B of the Arrangement and paragraph 11 of the 1981 Protocol.

The situation for the Norwegian textiles and clothing industries is difficult. The level of production of clothing (excl. knitwear) and the number of persons employed in this sector have been reduced to less than half during the period of 1973-1983. In 1980 the production of clothing (excl. knitwear) was more than 30 per cent higher than in 1933. Production and employment in the textiles and knitwear sectors have also declined continuously after 1980.

Imports of clothing (SITC 84) have increased substantially during the past few years, reaching a share of total domestic supply of 74% (in value terms) in 1982. The volume of imports in 1982 was two thirds higher than in 1974. After a small decline in volume in 1983, due to weaker demand, total imports have in 1984 increased by 18% in value. In fact, Norway has the world's highest

net imports per capita of textiles and clothing.

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

AGREEMENT BETWEEN
THE GOVERNMENT OF NORWAY
AND
THE GOVERNMENT OF SRI LANKA
RELATING TO THE EXPORTS FROM SRI LANKA OF CERTAIN
TEXTILE PRODUCTS FOR IMPORTS INTO NORWAY

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Introduction

1. This Agreement sets out the arrangements that have been made between the Government of Norway and the Government of Sri Lanka regarding the exports of certain textile products from Sri Lanka for imports into Norway.
2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles, (hereinafter referred to as "the MFA") as extended by the Protocol of 22.12.1981, bearing in mind particularly the provisions of Article 1:2, Article 4 and Article 6 of the MFA.

Coverage

3. These arrangements apply to Sri Lanka's export to Norway of the textile products listed in Annex A to this Agreement, when these are made of cotton, wool or man-made fibres, or blends thereof, in which one, or all of those fibres in combination represents 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). Notwithstanding these provisions, this Agreement shall also apply to the products described in Annex A which are manufactured from impregnated fabrics as defined in a note to Annex A.

Classification

4. For the purpose of classifying textile products in the appropriate category, the definitions set out in Annex A will apply.

5. In case of divergent opinions between Sri Lanka and the competent Norwegian authorities at the point of entry into Norway on the classification of products covered by this Agreement, consultations as provided for in Article 15 of this Agreement shall be held with a view to reaching agreement on the appropriate classification of the products concerned and to resolving any difficulties arising therefrom. For this purpose, the authorities of Sri Lanka shall be informed by the competent authorities in Norway as soon as a case of divergent opinions on the classification of products arises.

Pending agreement on the appropriate classification and in order to avoid disruption of trade, the products in question shall be imported on the basis of the classification indicated by the competent Norwegian authorities at the point of entry, in conformity with the provisions of this Agreement.

Restraint Levels

6. For products listed in Annex B to this Agreement, Sri Lanka shall for each restraint period during the term of this Agreement restrain its exports to Norway to the limits set out in Annex B, or the limits modified as provided for in Article 7 of this Agreement.

Flexibility provisions

7. Any quantitative limit set out in Annex B may, after consultations between the Government of Sri Lanka and the Government of Norway as provided for in Article 15 be exceeded in either year of any two subsequent agreement years by carry forward and/or carryover. Carryover/carry forward

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taken together shall not exceed 6% of which carry forward shall not represent more than 3%.

Products covered by the Agreement without quantitative Limits

8. Imports of textile products covered by this Agreement which are not subject to quantitative limits shall be subject to a system of administrative control. These products will be subject to a dual system of export and import licensing.

When import licences of a product listed in Annex A not subject to quota restraint have been issued up to a level corresponding to 1.5% of the preceding year's total imports into Norway of that product, the Norwegian Government may request consultations in order to establish a quantitative limit for the product concerned.

Pending a mutually acceptable solution through this consultation, the Norwegian Government may fix a quantitative limit at the volume reached by imports of the product in question in the twelve-month period preceding notification.

Administration

9. Exports from Sri Lanka to Norway of textile products listed in Annex B shall be subject to a double-checking system of export and import licensing as specified in Annex C of the Agreement.

Circumvention

10. Norway and Sri Lanka agree to co-operate fully in dealing with problems relating to circumvention of the arrangements set out in this Agreement.
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When information available to the Norwegian authorities indicates that products of Sri Lanka origin listed in Annex B to this Agreement have been imported into Norway by transshipment, rerouting or otherwise, in circumvention of the arrangements set out in this Agreement. Norway may ask for consultations as provided for in Article 15 of this Agreement, with a view to agree on an appropriate adjustment of the quantitative limits for the products concerned.

If the parties fail to reach a mutually satisfactory solution within a period of 60 days from the date when the request for consultations was made, the Norwegian authorities shall, if clear evidence of circumvention has been provided, have the right to carry out a compensatory reduction of the corresponding restraint level, for the current or the following calendar year.

Seasonal fluctuations

11. The Government of Sri Lanka will endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible each calendar year, due account being taken of normal seasonal factors and traditional patterns of trade.

Rules of origin

12. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Norway and the procedures for control of the origin of the products set out in Annex C.

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Re-exports

13. Exports from Sri Lanka to Norway of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex B, provided that the export licence certifies that the products concerned are for re-export outside Norway.

Where the competent Norwegian authorities have evidence that products exported from Sri Lanka and set off by Sri Lanka against a quantitative limit established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify Sri Lanka of the quantities involved. Upon receipt of such notification, Sri Lanka may authorize exports for the current calendar year of identical quantities of products within the same category, which shall not be set off against the quantitative limits established in Annex B. If such a notification has been received later than 3 months before the expiry of the current restraint period, identical quantities may be exported during the next restraint period.

Exchange of statistics

14. For all products covered by this Agreement the Government of Sri Lanka undertakes to provide the Government of Norway with monthly statistics of all export licences issued by the authorities for each category for the current restraint period. For products listed in Annex B, these statistical reports shall also set out
- i the maximum export level for each category for the relevant restraint period,
 - ii the modified limit if the restraint limit

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has been modified as provided for in Article 7 of this agreement, and
 iii) the rate of utilization of the quota.

Each report shall be transmitted before the end of the second month following the month covered by the report.

The Government of Norway will provide the Government of Sri Lanka with monthly statistics of licences issued for imports from Sri Lanka of all categories covered by this Agreement.

Both parties undertake to supply each other with statistical information on all textile exports/imports by country of destination/origin when requested.

Consultations

15. The Government of Sri Lanka and the Government of Norway agree to consult at the request of either government, on any question arising in the application of this Agreement.

Any request for consultations shall be notified in writing to the other party, together with a statement explaining the reasons and circumstances that led to the request.

The parties shall enter into consultations within 30 days at the latest from when the request was made, with a view to arriving at a mutually satisfactory conclusion in conformity with the provisions of the MFA within a further 30 days at the latest.

Other textile products

16. The Norwegian Government reserves its rights under the MFA with respect to textile products not covered by this Agreement.

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General

17. The present Agreement shall enter into force when the parties have notified each other that all internal procedures which are necessary for the fulfilment of the obligations in the Agreement have been completed.

Provided that such notifications have taken place, the Agreement shall apply with effect from July 1, 1984 until December 31, 1987 unless this is changed by application of the provisions of Article 18 of this Agreement.

18. Either party may at any time propose modifications to this Agreement. Such proposals shall lead to consultations in accordance with the procedures outlined in Article 15.

Either party may at any time denounce this Agreement provided that at least 60 days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

19. The Annexes to this Agreement shall be considered as an integral part thereof.

Done at Stockholm on January 21, 1985 in two originals in the English language, both texts being equally authentic.

On behalf of the
Government of the
Kingdom of Norway

Osca Osmund

On behalf of the
Government of the
Democratic Socialist
Republic of Sri Lanka

[Signature]

[Signature]

[Signature]

ANNEX AProduct Categories Covered by the
Agreement

<u>Category Number</u>	<u>Unit</u>	<u>Description</u>
1.	Pieces	Outer garments of woven material, men's, boys, women's, girls: - Jackets: Tailored jackets, blazers, waist-coats, sports jackets (including parts of ski suits), anoraks and similar garments, parkas, one-piece suits and the like, also as parts of suits, sets and costumes.
2.	Pieces	Outer garments of woven material, men's, boys, women's, girls: - Trousers, slacks, jeans, breeches and the like (including bib and brace overalls), other than swimwear and shorts, also as parts of suits and sets.
3.	Pieces	Knitted or crocheted shirts, T-shirts and blouses of all kinds
4.	Pieces	Knitted or crocheted under garments, men's, boys, women's, girls, infants; other than T-shirts, blouses, night wear and panty hose.
5.	Pieces	Men's and boys' shirts of all kinds, of woven material

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| 6. | Pieces | Outer garments and other articles, knitted or crocheted, not elastic nor rubberised:

Pull-overs, sweaters, jumpers, cardigans and jackets |
| 7. | Kg s | Bed linen |
| 8. | Pieces | Outer garments of woven materials, women's, girls:
Blouses, shirts and the like |
| 9. | Pairs | Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberised, except women's stockings, sport stockings and thick woolen socks (known as 'raggsokker'). |
| 10. | Pieces | Women's and girls outer garments of woven material:

Dresses, housecoats, frocks and gowns |
| 11. | Pieces | Outer garments of woven material women's, girls, skirts, including divided skirts |
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12. Pieces Costumes, dresses, suits, skirts and trousers, knitted or crocheted (incl. track suits)
13. kgs Gloves, mittens and mitts of textile material, not knitted or crocheted.
14. Pieces Outer garments of woven material for infants (defined as for infants with height below 110cm)
15. Pieces Men's, boys, women's and girls outer garments of woven material:
- Ulsters, overcoats, capes and coats (except those impregnated or coated with oil, varnish rubber, artificial plastic materials and the like)
16. Pieces Under garments, knitted or crocheted
- panty hose
17. kgs. Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised.
- 12 18. Pieces Night wear, knitted or crocheted.
19. Pairs Gaiters and spats (short or long ones) of textile materials

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- 15 20. Pieces Outer garments of woven material, men's, boys, women's, girls, impregnated or coated with oil, varnish, rubber, artificial plastic materials and the like
21. Pieces Under garments of woven material, women's and girls wear (except night wear)

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NOTE TO ANNEX A:

Definition of 'Impregnated Fabrics' for the
purposes of Article 3.

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 percent or more by weight or any or all of those fibres in combination represent 50 percent 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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ANNEX B : RESTRAINT LEVELS

Category No.	Quantity Unit	1.7.1984-31.12.1984	1985	1986	1987
Category 1	Pieces	9275	18643	18736	18830
Category 2	Pieces	30.769	61828	62137	62447
Category 3+4	Pieces	61515	123399	123769	124141
Category 5+8	Pieces	67000	134402	134805	135210
Category 6	Pieces	51263	102833	103141	103450
Category 7	Kgs.	3075	6181	6212	6243
Category 9	Pairs	24608	49461	49708	49957
Category 10	Pieces	17400	35670	36562	37476
Category 11	Pieces	17400	35670	36562	37476
Category 18	Pieces	11093	22740	23308	23891

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ANNEX C:

ADMINISTRATIVE COOPERATION

1. The competent authorities of Sri Lanka shall issue an export licence in respect of all consignments from Sri Lanka for exports to Norway covered by Annex B. The export licence shall conform to the specimen attached as Annex D. The export licence shall certify that the products in question are of Sri Lanka origin, and that the quantity of the product in question has been set off against the quantitative limit prescribed for that category.
2. For categories covered by the Agreement, but not under specific restraint limits, all consignments exported from Sri Lanka to Norway shall be accompanied by a certificate of origin conforming to the specimen attached as Annex E.
3. The export licences and certificates of origin referred to above shall be issued by the Ministry of Textile Industries in Sri Lanka.
4. Each export licence or certificate of origin shall cover only one of the categories of products listed in Annex A to this Agreement.
5. Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected.
6. The presentation of an export licence, in application of Paragraph 7 below, shall be effected not later than 31 January of the year following that in which the goods covered by the licence have been shipped.
7. Importation into Norway of textile products subject to quantitative limits shall be subject to the presentation of appropriate import documents.

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The competent Norwegian authorities shall issue such import documents automatically within ten working days of the presentation by the importer of the original of the corresponding export licence.

8. The competent Norwegian authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued.

The competent Norwegian authorities shall cancel the already issued import documents if the corresponding export licence has been withdrawn.

However, if the competent Norwegian authorities have not been notified about the withdrawal or cancellation of the export licence until after the products have been imported into Norway, the quantities involved shall be set off against the quantitative limit for the category and quota year in question and Sri Lanka shall be informed as soon as possible.

9. If the competent Norwegian authorities find that the total quantities covered by export certificates issued by Sri Lanka for a particular category in any quota period exceed the quantitative limit established for that category, the said authorities may suspend the further issue of import documents. In this event, the competent Norwegian authorities shall immediately inform the authorities of Sri Lanka and the special consultation procedure set out in Article 15 of the Agreement shall be initiated forthwith.
10. Exports of Sri Lanka origin not covered by export licences or certificates of origin issued by Sri Lanka in accordance with the provisions of this Annex may be refused the issue of appropriate import documents by the competent Norwegian authorities.
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11. The export licence or the certificate of Sri Lanka origin may comprise additional copies duly indicated as such. They shall be made out in English. If they are completed by hand, entries must be in ink and in printscript.

Only the original, clearly marked "original" shall be accepted by the competent authorities in Norway as being valid for the purpose of export to Norway in accordance with the arrangements established by this Agreement.

12. Each export licence or certificate of Sri Lanka origin shall bear a serial number, by which it can be identified.

The export licence shall also contain the name and address of manufacturer, if different from exporter.

13. In the event of theft, loss or destruction of an export licence or a certificate of Sri Lanka origin, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement "duplicate".

The duplicate must bear the date of the original export licence or certificate of Sri Lanka origin.

14. Sri Lanka shall send the Norwegian Ministry of Trade and Shipping the names and addresses of the governmental authorities competent for the issue and verification of export licences and certificates of Sri Lanka origin together with specimens of the stamps used by these authorities.

Sri Lanka shall also notify the Ministry of any change in this information.

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1 Exporter (name, full address, country)	ORIGINAL 2 No	
3 Consignee (name, full address, country) in Norway	SRI LANKA-NORWAY TEXTILES AGREEMENT, EXPORT LICENCE (TEXTILE PRODUCTS)	
	4 Quota period	5 Category number
6 Place and date of shipment — Means of transport	7 Country of origin	8 Country of destination
	9 Supplementary details	
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 I, the undersigned, certify that the goods described above are originating in Sri Lanka in accordance with provisions in force in Norway and these goods have been charged against the quantitative limit established for the quota ^{period} shown in box no 4 in respect of the ^{category} shown in box no 5 by the provisions regulating trade in textile products with Norway .		
14 Competent authority (name, full address, country)	At on (Signature) (Stamp)	

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1 Exporter (name, full address, country)	ORIGINAL 2 No	
3 Consignee (name, full address, country) in Norway	SRI LANKA - NORWAY TEXTILE AGREEMENT CERTIFICATE OF ORIGIN <i>for categories under surveillance</i> (TEXTILE PRODUCTS)	
	4 Quota period	5 Category number
6 Place and date of shipment — Means of transport	7 Country of origin	8 Country of destination
	9 Category under surveillance	
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 I, the undersigned, certify that the goods described above are originating in Sri Lanka in accordance with provisions in force in Norway		
14 Competent authority (name, full address, country)	At on (Signature) (Stamp)	

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