

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1179*
31 October 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Norway and Macao

Note by the Chairman

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

¹In its notification under Article 2:1, Norway had reported that it had initialled a bilateral agreement with Macao. (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 1981 Protocol, I am pleased to notify the Textiles Surveillance Body of the conclusion of a bilateral agreement between Norway and Macau, cf. COM.TEX/27/Add.12 of 10 July 1984.

This agreement covers the period from 1 July 1984 to 1 January 1985. It was initialled in Macau on 10 December 1983, implemented on a provisional basis from 1 July 1984, and it was signed on 6 October 1984. The agreement has been reached for the purpose of avoiding further market disruption or risks thereof in Norway, while ensuring an orderly development of Macau's exports to Norway.

The product categories cover mainly clothing. Out of the 21 categories covered by the Agreement, 9 are under quota restrictions and the remaining 12 items are subject to an administrative system of surveillance. 7 of the 9 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 relatively small share of imports from Macau

in total imports into Norway of certain categories. The agreed base levels for many categories therefore allow for a significant increase in exports compared to the trade level during the 12-month period preceding the request for consultations.

As to the flexibility provisions in the agreement as well as the rates of growth, reference is made to 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 1983. 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 MACAU
RELATING TO THE EXPORTS FROM MACAU OF CERTAIN
TEXTILE PRODUCTS FOR IMPORTS INTO NORWAY

Introduction

1. This Agreement sets out the arrangements that have been made between the Government of Norway and the Government of Macau regarding the exports of certain textile products from Macau 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 and Article 4 of the MFA.

Coverage

3. These arrangements apply to Macau's export to Norway of the textile products listed in Annex A to this Agreement, ^{when} ~~when~~ these are made 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) of the product. 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 Macau 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 Macau 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, Macau shall, for each quota 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 notification from the Government of Macau to 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 carry over.

Carry forward and carry over taken together shall not exceed ~~6.55~~ ^{7.57} of which carry forward shall not represent more than 4%.

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 0.5% for category 7. or 1.5% for other categories, 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} ending two months before the month of notification.

Administration

9. Exports from Macau 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. The Government of Norway and the Government of Macau agree to cooperate fully in dealing with problems relating to ^{circumvention} ~~circumvention~~ tion of the arrangements set out in this Agreement.

When information available to the Norwegian authorities indicates that products of Macau origin listed in Annex B to this Agreement have been imported into Norway by transshipment, rerouting or otherwise, in ^{circumvention} ~~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 a appropriate adjustment of the quantitative limits for the products concerned.

If the parties fail to reach a mutually satisfactory solution within a period of 51 days from the date when the request for consultations was made, the Norwegian authorities shall, if 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 restraint period.

Seasonal Fluctuations

11. The Government of Macau 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.

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.

Re-exports

13. Exports from Macau 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 Macau and set off by Macau against a quantitative limit established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify the Government of Macau of the quantities involved. Upon receipt of such notification, the Government of Macau may authorize exports for the current restraint period of identical quantities

of products within the same category, which shall not be set off against the quantitative limits established in Annex B.

Exchange of statistics

14. For all products covered by this Agreement the Government of Macau undertakes to provide the Government of Norway with monthly statistics of all export licences issued by the authorities for each category for the current quota 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 quota period.
- ii the modified limit if the quota 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 month following the month covered by the report.

The Government of Norway will provide the Government of Macau with annual statistics of total imports and monthly statistics of licences issued for imports from Macau 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 Macau 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 ^{circumstances} and ~~circumstances~~ that led to the request.

The parties shall enter into consultations within 21 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.

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 1st July 1984 until 31 December 1987

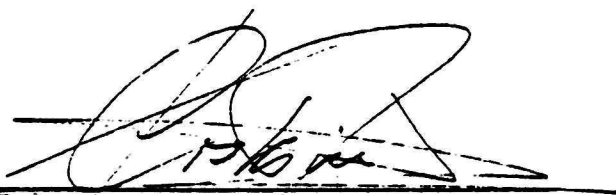
unless this is changed by application of the provisions of Article 18 of this Agreement.

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.

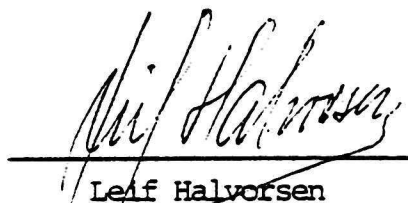
Either party may at any time denounce this Agreement provided that at least 60 days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

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

Macao, 6 October 1984



Joal Antonio Morais da Costa Pinto
Secretary for Economic Affairs




Leif Halvorsen
Consul General of Norway

Product 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.
6.	Pieces	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised: Pull-overs, sweaters, jumpers, cardigans and jackets.

7. Kgs. 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~~ ^{not} elastic nor rubberised, except women's stockings, sport stockings and thick woolen socks (known as 'raggsokker').
10. Pieces Women's and ^{girls'} ~~girls'~~ outer garments of woven material:
Dresses, housecoats, frocks and gowns.
11. Pieces Outer garments of woven material, women's, girls': ^{skirts} ~~skirts~~, including divided skirts.
12. Pieces Costumes, dresses, suits (including one-piece suits, ^{trousers} ~~trousers~~ suits, ski suits and the like), skirts and trousers, knitted or crocheted.
13. Pairs Gloves, mittens and mitts of textile material, not knitted or ~~crocheted~~ ^{crocheted}.
14. Pieces Outer garments of woven material for infants ^{maximum height} (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. Pairs Gloves, mittens and mitts, knitted or crocheted,
not elastic nor rubberised.
18. Pieces Night wear, knitted or crocheted.
19. Pairs Gaiters and spats (shorts or long ones) of tex-
tile materials.
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 150° C and 300° C.
 - b. Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

RESTRAINT LEVELS

Category No.	Unit	Restraint Period		
		1.7.1984 - 31.12.1985	1986	1987
1	Pieces	22575	15150	15226
2	"	37625	25251	25377
3	"	30100	20201	20302
4	"	45150	30301	30452
5 + 8	"	72240	48481	48724
6	"	90300	60602	60905
13	Pairs	87840	60516	62029
17	Pairs	169275	116619	119535

ADMINISTRATIVE COOPERATION

1. Products originating in Macau for export to Norway in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Macau origin conforming to the specimen attached as Annex D, including full and detailed description of the goods.

The certificate of Macau origin shall be issued by Direcção dos Serviços de Economia.

2. The competent authorities of Macau shall issue an export licence in respect of all consignments from Macau for exports to Norway of products covered by Annex A. The export licence shall conform to the specimen attached as Annex E.
3. For products covered by Annex B, the authorities of Macau shall issue export licences up to the quantitative limits agreed through this Agreement (eventually modified as provided for by this Agreement). The export licence must certify that the quantity of the product in question has been set off against the quantitative limit prescribed for the category of the product in question.
4. Each export licence 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 ^{28 February} ~~31 January~~ of the year ~~1951~~ 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.

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 quan-

tities involved shall be set off against the quantitative limit for the category and quota year in question and the authorities of Macau shall be informed as soon as possible.

9. If the competent Norwegian authorities find that the total quantities covered by export certificates issued by the authorities of Macau 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 Macau and the special consultation procedure set out in Article 15 of the Agreement shall be initiated forthwith.
10. Exports of Macau origin not covered by export licences issued by the authorities of Macau in accordance with the provisions of this Annex may be refused the issue of appropriate import documents by the competent Norwegian authorities.
11. The export licence and the certificate of Macau 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

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the competent authorities in Norway as being valid for the purposes of export to Norway in accordance with the arrangements established by this Agreement.

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

The export licence and certificate of origin shall also contain the name and address of ^{manufacturer different} ~~manufacture~~ if ~~different~~ of the exporter.

The description of the goods should include ^{tariff} ~~tariff~~ classification ^{numbers} ~~number~~, if possible both in the systems of Macau and of Norway.

13. In the event of theft, loss or destruction of an export licence or a certificate of Macau 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 Macau origin.

14. The Government of Macau shall send the Norwegian Ministry of Trade the names and addresses of the governmental authorities competent for the issue and verification of export licences and certificates of Macau origin together with specimens of the stamps used by these authorities. The Government of Macau shall also notify the Ministry of any change in this information.

Exporter(name, full address, country)

ORIGINAL

Nº

Quota period

- 12 months

Importer (name, full address, country)

MACAO - NORWAY TEXTILES AGREEMENT
CERTIFICATE OF ORIGIN
(Textile products)

6 Country of origin

7 Country of destination

Date and date of shipment - Means of transport

9 Supplementary details

10. and numbers - Number and kind of packages - DESCRIPTION OF GOODS

11 Quantity (1) 12 Price value (2)

CERTIFICATION BY THE COMPETENT AUTHORITY

I, the undersigned certify that the goods described above originate in Macao in accordance with the provisions enforced by the Norwegian Government.

Competent authority (name, full address, country)

At _____, on _____

(Signature)

(Stamp)



1 Exporter (name, full address, country)	COUNTRY... Nº	
2 Importer (name, full address, country)	3 Quota Period	4 Category Number
	MACA - NORWAY TEXTILES AGREEMENT EXPORT LICENSE (Textile Products)	
5 Place and date of shipment - Means of Transport	6 Country of origin	7 Country of Destination
	9 Supplementary details	

10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS	11 Quantity (1)	12 FOB Value (2)
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13 CERTIFICATION BY THE COMPETENT AUTHORITY

I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the period shown in box No. 3 in respect of the category shown in box No. 4 by the provisions regulating trade in textile products with Norway.

14 Competent authority (name, full address, country)

At _____ on _____

(Signature)

(Stamp)