

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1437*
11 February 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension of the bilateral agreement between Sweden and Yugoslavia

Note by the Chairman

Attached is a notification received from Sweden of an extension of its bilateral agreement with Yugoslavia for the period 1 January to 30 June 1987. This extension superseded the provisional extension agreed by the parties.¹

¹The bilateral agreement and the provisional extension are contained in COM.TEX/SB/1119 and 1258.

*English only/Anglais seulement/Inglés solamente

SWEDISH DELEGATION

Geneva, February 3, 1988

Ambassador M. Raffaelli
Chairman of the Textiles
Surveillance Body
GATT
Geneva

Dear Mr Ambassador,

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles, as extended through the 1986 Protocol, I am notifying the Textiles Surveillance Body of the conclusion of a prolongation of the previous agreement and of a new bilateral agreement between the Socialist Federal Republic of Yugoslavia and Sweden.

The prolongation covers the period January 1 - June 30, 1987, and supersedes the provisional prolongation which has been notified to the TSB and is contained in document COM TEX/SB/1258. The prolongation includes the same growth rates and flexibility as in the previous agreement (see COM TEX/SB/1119). The aggregate level has, however, been rescinded as of January 1, 1987.

The new agreement with Yugoslavia has been entered into for the period July 1, 1987 to December 31, 1991. In accordance with the Nordic Statement in the GATT Textiles Committee on July 31, 1986, a reduction has been made in the product coverage. Previous restraints on ex group 2, woven shirts, ex group 6, overcoats, group 14, towels and the Rest group have been eliminated. Babies garments, i.e. sizes not exceeding 86 centimetres, not knitted or crocheted, are no longer under restraint.

Growth rates have been improved for all categories under restraint and now vary from 1 % up to 3 %, with the higher figures applicable during the later part of the agreement period.

All three elements of flexibility, i.e. carryover, carry forward and swing, are each available at 3 %. The use of the flexibility provisions taken together shall not exceed 6 % of the restraint limits. However, it has been understood between the parties that for the items which remain under restraint in the new agreement, there were possibilities for unlimited carryover from the period January 1 to June 30, 1987, into the first period of the new agreement. The levels of flexibility have been agreed taking into account the sensitivity of the products under restraint in the Swedish market.

With respect to growth rates and flexibility provisions reference is made to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol.

Due to the introduction of the Harmonized System, the composition of some groups have been modified. For group 5, sweaters etc, the scope has been extended to cover knitted shirts, T-shirts and knitted waistcoats. Ladies suit jackets have been included in group 6c, d. To compensate for the increased coverage in group 5, 5 000 pieces have been added to the restraint level for the first period of the new agreement.

The situation of the Swedish textile and clothing industry remains exposed, although a certain improvement has occurred in some sectors during recently. It remains, however, to be seen if it is merely of a temporary nature. The number of persons employed in this sector has been further reduced during the period 1980 - 1986, from 34 000 to 26 000 in 1986. Average profitability in the textile and clothing industry is lower than in the industry in general.

Imports of clothing and other made-up textile products increased by 15 % in volume between 1985 and 1986. Imports from developing countries during the same period increased by 29 %. The upward import trend continued during 1987. The market share for domestically produced items is thus decreasing. Import penetration in this sector as an average is well over 80 %.

Copies of the prolongation and the new Agreement are attached.

A handwritten signature in dark ink, appearing to read 'N.E. Schyberg', followed by a horizontal line.

Nils-Erik Schyberg /
Minister

LS

Belgrade, August 28, 1987

Memorandum of Understanding

The Agreement between the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia and the Government of Sweden concerning exports of certain textile products from the Socialist Federal Republic of Yugoslavia to Sweden signed on October 31, 1983, is hereby extended for the period January 1 - June 30, 1987. The items under restraint and the levels to be applied during the period of extension are given in Annex I to this Memorandum.

In accordance with Article 5 of the aforementioned Agreement, the Yugoslav side will issue Export Licences up to the levels in Annex I to this Memorandum. The relevant period, i.e., January 1 - June 30, 1987, shall appear on every Export Licence issued during the period of extension. All the other relevant provisions of the Agreement of October 31, 1983 shall also apply during the period of extension.

This Memorandum of Understanding supersedes the temporary prolongation of the said Agreement entered into on December 18/19, 1986, through an Exchange of Letters.

For the Federal Executive
Council of the Assembly of
the SFR of Yugoslavia

For the Government
of Sweden

REPORTS OF CERTAIN EXPORTS FROM YUGOSLAVIA TO SWEDEN

(a) Group No	(b) Ex Swedish Statistical Classification No (ECCN)	(c) Description	(d) Unit	(e) Level for Period 1.1-30.6.1987	(f) Conversion Factor (pcs/kg)
2	60.04.10- 61.03.10-	Shirts	Pcs	152 398	4,6
5	60.05.30-	Sweaters, pullovers, slipovers, jumpers and cardigans etc, knitted or crocheted (including outerwear T-shirts)	"	251 253	4,53
6	60.05.80-, 61.04.10-, 61.04.19- 61.01.003, 004, 006, 10-, 45- 61.02.004, 006, 11-, 15-, 99-	Overcoats and jackets	"	128 972	0,9
7	60.05.80-, 61.04.10-, 61.04.19- 61.01.003, 006, 30-, 41- 61.02.006, 902-906, 909, 99-	Suits, lounge coats and blazers	"	136 709	0,8
8	60.05.80-, 61.04.10- 61.01.003, 005, 50- 61.02.005, 50-99-	Trousers other than shorts	"	131 122	1,76
9	60.05.60- 61.02.006, 20-, 30-, 40-, 99-	Costumes, dresses and skirts	"	143 817	2,85
13	62.02.11-, 19-, 792-793	Bed linen	Kgs	47 738	1,0
14	62.02.31-, 39-, 792-793	Towels and similar articles	"	42 649	1,0

(d)	(b)	(c)	(d)	(e)	(f)
Group no	Ex Swedish Statistical Classification No (SIC)	Description	Unit	Level for Period 1.1-30.6.1987	Conversion Factor (pcs/kg)
REST GROUP					
1	60.03.00-,10-,90-	Stockings,under stockings,socks,ankle socks,sockettes and the like, knitted or crocheted,other than ladies' stockings of continuous synthetic fibres			
3	60.04.21-,25- 61.03.20- 61.04.10-	Night garments			
4	60.04.70-,80-,90-	Knitted underwear other than shirts, night garments and tights			
10	60.05.80-,82-,84- 61.02.006,50-,99-	Blouses			
11	60.05.10-,80-,84-, 61.01.003,006,901-902,912 61.02.006,901,907,903-904,946,909,99-	Track suits	Kgs	90 147	1,0
11b	60.05.20-,80-,84-,86- 61.01.003,006,904-909 61.02.006,902-906,909,99-	Bathing suits and trunks			
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-	Other outer garments,knitted or crocheted			
11g	61.01.003,006 61.02.006	Other woven outer garments,impregnated, coated, covered or laminated and of continuous regenerated fibres if men's and boys' wear			

EXPORTS OF CERTAIN TEXTILES FROM YUGOSLAVIA TO SWEDEN

(a) Group No	(b) Ex Swedish Statistical Classification No, CCN	(c) Description	(d) Unit	(e) Level for Period 1.1-30.6.1987	(f) Conversion Factor (pcs/kg)
11h	61.01.904-909,95-,922 61.02.902-906,909,95-	Other woven outer garments, men's, boys', women's and girls's wear			
11i	61.02.99-	Other woven outer garments, infants' wear			
12	62.01.all	Travelling rugs and blankets			