

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1438*
11 February 1988

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Sweden and Yugoslavia

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded with Yugoslavia for the period 1 July 1987 to 31 December 1991.¹

¹The previous bilateral agreement and extensions thereof are contained in COM.TEX/SB/1119, 1258 and TEX.SB/1437.

* English only/Anglais seulement/Inglés solamente

TS/140-4

SWEDISH DELEGATION

Devel. & Econ. Div.				
Trade & Fin. Div.				
Tech. Coop. Div.				
Spec. Proj. Div.				
GNS Div.				
OPER. DEPT. B				
Econ. R/Anal. Unit.				
Agriculture Div.				
Ter/H Div.				
Tech. Serv. Div.				
Ext. Rel. Div.				
Training Div.				
Comm. & Admin.				
Transp. Div.				
Conference Serv.				

Geneva, February 3, 1988

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

ANSWERED	DOC. ISSUED	FOLIO
	Per. 58/14-37-8	8
FEB - 4 1988		
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 The aggregate level has, however, been rescinded as of January 1, 1987.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.



Nils-Erik Schyberg /
Minister

LS

A G R E E M E N T

BETWEEN THE FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY OF THE
SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT
OF SWEDEN REGARDING THE EXPORTS OF CERTAIN TEXTILE PRODUCTS
FROM THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA TO SWEDEN

Article 1

The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of article 4 thereof and the provisions of GATT document L/6030.

Article 2


This Agreement shall apply for the periods specified in Annex I.

Article 3

The Federal Executive Council of the Assembly of the SFR of Yugoslavia has agreed to limit exports to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of issue of Customs Declarations is considered to be the date of exportation.

Article 4

(a) This Agreement shall apply to exports from Yugoslavia 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 these 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) 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

(c) The classification of the products by this Agreement is based on the Nomenclature of the Customs Cooperation Council and the Swedish customs tariff (Annex II).

From the entry into force of the International Convention on the Harmonized Commodity Description and Coding System (HS) this classification will be based on the Harmonized System and on the Swedish customs tariff derived from this system (Annex II).


(d) The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Sweden.

Article 5

The Government of Sweden will admit imports of the textile products of Yugoslav origin, listed in Annex I, provided that such imports are covered by an Export Licence, as per specimen in Annex IV. Such a document shall be issued by the Association of Textile and Clothing Industry, Belgrade, be consecutively numbered, state the group number, and bear an endorsement that the consignments concerned have been approved and debited to the agreed group limit for exports to Sweden for the relevant period.

Article 6

(a) If in any period of this Agreement, the group limits specified in Annex I to this Agreement are not fully utilized, the Federal Executive Council of the Assembly of the SFR of Yugoslavia may, after consultations with the Government of Sweden, during the subsequent period approve the



export of additional amounts (carryover) equivalent to such shortfalls provided that such exports


i) are in the same groups where the shortfalls occurred;

ii) do not exceed 3 per cent of the limits of these groups for the period during which the shortfalls occurred.

(b) During each period of this Agreement, the Federal Executive Council of the Assembly of the SFR of Yugoslavia may, after consultations with the Government of Sweden, approve the export of amounts in excess (carry forward) of the group limits specified in Annex I to this Agreement up to 3 per cent of these limits for the relevant period. Where specific group limits have been increased by carry forward the Federal Executive Council of the Assembly of the SFR of Yugoslavia shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group limits which are agreed or may be agreed upon for the subsequent period.

(c) During each period of this Agreement, the Federal Executive Council of the Assembly of the SFR of Yugoslavia may, after consultations with the Government of Sweden, approve the export of amounts in excess of the group levels specified in Annex I to this Agreement up to 3 per cent of these limits (swing). Where specific group limits have been increased by swing a corresponding reduction shall be made in one or more of other group limits. For the purpose of calculating swing, the conversion factors in Annex I shall apply.

(d) During each period of this Agreement, the additional export quantities resulting from carryover, carry



forward and swing taken together shall not exceed 6 per cent of the respective agreed limits.


Article 7

The Federal Executive Council of the Assembly of the SFR of Yugoslavia will forward to the Government of Sweden via the Embassy of Sweden in Belgrade quarterly statistics on a cumulative basis of the quantities of the items as listed in Annex I for which duly endorsed Export Licences for export to Sweden have been issued. The statistics shall reach the Government of Sweden within a period of two months from the month under reference.

The Government of Sweden will forward to the Federal Executive Council of the Assembly of the SFR of Yugoslavia, via the Embassy in Belgrade, quarterly statistics on a cumulative basis of licences issued for imports from Yugoslavia. The statistics shall reach the Federal Executive Council of the Assembly of the SFR of Yugoslavia within a period of two months from the month under reference.

Article 8

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in an Export Licence has already been reached or the unused portion of that limit is insufficient to cover the goods specified in the Export Licence the said authorities may refuse to admit any quantity in excess of the quantitative limit. In this event the Government of Sweden shall inform the Federal Executive Council of the Assembly of the SFR of Yugoslavia as soon as possible. Should any excess quantity be permitted to enter Sweden the authorities of Yugoslavia shall, upon information by the Swedish



authorities, deduct the overshipped quantity from the relevant level which is agreed or may be agreed upon for the following restraint period.

Article 9


Both parties regard it as essential that exports to Sweden of goods 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 Federal Executive Council of the Assembly of the SFR of Yugoslavia undertakes to provide a procedure to achieve this.

Article 10

The Government of Sweden and the Federal Executive Council of the Assembly of the SFR of Yugoslavia agree to consult each other, at the request of either party, when any problem arises from the implementation of this Agreement. The Government of Sweden and the Federal Executive Council of the Assembly of the SFR of Yugoslavia agree furthermore to enter consultations on a prolongation, modification or removal of the limitations before the end of the period of the Agreement

Should a textile product, not included in this Agreement, be imported into Sweden from SFR of Yugoslavia in such quantities as to cause a real risk of market disruption in the opinion of the Government of Sweden, the said Government may request consultations concerning that product. Both parties agree to consult as soon as possible with a view to finding a mutually acceptable solution.

In case there are divergent opinions on classifications of products at the point of entry into Sweden, between the two parties to this Agreement, the classification




shall be based on information provided by the competent Swedish authorities. Should the Yugoslav authorities request consultations concerning the classification of the product concerned such consultations shall take place with a view to reaching agreement as soon as possible.

Article 11

The Federal Executive Council of the Assembly of the SFR of Yugoslavia and the Government of Sweden agree to collaborate with a view to taking appropriate action to avoid circumvention of limitations set out in this Agreement.

The Federal Executive Council of the Assembly of the SFR of Yugoslavia and the Government of Sweden reaffirm their willingness to further develop this collaboration having regard to the legal and technical procedures in force in SFR of Yugoslavia for the implementation of this Agreement.

Where information available to the Government of Sweden constitutes clear evidence that products of Yugoslav origin subject to specific limits established under this Agreement have been transhipped, re-routed or otherwise imported into Sweden in circumvention of this Agreement, the Government of Sweden may request the opening of consultations in accordance with Article 10 herein. Where the evidence provided establishes that the provisions of this Agreement have been circumvented, the Federal Executive Council of the Assembly of the SFR of Yugoslavia undertakes to debit to appropriate specific limits for the year in which the circumvention took place or for subsequent years, the timing and scale of such debiting being decided in consultations with the Government of Sweden.



Article 12

Should it come to the attention of the Government of Sweden that textile products subject to this Agreement licensed by the Federal Executive Council of the Assembly of the SFR of Yugoslavia for export to Sweden and debited to the levels set out in Annex I have been imported into Sweden and subsequently re-exported therefrom, the Federal Executive Council of the Assembly of the SFR of Yugoslavia shall be informed and consultations may be requested in accordance with article 10 of this Agreement.

Article 13

Either Government may terminate this agreement before the end of the period of validity, provided that at least one hundred and twenty days' notice is given. In such event the Agreement shall come to an end on the expiry of the period of notice.

Article 14


In order to ensure the proper functioning of this Agreement, the Federal Executive Council of the Assembly of the SFR of Yugoslavia and the Government of Sweden shall, as far as possible, refrain from taking additional trade measures which would have the effect of nullifying the objectives of this Agreement.

Article 15

The Annexes to this Agreement shall be considered as an integral part of it.

Article 16

This Agreement shall be implemented from the day of signing and shall enter into force when both parties



inform each other through diplomatic channels that necessary constitutional procedures have been completed.

Article 17

This Agreement has been drawn up in two copies in the English language, each of these being equally authentic.

Done in *Belgrade* on *August 28, 1987*

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

[Signature]

For the Government
of Sweden

[Signature]

ANNEX I

EXPORTS OF CERTAIN TEXTILES FROM YUGOSLAVIA TO SWEDEN

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Group No	Description	Unit	Level for period 1.7-31.12.1987	Level for period 1.1-31.12.1988	Level for period 1.1-31.12.1989	Level for period 1.1-31.12.1990	Level for period 1.1-31.12.1991	Conversion factor (pcs/kg)
5	Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts and shirts, knitted or crocheted	pieces	261,022	528,914	542,137	557,045	573,757	4,53
6c, d	Jackets	pieces	88,813	179,577	183,168	187,289	191,972	0,9
7	Suits, lounge coats and blazers, men's and boys' wear	pieces	137,801	277,941	282,110	287,047	292,788	0,8
8	Trousers other than shorts (including worktrousers e g trouser with bib and braces)	pieces	133,079	270,146	276,899	284,514	293,049	1,76
9	Costumes, dresses and skirts	pieces	145,829	294,715	300,609	307,373	315,057	2,85
13	Bed linen	kgs	48,405	97,826	99,782	102,027	104,578	1,0

Two or more pieces of garments delivered in combination, set or ensemble, even if packed, consigned and sold together, should be charged against the group to which every single piece of the combination, set or ensemble belongs.

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- a) The denomination babies' garments applies to sizes not exceeding 86 centimetres.
 - b) The denomination infants' wear applies to sizes not exceeding 110 centimetres (children between 0 - 6 years old).
 - c) Babies' garments, not knitted or crocheted, are not included in the export limit as from 1987-07-01 as set out in Annex I.
 - d) Group 6 c/d, jackets, includes ladies suit jackets the outer shell of which (exclusive of sleeves and facings or collar if there is any) consists of at least four panels (two in front and two at the back) sewn together lengthwise, with full front opening without a closure or with a closure other than a slide fastener (zipper).

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EXPORTS OF CERTAIN TEXTILES FROM YUGOSLAVIA TO SWEDEN

Group No	Ex Swedish Statistical Classification No (CCCN)	Ex Swedish Statistical Classification No (HS)
5	60.05.30- 60.05.80-,87-,89- 60.04.10-	61.09.10-,90-, 61.10.10-,20-,30-,90-, 61.11.10-,20-,30-,90- 61.05.10-,20-,90-
6c	60.05.80-,812,815,89-	61.01.10-,20-,30-,90-, 61.02.10-,20-,30-,90-, 61.03.31-,32-,33-,39- 61.04.31-,32-,33-,39-, 61.11.10-,20-,30-,90-,
6d	61.01.45-,003 61.02.15-,99- 61.02.902-906,909	62.01.91-,92-,93-,99-, 62.02.91-,92-,93-,99 62.03.31-,32-,33-,39, 62.04.31-,32-,33-,39-
7	60.05.80-,812,89- 61.01.30-,41-,003	61.03.11-,12-,19-, 61.03.31-,32-,33-, 39-, 61.11.10-,20-,30-,90-, 62.03.11-,12-,19-,31-,32-,33-,39-
8	60.05.80-,83- 61.01.50-,003 61.02.60-,99-	61.03.41-,42-,43-,49-, 61.04.61-,62-,63-,69- 61.11.10-,20-,30-,90-, 62.03.41-,42-,43-,49-, 62.04.61-,62-,63-,69-
9	60.05.60- 61.02.20-,30-,40-,99-	61.04.11-,12-,13-,19-,41-,42-,43-,44-,49-,51-, 52-,53-,59- 61.11.10-,20-,30-,90-, 62.04.11-,12-,13-,19-,41-,42-,43-,44-,49-,51-, 52-,53-,59-
13	62.02.11-,19-,792-3	63.02.21-,22-,29-,31-,32-,39-

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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.



ORIGINAL

Importer's copy

1 Exporter (name, full address, country)		EXPORT CERTIFICATE (TEXTILE PRODUCTS)	
3 Consignee (name, full address, country)			
		4 Quota period	5 Group number
6 Place and date of shipment - Means of transport		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 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)	