

# GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1455\*

5 April 1988

## TARIFFS AND TRADE

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Extension of the bilateral agreement between Sweden and Korea

#### Note by the Chairman

Attached is a notification received from Sweden of an extension of its bilateral agreement with Korea for the period 1 March to 30 June 1987. This<sub>1</sub> extension replaces the provisional extension notified earlier to the TSB.

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<sup>1</sup>The bilateral agreement and its provisional extension are contained in COM.TEX/SB/1152 and 1266.

\* English only/Anglais seulement/Inglés solamente

Geneva, March 28, 1988

Mr Marcelo Raffaelli  
Chairman of the Textiles  
Surveillance Body  
GATT  
Centre William Rappard  
154, rue de Lausanne  
1211 GENEVE 21

Dear Mr. Raffaelli,

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 Republic of Korea and Sweden.

The prolongation covers the period March 1 - June 30, 1987, and supersedes the provisional prolongation which has been notified to the TSB and is contained in document COM TEX/SB/1266. The prolongation includes the same growth rates and flexibility as the previous agreement (see COM TEX/SB/1152). The aggregate level has, however, been rescinded as of March 1, 1987.

The new agreement with the Republic of Korea has been entered into for the period July 1, 1987 to February 29, 1992. 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, ex group 7 suits,

lounge coats and blazers excluding ladies suit jackets, group 11a, track suits, ex group C, D, 12, other garments, travelling rugs and blankets excluding knitted waistcoats, group 13, bed linen and group 14, towels, 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 4 %, 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 % or for some items 5 %. The use of the flexibility provisions taken together shall not exceed 6 %, or 10 % for some items, of the restraint limits. However, it had 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 March 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 Article 1:2 and Annex B of the Arrangement as well as to paragraph 12 of the 1986 protocol.

Due to the introduction of the Harmonized System, the composition of some groups has been modified. These changes were already made in the prolongation

of the previous agreement. 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, 167.903 pieces have been added to the notional restraint level for a twelve month period and subsequently allocated pro rata to the prolongation period. Since T-shirts and knitted waistcoats have been transferred from groups 4, underwear, and C, D, 12, other garments etc. to group 5, sweaters, a corresponding transfer of respectively 3.693 T-shirts and 500 pieces, equivalent to 151 kgs of waistcoats, was made from these groups to group 5. These quantities are included in the above figure of 167.903 pieces. For group 6c, d, jackets, the sublevel in the previous agreement has been considered to be the new base level. To compensate for the increased coverage 3.590 pieces have been added for the prolongation period on a pro rata basis.

The situation of the Swedish textile and clothing industry remains exposed, although a certain improvement has occurred in some sectors 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.



Lars Anell

Ambassador

Permanent Representative of Sweden

Annexes: as stated

Seoul, February 12, 1987

Memorandum of Understanding

The Agreement between the Republic of Korea and Sweden concerning exports of certain textile products from the Republic of Korea to Sweden, entered into on December 5, 1983/January 13, 1984, is hereby extended for the period March 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 Korean side will issue Export Certificates up to the levels in Annex I to this Memorandum. The relevant period, i.e., March 1 - June 30, 1987 shall appear on every Export Certificate issued during the period of extension. All the other relevant provisions of the Agreement of December 5, 1983/January 13, 1984 shall also apply during the period of extension.



Park Un Suh  
Chairman of  
the Korean Delegation



S. Patek  
Chairman of  
the Swedish Delegation

(a) Group No.	(b) Ex Swedish Statistical Classification No.(CCCN)	(c) Description	(d) Unit	(e) Level for Period 1.3.-30.6.1987	(f) Conversion Factor (pcs/kg)
1.	60.03.00-,10-,90-	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres	Pairs	1,338,808	24.0
2b	61.03.10-	Shirts, not knitted or crocheted	Pieces	162,012	4.5
3	60.04.21-,25- 61.03.20- 61.04.10-	Night garments	Pieces	48,271	3.5
4	60.04.70-,80-,90-	Underwear, including singlets and vests, knitted or crocheted, other than shirts, T-shirts, night garments and tights	Pieces	152,338	15.0
-4 a	60.04.70-	- Underwear etc, men's and boys' wear	Pieces	76,169	15.0
-4 b	60.04.80-	- Underwear etc, women's and girls' wear	Pieces	86,833	15.0
5	60.04.10- 60.05.30-,80-,87-,89-	Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts and shirts, knitted or crocheted	Pieces	1,638,355	4.5
6	60.05.803-4,809,812,815, 87-,89-	Overcoats and jackets including ladies' suit jackets	pieces	213,615	1.4
	61.01.10-,45-,003 61.02.11-,15-, 906,909,99-				

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(a) Group No.	(b) Ex Swedish Statistical Classification No. (CCCN)	(c) Description	(d) Unit	(e) Level for Period 1.3.-30.6.1987	(f) Conversion Factor (pcs/kg)
-6c d	60.05.80-,812,815, 89-, 61.01.003, 45-, 61.02, 15-,902-906, 909,99-	Jackets including Ladies' suit jackets	Pieces	160,512	1.4
7	60.05.80-,812, 89- 61.01.30-,41-,003	Suits, lounge coats and blazers for men, boys and infants	Pieces	24,615	1.4
8	60.05.80-,83- 61.01.50-,003 61.02.60-, 99-	Trousers other than shorts (includ- ing worktrousers e.g.trousers w/bib and braces)	Pieces	199,996	2.0
9	60.05.60- 61.02. 20-,30-,40-,99-	Costumes, dresses and skirts	Pieces	80,277	2.0
-9a	60.05.60-	- Costumes, dresses and skirts, knitted or crocheted	Pieces	17,661	2.0
-9b	61.02. 20-,30-,99-	- Costumes and dresses, not knitted or crocheted	Pieces	54,588	2.0
-9c	61.02. 40-,99-	- Skirts, not knitted or crocheted	Pieces	13,647	2.0
10	60.05.80-,82- 61.02. 50-,99-	Blouses	Pieces	137,622	6.0
-10a	60.05.80-,82-	- Blouses, knitted or crocheted	Pieces	41,287	6.0
-10b	61.02. 50-,99-	- Blouses, not knitted or crocheted pieces		105,969	6.0
11a	60.05.10-,80- 61.01. 003,912,901-902 61.02. 901,903-904,907, 946,909,99-	Track suits	Pieces	26,515	1.7
11b	60.05.20-,80-, 896 61.01.003, 922,904-909 61.02. 902-906,909,99-	Bathing suits and trunks	Pieces	35,700	15.0



## Annex I

(a) Group No.	(b) Ex Swedish Statistical Classification No.(CCCN)	(c) Description	(d) Unit	(e) Level for Period 1.3.-30.6.1987	(f) Conversion Factor (pcs/kg)
A	60.05.80-,84-,87-,89- 61.01.003,006,904-909, 95-,922 61.02.006,902-906,909,95- 99-  61.01.004,005,61.02.004,005	Protective and work clothing (for industrial or occupational use, whether or not also suitable for domestic or leisure time use), rainsuits and coveralls, including sets of such garments	Kg	21,940	1.0
B	60.05.80-, 87-,89- 61.01.003, 922,904- 909 61.02. 902-906,909, 99-	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; suits and track suits; bathing suits in group 11b)	Pieces	70,367	1.7
C,D,12	61.01.003,922,904,905,906,909 61.02.902,903,904,905,906,909 61.02.992,993,994,995,996,999 60.05.80-, 87-,89- 61.01.003, 922, 904-909 61.02. 902-906,909, 99- 61.03.90- 61.04.20-  62.01.all	Waist coats, not knitted or crocheted Garments, woven, knitted or crocheted, other than products covered by groups 1-11b, A-B and 17 Travelling rugs and blankets	Kg	10,173	1.0
13	62.02.11-,19-,792-3	Bed linen	Kg	30,840	1.0
14	62.02.31-,39-,792-3	Towels and similar articles	Kg	40,004	1.0
17	61.09.20-	Brassières	Pieces	85,853	18.0