

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1473*

3 June 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Sweden and Thailand

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded with Thailand for the period 1 November 1987 to 31 October 1992.¹

¹The previous bilateral agreement is contained in COM.TEX/SB/949.

* English only/Anglais seulement/Inglés solamente

Geneva, May 25, 1988

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For		
OPER. DEPT. A		
NTM & Sub. E		
Development Div.		
Trade & Fin. D.		
Tech. Coun. Div.		
Int. P. U. Div.		
Int. P. U. Div.		
OPER. DEPT. E		
Econ. R. Anal. Unit.		
Agriculture Div.		
Tech. L.		
Tech. B. T. D.		
Ext. R. L.		

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

ANSWERED	DOC. ISSUED	FOLIO
	1473	
REG 26 MAI 1988		
	Actual	Comment

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 new bilateral agreement between Thailand and Sweden.

This agreement has been entered into for the period November 1, 1987, to October 31, 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, group 14, towels and the Rest Group excluding knitted waistcoats, ladies suit jackets and sets of garments, have been eliminated. Babies garments, i.e. sizes not exceeding 86 centimetres, not knitted or crocheted, are no longer under restraint.

One group, group B sets etc, which was previously restrained in the Rest Group is now subject to a specific restraint level.

Growth rates have been improved for all categories under restraint and now vary from 1,5 % 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. 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. 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, 70.674 pieces have been added to the restraint level. To compensate for the modified coverage in group 6c, d, 12.073 pieces have been added to the restraint level.

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 %.

A copy of the new Agreement is attached.



Lars Anell

Ambassador

Permanent Representative of Sweden

Annex: as stated

AGREEMENT
BETWEEN
THE GOVERNMENT OF THAILAND
AND
THE GOVERNMENT OF SWEDEN
REGARDING THE EXPORTS OF CERTAIN TEXTILE PRODUCTS
FROM THAILAND TO SWEDEN

ARTICLE 1

The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly 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 Government of Thailand will limit exports from Thailand to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.

ARTICLE 4

(a) This Agreement shall apply to exports from Thailand 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 covered 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 Thai origin, listed in Annex I, provided that such imports are covered by an Export Certificate as per specimen in Annex IV. Such a document shall be issued by the

Department of Foreign Trade of the Ministry of Commerce of Thailand, 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 the period November 1, 1986 to October 31, 1987, the group limits specified in column (h) of Annex I to the Agreement of December 20, 1983 as amended are not fully utilized, the Government of Thailand may after consultations with the Government of Sweden, during the period November 1, 1987 to October 31, 1988 approve the export of additional amounts (carryover) wherever appropriate 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 specified in column (d) of Annex I to this Agreement.

(b) If in any twelve months period of this Agreement, the group limits specified in Annex I to this Agreement are not fully utilized, the Government of Thailand may, after consultations with the Government of Sweden, during the subsequent twelve months period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports

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

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

(c) During each twelve months period of this Agreement, the Government of Thailand 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 Government of Thailand 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.

(d) During each twelve months period of this Agreement, the Government of Thailand may, after consultations with the Government of Sweden, approve the export of amounts in excess of the group limits specified in Annex I to this Agreement up to 3 per cent (swing) of these limits. 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.

(e) During each twelve months 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 limit.

ARTICLE 7

The Government of Thailand will forward to the Government of Sweden via the Embassy of Sweden in Bangkok, monthly statistics on a cumulative basis of the quantities of the items as listed in Annex I for which duly endorsed Export Certificates 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 Government of Thailand, via the Embassy of Sweden in Bangkok, monthly statistics on a cumulative basis of licences issued for imports from Thailand. The statistics shall reach the Government of Thailand 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 Certificate has already been reached, or the unused portion of that limit is insufficient to cover the goods specified in the Export Certificate, 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 Government of Thailand as soon as possible.

Should any excess quantity be permitted to enter Sweden, the authorities of Thailand 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 from Thailand 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 Government of Thailand undertakes to provide a procedure to achieve this.

ARTICLE 10

The Government of Thailand and the Government of Sweden agree to consult each other, at the request of either party, when any problem arises from the implementation of this Agreement. The Government of Thailand and the Government of Sweden agree furthermore to enter into 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 Thailand 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 Thai 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 Government of Thailand 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 Government of Thailand and the Government of Sweden reaffirm their willingness to strengthen this collaboration, having regard to the administrative and technical procedures in force in Thailand for the implementation of this Agreement.

Where information available to the Government of Sweden constitutes clear evidence that products of Thai 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 Government of Thailand undertakes to debit the 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

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 13

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

ARTICLE 14

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

Done in Bangkok on January 20, 1988

FOR THE GOVERNMENT OF
THAILAND

FOR THE GOVERNMENT OF
SWEDEN

Air Chief Marshal

Siddhi Savetsila

(Siddhi Savetsila)

Minister of Foreign Affairs

Olov Ternstrom

(Olov Ternstrom)

Ambassador Extraordinary
and Plenipotentiary

ANNEX I

EXPORTS OF CERTAIN TEXTILES FROM THAILAND TO SWEDEN

(a) Group No	(b) Description	(c) Unit	(d) Level for period 87.11.01- 88.10.31	(e) Level for period 88.11.01- 89.10.31	(f) Level for period 89.11.01- 90.10.31	(g) Level for period 90.11.01- 91.10.31	(h) Level for period 91.11.01- 92.10.31	(i) Conver- sion factor (pcs/kg)
5	Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts and shirts, knitted or crocheted	pcs	798 024	815 980	836 379	859 379	885 161	6,3
6 c, d	Jackets	pcs	162 622	165 468	168 777	172 575	176 889	1,9
8	Trousers other than shorts (including work trousers e g trousers with bib and braces)	pcs	506 319	517 711	530 654	545 247	561 604	1,9
9	Costumes, dresses and skirts	pcs	101 576	103 861	106 458	109 386	112 667	3,6
10	Blouses	pcs	299 383	304 623	310 715	317 706	325 649	6,4
B	Sets of matching outer garments consisting of two or more pieces which are packed, consigned and sold together as combination, set or ensemble and belonging to one or more of the groups under restraint (excluding costumes in group 9)	pcs	119 757	122 452	125 513	128 964	132 833	1,5

- 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 restrained.
 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).

ANNEX II

EXPORTS OF CERTAIN TEXTILES FROM THAILAND 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-
6 c, d	60.05.80-, 812, 815, 89- 61.01.45-, 003 61.02.15-, 99- 61.02.902-906, 909	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- 62.01.91-, 91-, 93-, 99-, 62.02.91-, 92-, 93-, 99- 62.03.31-, 32-, 33-, 39-, 62.04.31-, 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-
10	60.05.80-, 82- 61.02.50-, 99-	61.06.10-, 20-, 90- 61.11.10-, 20-, 30-, 90- 62.06.10-, 20-, 30-, 40-, 90-
B	60.05.80-, 87-, 89- 61.01.003, 922, 904-909 61.02.902-906, 909, 99-	61.03.21-, 22-, 23-, 29- 61.04.21-, 22-, 23-, 29- 61.12.20-, 61.14.10-, 20-, 30-, 90- 62.03.21-, 22-, 23-, 29- 62.04.21-, 22-, 23-, 29- 62.11.20-, 41-, 42-, 43-, 49- 61.11.10-, 20-, 30-, 90-

**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 and 30 degrees C,**
 - b) fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.**