

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1496*
27 July 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the bilateral agreement between Finland and Hong Kong

Note by the Chairman

Attached is a notification received from Finland of a further amendment of its bilateral agreement with Hong Kong. The parties agreed to a new restraint and the inclusion of another product under the export authorization system.¹

* English only/Anglais seulement/Inglés solamente

¹ The bilateral agreement and a previous amendment are contained in COM.TEX/SB/1246 and 1378.

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PERMANENT MISSION OF FINLAND
IN GENEVA

20 July 1988

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Dear Ambassador Raffaelli,

With reference to Article 4 of the Agreement Regarding International Trade in Textiles (hereinafter referred to as the MFA), done at Geneva on 2 December 1973, and to the Protocol extending the MFA, done at Geneva on 31 July 1986, as well as to the Finnish notifications of 17 February 1987 and of 19 February 1988, I have the honour to notify the Textiles Surveillance Body of an Agreed Minute, signed on 25 May 1988, amending the Memorandum of Understanding between the Government of Finland and the Government of Hong Kong, signed on 10 September and 6 October 1986, as amended by the Agreed Minute signed on 24 November 1987.

The Agreed Minute enlarges the product coverage of the Memorandum of Understanding from six to eight categories by adding two new categories 5 and E3. Category 5 (men's and boys' anoraks, wind-cheaters, etc.) has been added to the products under export restraint arrangements in Annex I. The annual growth rate is 2.5 per cent. Category E3 (women's and girls' skirts and divided skirts of cotton and man-made fibres) has been added to the export authorization arrangements in Annex II.

The present enlargement of the existing memorandum of Understanding was necessary due to the rapidly growing imports from Hong Kong in the categories concerned.

Ambassador Marcello Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154, rue de Lausanne
1211 Geneva

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the year 1987 the increase in the new category 5 was 75 per cent (men's and boys' articles) and 83 per cent (women's and girls' articles) respectively. In the category E3 the corresponding growth was 189 per cent.

On the other hand the production volume of the Finnish clothing industry declined by 8 per cent in the year 1987. The economic situation of the firms manufacturing products in the new categories concerned weakened considerably leading to the highest number of bankruptcies - every ninth clothing manufacturer-ever experienced in this sector. The employment situation weakened by 6 per cent. The Finnish clothing industry suffered a drop of 6 percentage points - the sharpest decrease ever - in its domestic market share in 1987.

In the light of the foregoing the Government of Finland believes that the Agreed Minute is in conformity with the provisions of the MFA and its Protocol of Extension.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Pekka Huntaniemi', is written over the printed name.

Pekka Huntaniemi

Minister-Counsellor

Encl.

Agreed Minute

A delegation of the Government of Hong Kong and a delegation of the Government of Finland met between 23 and 25 May 1988 in Hong Kong for consultations under the Arrangement Regarding International Trade in Textiles as extended by the Protocol of 31 July 1986, and under the Memorandum of Understanding signed between the Government of Hong Kong and the Government of Finland on 10 September 1986 in Helsinki and on 6 October 1986 in Hong Kong, as amended by the Agreed Minute signed on 24 November 1987, on the exports of certain clothing products from Hong Kong to Finland.

2. As a result of the consultations, the two parties agreed to the following amendments to the above-mentioned Memorandum of Understanding as amended by the Agreed Minute signed on 24 November 1987 :

- (a) to add men's and boys' anoraks' (including ski-jackets), wind-cheaters, wind-jackets and similar articles, jackets and blazers, of cotton and man-made fibres; and women's and girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles and jackets of cotton and man-made fibres as one additional category under the export restraint arrangements of the above-mentioned Memorandum of Understanding as follows:

<u>Category No.</u>	<u>Unit</u>	<u>Year</u>	<u>Restraint Limit</u>
5	pcs	1988	520,000
		1989	533,000
		1990	546,325
		1991	559,983

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- (b) to subject women's and girls' skirts and divided skirts of cotton and man-made fibres to the export authorization arrangements of the Memorandum of Understanding with effect from 1 June 1988.

3. The two parties agreed that products of wool are not included in the restraint limits set out in paragraph 2(a) of this Agreed Minute. For the purposes of this Agreed Minute the expression "products of wool" is limited to those products of which 50 percent or more by weight consists of wool.

4. Both parties also agreed that, as a result of the consultations referred to in paragraph 1 above, Annexes I and II of the said Memorandum of Understanding between the Governments of Hong Kong and Finland are to be replaced by Attachments 1 and 2 respectively to this Agreed Minute.

5. The Hong Kong delegation and the Finnish delegation also discussed arrangements to ensure a smooth transition from the existing regime to the restraint/export authorization control regime envisaged in this Agreed Minute. The two delegations agreed as follows :

- (a) in respect of the textile products in paragraph 2(a) above which are subject to the 1988 restraint limit, goods exported from Hong Kong and covered by valid export licences (Form 4) issued by the Government of Hong Kong on or before 25 May 1988 will continue to be admitted into Finland after 25 May 1988;

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- (b) the Government of Hong Kong will debit the quantity of the products in paragraph 2(a) above licensed during the period 1 January to 25 May 1988 in respect of which shipment is verified to the restraint limit for 1988 as set out in paragraph 2(a) above; and
- (c) in respect of the textile products in paragraph 2(b) above which are to be subject to the export authorization arrangements with effect from 1 June 1988, goods exported from Hong Kong and covered by valid export licences (Form 4) issued by the Government of Hong Kong on or before 31 May 1988 will continue to be admitted into Finland after 31 May 1988.

6. This Agreed Minute constitutes an Agreement between the Government of Hong Kong and the Government of Finland.


Done in Hong Kong, 25 May 1988

For the Government
of Finland



Pekka Lintu
Director,
External Economic Relations,
Ministry for Foreign Affairs.

For the Government
of Hong Kong



Stuart Harbinson
Deputy Director,
Trade Department.

ANNEX I

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Classification Number*</u>	<u>Hong Kong Statistical Classification Number*</u>	<u>Restraint Limit Periods 1 January - 31 December (pieces)</u>					<u>Conversion Factor (sq yd equivalent per dozen)</u>
				<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	
1	Briefs, drawers, panties, under- shorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man- made fibres, men's, boys', women's and girls' wear	61.07.11.00 61.07.12.00 61.08.21.00 61.08.22.00	61.07.11.10 61.07.11.20 61.07.12.10 61.07.12.20 61.07.12.30 61.07.12.40 61.08.21.10 61.08.21.20 61.08.22.10 61.08.22.20 61.08.22.30 61.08.22.40	3,180,285	3,397,641	3,466,363	3,536,478	3,608,014	9
	<u>of which</u>								
	Briefs, drawers, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man- made fibres, men's and boys' wear	61.07.11.00 61.07.12.00	61.07.11.10 61.07.11.20 61.07.12.10 61.07.12.20 61.07.12.30 61.07.12.40	723,891	897,923	922,616	947,988	974,058	9

* the subheadings serve for indicative purposes only

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Classification Number*</u>	<u>Hong Kong Statistical Classification Number*</u>	<u>1987</u>	<u>Restraint Limit Periods 1 January - 31 December (pieces)</u>			<u>1991</u>	<u>Conversion Factor (sq yd equivalent per dozen)</u>
					<u>1988</u>	<u>1989</u>	<u>1990</u>		
2	Shirts and blouses, not knitted or crocheted, wholly or mainly by weight of cotton or of man- made fibres, men's, boys', women's and girls' wear	62.05.20.00 62.05.30.00 62.06.30.00 62.06.40.00	62.05.20.10 62.05.20.20 62.05.30.10 62.05.30.20 62.05.30.30 62.05.30.40 62.06.30.10 62.06.30.20 62.06.40.10 62.06.40.20	891,394	919,472	937,913	956,723	975,913	23
	<u>of which</u>								
	Blouses, not knitted or crocheted, wholly or mainly by weight of cotton or of man- made fibres, women's and girls' wear	62.06.30.00 62.06.40.00	62.06.30.10 62.06.30.20 62.06.40.10 62.06.40.20	522,743	547,393	562,447	577,914	593,807	23

* the subheadings serve for indicative purposes only

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Classification Number*</u>	<u>Hong Kong Statistical Classification Number*</u>	<u>1987</u>	<u>Restraint Limit Periods 1 January - 31 December (pieces)</u>				<u>Conversion Factor (sq yd equivalent per dozen)</u>
					<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	
3	Brassieres, wholly or mainly by weight of cotton or of man-made fibres	ex 62.12.10.00	62.12.10.10 62.12.10.20 62.12.10.30	324,513	331,003	337,623	344,376	351,263	4.8
4	Trousers, not knitted or crocheted, wholly or mainly by weight of cotton, men's, boys', women's and girls' wear	62.03.42.11 62.03.42.19 62.04.62.11 62.04.62.19	ex 62.03.42.10 ex 62.03.42.20 ex 62.04.62.10 ex 62.04.62.20	1,030,000	1,157,411	1,182,375	1,207,906	1,234,016	18

* the subheadings serve for indicative purposes only

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Classification Number*</u>	<u>Hong Kong Statistical Classification Number*</u>	<u>1987</u>	<u>Restraint Limit Periods 1 January - 31 December (pieces)</u>				<u>Conversion Factor (sq yd equivalent per dozen)</u>
					<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	
5	Men's and boys' anoraks (including ski- jackets), wind- cheaters, wind- jackets and similar articles, jackets and blazers, wholly or mainly by weight of cotton or of man-made fibres;	62.01.92.00 62.01.93.00 62.03.32.00 62.03.33.00 ex 62.03.39.00	62.01.92.10 62.01.92.20 62.01.93.10 62.01.93.20 62.03.32.10 62.03.32.20 62.03.33.10 62.03.33.20 62.03.39.10 62.03.39.20	Not applicable	520,000	533,000	546,325	559,983	37
	Women's and girls' overcoats, car- coats, capes, cloaks, anoraks (including ski- jackets), wind- cheaters, wind-	62.02.12.00 62.02.13.00 62.02.92.00 62.02.93.00 62.04.32.00 62.04.33.00 ex 62.04.39.00	62.02.12.10 62.02.12.20 62.02.12.30 62.02.12.40 62.02.12.50 62.02.12.60 62.02.12.70						

* the subheadings serve for indicative purposes only

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Finnish Statistical Classification Number*	Hong Kong Statistical Classification Number*		Restraint Limit Periods 1 January - 31 December (pieces)				Conversion Factor (sq yd equivalent per dozen)
<u>Category</u>	<u>Description</u>			<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	
	jackets and similar articles and jackets, wholly or mainly by weight of cotton or of man- made fibres		62.02.12.80 62.02.13.10 62.02.13.20 62.02.13.30 62.02.13.40 62.02.13.50 62.02.13.60 62.02.13.70 62.02.13.80 62.02.92.10 62.02.92.20 62.02.93.10 62.02.93.20 62.04.32.10 62.04.32.20 62.04.33.10 62.04.33.20 62.04.39.10 62.04.39.20						

* the subheadings serve for indicative purposes only

ANNEX II

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number*</u>	<u>Hong Kong Statistical Number*</u>
E1	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of cotton	61.05.10.00 61.06.10.00 61.09.10.10 61.09.10.90 61.10.20.00 ex 61.11.20.00	61.05.10.10 61.05.10.20 61.06.10.00 61.09.10.10 61.09.10.20 61.09.10.30 61.09.10.40 61.09.10.50 61.10.20.10 61.10.20.20 61.10.20.30 61.10.20.40 ex 61.11.20.10 ex 61.11.20.40 ex 61.11.20.50

* the subheadings serve for indicative purposes only.

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Attachment 2 (p. 2)

ANNEX II

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number*</u>	<u>Hong Kong Statistical Number*</u>
E2	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of man-made fibres	61.05.20.00 61.06.20.00 61.09.90.21 61.09.90.29 61.10.30.00 ex 61.11.30.00	61.05.20.10 61.05.20.20 61.05.20.30 61.05.20.40 61.06.20.10 61.06.20.20 61.09.90.02 61.09.90.03 61.09.90.09 61.09.90.10 61.09.90.11 61.09.90.12 61.09.90.13 61.09.90.14 61.09.90.15 61.09.90.16 61.10.30.10 61.10.30.20 61.10.30.30 61.10.30.40 61.10.30.50 61.10.30.60 61.10.30.70 61.10.30.80 ex 61.11.30.10 ex 61.11.30.40 ex 61.11.30.50 ex 61.11.90.01 ex 61.11.90.04 ex 61.11.90.05

* the subheadings serve for indicative purposes only.

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Attachment 2 (p. 3)

ANNEX II

(a)	(b)	(c)	(d)
<u>Category</u>	<u>Description</u>	<u>Finnish Statistical Number*</u>	<u>Hong Kong Statistical Number*</u>
E3	Women's and girls' skirts and divided skirts, wholly or mainly by weight of cotton or of man- made fibres	62.04.52.00 62.04.53.00 ex 62.04.59.00	62.04.52.10 62.04.52.20 62.04.53.10 62.04.53.20 62.04.59.10 62.04.59.20

* the subheadings serve for indicative purposes only.

