

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1497*
27 July 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the bilateral agreement between Finland and China

Note by the Chairman

Attached is a notification received from Finland of an amendment of its bilateral agreement with China. Restraints on two new categories were agreed.¹

* English only/Anglais seulement/Inglés solamente

¹ The bilateral agreement contained in COM.TEX/SB/1251 was notified under Articles 7 and 8 as China was not participating in the MFA at the time of notification.

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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 notification of 13 February 1987, I have the honour to notify the Textiles Surveillance Body of the Agreed Minutes, signed on 20 May 1988, amending the Agreement signed between the Government of Finland and the Government of China on 19 November 1986.

The Agreed Minutes enlarge the product coverage of the Agreement from seven to nine categories by adding two new categories VIII and IX. The quantitative limits of category VIII (men's and boys' anoraks, wind-cheaters, etc.) and category IX (women's and girls' overcoats, car-coats, etc.) have been added as Annex IV to the Agreement.

The present enlargement of the existing Agreement was necessary due to the rapidly growing imports from China in the categories concerned. During the year 1987 the increase in the new categories and IX was 96 and 130 per cent respectively.

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 producing products in

Ambassador Marcello Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154, rue de Lausanne
1211 G e n e v a

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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 Minutes are in conformity with the provisions of the MFA and its Protocol of Extension.

Yours Sincerely,


Pekka Hantaniemi
Minister-Counsellor

W.S.

AGREED MINUTES

Consultations were held between delegations of the Government of Finland and the Government of The People's Republic of China on May 19 and 20, 1988 in Beijing concerning imports of textiles from China to Finland. These consultations were held upon the request of the Finnish Government and based on article 10 of the Agreement relating to trade in textile products between the Republic of Finland and the People's Republic of China (hereinafter referred to as "the Agreement") and the relevant provisions of the Arrangement Regarding International Trade in Textiles as extended by the Protocol of July 31, 1986.

The following amendments to the Agreement shall enter into force on July 1, 1988. The provisions in paragraph 3 will, however, be applied as appropriate from the day of the signature of these Agreed Minutes.

1. China agrees that exports to Finland of the textile products specified in the Annex to these Agreed Minutes will be kept within the quantities set out in the above mentioned Annex for the period of 1.1.1988 - 31.12.1988.
2. As of July 1, 1988 China shall issue export licenses according to the procedure set out in article 5 of the Agreement for the products specified in the Annex to these Agreed Minutes.
3. Finland shall admit imports of the textile products of Chinese origin specified in the Annex to these Agreed Minutes to the quantities set out therein provided that such imports into Finland are covered by an export license referred to in paragraph 2 above

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However, taking into account of the fact that shipments from China during 1.1.1988 - 30.6.1988 of the products of Chinese origin specified in the Annex to these Agreed Minutes are admitted without export license to Finland, the Finnish Board of Customs will provide China with monthly statistics of imports of the products concerned, in order to form a statistical basis which is necessary for keeping within the quantities set out in the Annex to these Agreed Minutes for each product category.

4. Notwithstanding the quantities set out in the Annex to these Agreed Minutes, Finland will admit, as an element of flexibility, imports of each category of products set out in the Annex to these Agreed Minutes up to 7% over the agreed quantities. Such imports will be deducted from quantitative limits, which may be established for the same product categories after the period set out in paragraph 1 above, through consultations.

5. The description and identification of the products specified in the Annex to these Agreed Minutes are based on the Harmonized Commodity Description and Coding System.

6. The Annex to these Agreed Minutes shall be included in the Agreement as Annex IV.


The Chinese delegation takes note of the concern expressed by the Finnish delegation concerning a sharp rise in imports from China to Finland of women's and girls' skirts (Category 62.04.51.00 - 53.00, ex 59.00.).

Done in Beijing on May 20, 1988 in two English originals.

For the Delegation of
the Republic of Finland


Pekka Lintu

For the Delegation of
the Peoples Republic of China


Li Guodong

14 ANNEX

CAT. Tariff classification; the subheadings serve for indicative purposes only		Description	Unit	Quantities (x)
VIII	62.01.91.00	Men's and boys' anoraks (incl. ski-jackets) wind-cheaters, wind-jackets and similar articles, jackets and blazers of cotton, wool and man-made fibres	pieces	485.000
	62.01.92.00			
	62.01.93.00			
	62.03.31.00			
	62.03.32.00			
	62.03.33.00			
ex	62.03.39.00			
IX	62.02.11.00	Women's and girls' overcoats, car-coats, capes, cloaks, anoraks, (including ski-jackets), wind-jackets and similar articles and jackets of cotton, wool and man-made fibres	pieces	441.000
	62.02.12.00			
	62.02.13.00			
	62.02.91.00			
	62.02.92.00			
	62.02.93.00			
	62.04.31.00			
	62.04.32.00			
ex	62.04.39.00			

x) for the period 1.1. - 31.12.1988