

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Norway and Indonesia

Note by the Chairman

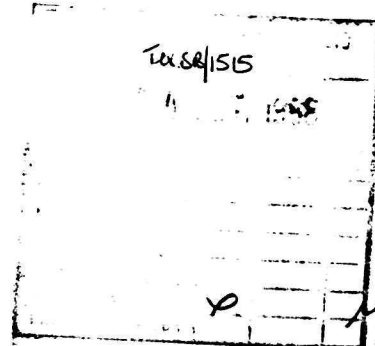
Attached is a notification received from Norway of its first bilateral agreement concluded with Indonesia on textile products for the period 1 October 1987 to 30 September 1991.

* English only/Anglais seulement/Inglés solamente

Geneva, 18 October 1988

For	Action	Comment
OPER. DEPT. A		
NTM & Comm. Div.		
Development Div.		
Trade & Fin. Div.		
Tech. Coop. Div.		
Spec. Proj. Div.		
GNS Div.		
OPER. DEPT. B		
Econ. & Anal. Unit		
Agriculture Div.		
Tech. Bar. T. Div.		
Ext. Rel. Div.		
Training Div.		

Enclosure



Dear Mr. Ambassador,

Pursuant to Article 4:4 of the Arrangement Regarding International Trade in Textiles as extended by the 1986 Protocol, I am pleased to notify the Textiles Surveillance Body of the conclusion of a bilateral agreement between the Government of the Kingdom of Norway and the Government of the Republic of Indonesia.

The agreement which covers the period 1 January 1987 – 30 September 1991, was initialled in Nusa Dua 24 September 1987, implemented on a provisional basis from 1 October 1987, and signed in Jakarta 19 May 1988.

The agreement has been reached for the purpose of avoiding market disruption or risks thereof in Norway, while ensuring an orderly development of Indonesia's exports to Norway.

In reaching agreement on base levels, due account has been given to past levels of trade. Information on Norwegian imports of the relevant textile products from Indonesia in the period preceding the conclusion of the textile agreement between the two countries are displayed in the enclosed statistical Annex. Growth rates are set at 3 per cent. The agreement includes all types of flexibility for all categories under quota restriction.

H.E. Mr. Marcello Raffaelli
 Ambassador
 Chairman of the Textiles Surveillance Body,
 GATT
Geneva

As to the flexibility provisions in the agreement as well as the rates of growth, reference is made to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension. Norway is a small market, with an exceptionally high level of imports and a correspondingly low level of domestic production, and is thus particularly exposed to the problems arising from imports causing market disruption.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Martin Huslid". The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin Huslid

Ambassador

Permanent Representative

AGREEMENT BETWEEN

THE GOVERNMENT OF NORWAY

AND

THE GOVERNMENT OF INDONESIA

RELATING TO THE EXPORTS FROM INDONESIA OF CERTAIN

TEXTILE PRODUCTS FOR IMPORTS INTO NORWAY

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Introduction

1. This Agreement sets out the Arrangements that have been made between the Government of Norway and the Government of Indonesia regarding the exports of certain textile products from Indonesia for imports into Norway.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the Arrangement"), as extended by the Protocol of 31.7.1986, bearing in mind particularly the provisions of Article 4 of the MFA and Paragraph 12 of the Protocol of Extension.

Duration

3. This Agreement shall apply for the period 1 October 1987 - 30 September 1991.

Coverage

4. These arrangements apply to Indonesia's export to Norway of the textile products listed in Annex A to this Agreement when these are made of cotton, wool or man-made fibres or blend thereof, in which any, or all of those 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) of the product.

Classification

5. (a) For the purpose of classifying textile products in the appropriate category, the definitions set out in Annex A will apply.

(b) In case of divergent opinions between Indonesia and the competent Norwegian authorities at the point of entry into Norway on the classification of products covered by this

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Agreement, consultations as provided for in Article 17 of this Agreement shall be held with a view to reaching agreement on the appropriate classification of the products concerned and to resolving any difficulties arising therefrom. For this purpose, the authorities of Indonesia shall be informed by the competent authorities in Norway as soon as a case of divergent opinions on the classification of products arises.

(c) Pending agreement on the appropriate classification and subject to the consent by the Government of Indonesia, the products in question may not be cleared for importation unless a waiver has been obtained by the Indonesian authorities.

Restraint levels

6. (a) For products listed in Annex B to this Agreement, the Government of Indonesia shall for each restraint period during the term of this Agreement restrain Indonesia's exports to Norway to the limits set out in Annex B or the limits modified as provided for in this Agreement.

(b) With reference to Article 12.3 of the Arrangement, this Agreement shall not apply to bona fide handicraft products as defined in Annex E when accompanied on importation by a certificate validated by the competent Indonesian authorities. A sample of this certificate is contained in Annex F.

Flexibility provisions

7. (a) Carryover. If in any restraint period of this Agreement, levels specified in Annex B of this Agreement for any categories are not fully utilized, the Government of Indonesia may, after prior notification to the Government of Norway, during the subsequent twelve month period, approve

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the export of additional amounts equivalent to such shortfalls provided that such exports are in the same categories where the shortfalls occurred and do not exceed the percentages set out under column (d); Annex B, computed on the basis of the levels for the subsequent twelve month period.

(b) Carryforward. During each restraint period of this Agreement, the Government of Indonesia may, after prior notification to the Government of Norway, approve the export of amounts in excess of the levels specified in Annex B to this Agreement up to the percentages set out in Annex B under column (e), computed on the basis of the levels for the current restraint period. Where specific levels have been increased by carryforward the Government of Indonesia shall inform the Government of Norway of the carryforward quantities and debit these to the corresponding levels which are agreed or may be agreed upon for the subsequent period.

(c) Swing. During each restraint period of this Agreement, the Government of Indonesia may, after prior notification to the Government of Norway, approve the export of amounts in excess of the levels specified in Annex B to this Agreement up to the percentages set out in Annex B under column (f), computed on the basis of the levels for the current restraint period. Where specific levels have been increased by swing, a corresponding reduction shall be made in one or more of other levels calculated on the basis of the conversion factors listed in Annex B, column (h).

(d) Total flexibility. During each restraint period of this Agreement, the additional export quantities resulting from carryover, carryforward and swing taken together shall, for each specific level, not exceed the percentages set out in Annex B under column (g).

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Quantitative Limitation

8. Exports from Indonesia to Norway of textile products listed in Annex B shall be subject to a double-checking system of export certification and import licencing as specified in Annex C of the Agreement.

9. If the information available to the Norwegian 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 certificate, the said authorities may refuse to admit any quantity in excess of the quantitative limit. In this event the Government of Norway shall inform the Government of Indonesia as soon as possible. Both sides shall exchange relevant information in order to resolve data discrepancies, if any.

Fraud and Circumvention

10. The Government of Norway and the Government of Indonesia agree to cooperate fully in dealing with problems relating to fraud and circumvention of the arrangements set out in this Agreement, in accordance with the provisions of Article 8 of the Arrangement and Paragraphs 16 and 17 of the Protocol of Extension dated 31 July 1986 in Geneva.

Seasonal fluctuations

11. The Government of Indonesia will endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible each calendar year, due account being taken of normal seasonal factors and traditional patterns of trade.

Rules of origin

12. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Norway as on 1.1. 1986 and the procedures for control of the origin of the products set out in Annex C. Changes in the Rules of Origin in so far as they affect exports from

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Indonesia to Norway of products covered by this Agreement shall not be made without prior consultations between the two parties.

Re-exports

13. Exports from Indonesia to Norway of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex B, provided that the export certificate certifies that the products concerned are for re-export outside Norway.

Where the competent Norwegian authorities have evidence that products exported from Indonesia and set off by Indonesia against a quantitative limit established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify the Government of Indonesia of the quantities involved. Upon receipt of such notification, the Government of Indonesia may authorise exports for the current calendar year of identical quantities of products within the same category, which shall not be set off against the quantitative limits established in Annex B.

Exchange of statistics

14. For all products covered by this Agreement the Government of Indonesia undertakes to provide the Government of Norway with quarterly statistics of all export certificates issued by the authorities for each category for the current restraint period. For products listed in Annex B, these statistical reports shall also set out

- (i) the maximum export level for each category for the relevant restraint period,
- (ii) the modified limit if the restraint level has been modified as provided for in Article 7 of this Agreement, and
- (iii) the rate of utilization of the restraint level.

Each report shall be transmitted before the end of

the second month following the quarter covered by the report.

The Government of Norway will provide the Government of Indonesia with quarterly statistics of imports from Indonesia and licences issued for imports from Indonesia of all categories covered by this Agreement.

Consultations

15. The Government of Indonesia and the Government of Norway agree to consult at the request of either Government, on any question arising in the application of this Agreement or on any question of textile products in accordance with the provisions of the MFA.

Any request for consultations shall be notified in writing to the other party together with a statement explaining the reasons and circumstances that led to the request.

The parties shall enter into consultations within 30 days at the latest from when the request was made, with a view to arriving at a mutually satisfactory conclusion in conformity with the provisions of the Arrangement within a further 30 days.

Rights under MFA

16. Both parties reserve their rights under the MFA with respect to textile products not covered by this Agreement.

General

17. Either party may at any time propose modifications to this Agreement. Such proposals shall lead to consultations in accordance with procedures outlined in Article 15.

Either party may at any time terminate this Agreement provided that at least 60 days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice, unless otherwise agreed upon.

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18. The Annexes (A) to (F) to this Agreement and ~~the Agreed Minutes~~ shall be considered as an integral part thereof.

19. This Agreement has been drawn up in two copies in the English language.

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PRODUCT CATEGORIES COVERED BY THE AGREEMENT

Category

Number	Unit	Description
1.	Pieces	Outer garments of woven material, men's, boys', women's, girls': - Jackets: tailored jackets, blazers, waistcoats, sports jackets (including parts of ski suits), anoraks and similar garments, parkas, one-piece suits and the like, also as parts of suits, sets and costumes.
2.	Pieces	Outer garments of woven material, men's, boys', women's, girls': - Trousers, slacks, jeans, breeches and the like (including bib and brace overalls), other than swimwear and shorts, also as parts of suits and sets
3.	Pieces	Knitted or crocheted shirts, T-shirts and blouses of all kinds.
4.	Pieces	Knitted or crocheted under garments, men's, boys', women's, girls', infants', other than T-shirts, blouses, night wear and panty hose.
5.	Pieces	Men's and boys' shirts of all kinds, of woven material.
6.	Pieces	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised: - Pull-overs, sweaters, jumpers, cardigans and jackets.
7.	Kgs	Bed linen (bed sheet, pillow case, quilt cover and the like).
8.	Pieces	Outer garments of woven material, women's, girls, - Blouses, shirts and the like

ANNEX B

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Cat.	Restraint	Annual	Carry-	Carry-	Swing	Total	Conversion
no	level	Growth	over	forward		Flexi-	Factor
	1.10.1987-	Rate				bility	
	30.9.1988	Percen-	Percen-	Percen-	Percen-	Percen-	unit pr. kg.
		tages	tages	tages	tages	tages	

1	94.000 pcs	3	10	5	3	10	1,2
2	352.000 pcs	3	10	5	3	10	1,2
3	100.000 pcs	3	10	5	3	10	4,0
4	80.000 pcs	3	10	5	3	10	12,0
5	199.000 pcs	3	10	5	3	10	3,0
6	119.000 pcs	3	10	5	3	10	3,0
7	20.000 kgs	3	10	5	3	10	1,0
8	90.000 pcs	3	10	5	3	10	3,0

ANNEX C

ADMINISTRATIVE COOPERATION

1. Products originating in Indonesia for export to Norway in accordance with the arrangements established by this Agreement shall be accompanied by an export certificate/certificate of Indonesia origin conforming to the specimen attached as Annex D, including full and detailed description of the goods. The competent authorities of Indonesia shall issue an export certificate/certificate of origin in respect of all consignments from Indonesia of exports to Norway covered by Annex A.
 2. For products covered by Annex B, the authorities of Indonesia shall issue such export certificates up to the quantitative limits agreed through this Agreement (eventually modified as provided for by this Agreement). The export certificate must certify that the quantity of the product in question has been set off against the quantitative limit prescribed for the category of the product in question.
 3. Each export certificate/certificate of origin shall cover only one of the categories or products listed in Annex A to this Agreement.
 4. Exports shall be set off against the quantitative limits established for the restraint period in which shipment of the goods has been effected. For the purpose of this paragraph, the date of shipment of the goods is considered to be the date of issue of shipping documents.
 5. The presentation of an export certificate/certificate of origin, in application of paragraph 6 below, shall be effected not later than 30 November of the following restraint period in which the goods covered by the certificate have been shipped.
 6. Importation into Norway of textile products covered by this Agreement shall be subject to the presentation of appropriate
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import documents.

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The competent Norwegian authorities shall issue such import documents automatically as far as possible within five working days of the presentation by the importer of the original of the corresponding export certificate/certificate of origin.

7. The competent Norwegian authorities must be notified forthwith of the withdrawal or alteration of any export certificate already issued.

The competent Norwegian authorities shall cancel the already issued import documents if the corresponding export certificate has been withdrawn.

However, if the competent Norwegian authorities have not been notified about the withdrawal or cancellation of the export certificate until after the products have been imported into Norway, the quantities involved shall be set off against the quantitative limit for the category and restraint period in question, and the authorities of Indonesia shall be informed as soon as possible.

8. The export certificate/certificate of Indonesia origin may comprise additional copies duly indicated as such. They shall be made out in English. If they are completed by hand, entries must be in blue ink and in printscript. Only the original, clearly marked "original" shall be accepted by the competent authorities in Norway as being valid for the purposes of export to Norway in accordance with the arrangements established in this Agreement.

9. Each export certificate/certificate of Indonesia origin shall bear a serial number by which it can be identified.

10. In the event of theft, loss or destruction of an export certificate/certificate of Indonesia origin, the exporter may apply to the competent Indonesian authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate or any such certificate so issued shall bear the endorsement "duplicate".

The duplicate must bear the date of the original export

certificate/certificate of Indonesian origin.

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11. The Government of Indonesia shall send the Norwegian Ministry of Trade the names and addresses of the Indonesian authorities competent for the issue and verification of export certificate/certificates of Indonesia origin and exempt certificates together with specimens of the stamps used by these authorities. The Government of Indonesia shall also notify the Ministry of any change in this information.

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1. Exporter (name, full address)	ORIGINAL	2. No.:
	3. Restraint Period	4. Category number
5. Importer (name, full address)	NORWAY-INDONESIA TEXTILES AGREEMENT EXPORT CERTIFICATE/CERTIFICATE OF ORIGIN	
	Country of origin: Country of destination: Indonesia NORWAY	
6. Place and date of shipment - means of transport	7. Supplementary details	
8. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS	9. Quantity (1)	10. FOB Value (2)

11. CERTIFICATION BY COMPETENT AUTHORITY

I, the undersigned, certify that the goods described above originate in Indonesia in accordance with the provisions in force in Norway, and that the goods have been charged against the quantitative limit established for the period shown in box no. 3 in respect of the category shown in box no. 4 by the provisions regulating trade in textile products with Norway

12. Competent authority
(name, full address)

At _____ on _____

(Signature)

(Stamp)

- 1) In the unit prescribed for the category
2) In the currency of the sales contract.

ANNEX E

1. The exemption provided for in paragraph 6 of this Memorandum of Understanding in respect of cottage industry products will apply only to the following products :

(a) garments or other textile articles of a kind traditionally made in the cottage industry, having been cut, sewn and embroidered, if applicable, by hand without the aid of any electric machine.

(b) traditional Indonesian handicraft batik fabrics and clothing products made by hand from such batik fabrics. Handicraft batik is produced by a process which involves the following three operations, carried out by hand, for each of the colours or shades applied to the fabric :

(i) Waxing (application of wax by hand to the fabric) ;

(ii) Dyeing/printing (application of colour either by the traditional cottage method of dyeing or hand-printing) ;

(iii) Dewaxing (boiling the fabric to remove the wax).

2. The exemption will apply only in the respect of products covered by a certificate issued by the competent Indonesian authorities.

3. Such certificates will indicate the grounds on which the exemption is based and will be accepted by Norwegian authorities provided that they are satisfied that the products concerned conform to the conditions set out in the Annex.

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TABLE SHOWING THE DEVELOPMENTS IN NORWEGIAN IMPORTS OF CERTAIN TEXTILE PRODUCTS FROM INDONESIA IN THE PERIOD PRECEDING THE CONCLUSION OF A BILATERAL TEXTILE AGREEMENT BETWEEN NORWAY AND INDONESIA IN 1987.

	Norwegian import statistics			Unit of Account
	1984	1985	1986	
1. Jackets (w.)	43	6.375	58.527	pcs.
2. Trousers (w.)	4.022	28.337	296.229	"
3. Shirts, T-shirts (kn.)	-	161	19.451	"
4. Other under garm. (kn.)	-	-	10.200	"
5. Shirts (w.)	420	54.683	113.286	"
6. Pull-overs etc. (kn.)	-	2.178	12.533	"
7. Bed linen	-	-	-	kgs.
8. Blouses (w.)	11.326	4.584	7.108	pcs.

Source: Central Bureau of Statistics of Norway

GOVERNMENT OF INDONESIA

1. Exporter (Name, full address)		2. NO.	
3. Importer (Name, full Address)		CERTIFICATE in regard to HANLOOMS TEXTILE HANDICRAFTS, TRADITIONAL INDONESIAN HANDICRAFT BATIK, and TRADITIONAL TEXTILE PRODUCTS OF THE COTTAGE INDUSTRY	
		4. Country of Origin Indonesia	5. Country of Destination Norway
6. Place and date of shipment - Means of transportation		7. Supplementary details	
8. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS		9. Quantity	10. FOB Value
11. Certification by the competent authority: I, the undersigned, certify that the consignment above includes of the following textile products of the cottage industry of the country shown only in box no. 4.			
<input type="checkbox"/> handloom textile fabrics, containing not more than 5% by weight of man-made fibers, being fabrics woven on looms operated solely by hand or foot and a kind traditionally made in the cottage industry			
<input type="checkbox"/> traditional Indonesian Handicraft Batik			
<input type="checkbox"/> garments or other textile articles, of a kind traditionally made in the cottage industry having been cut, made and assembled if applicable, solely by hand from handloom textile fabrics as described above without the aid of any machine			
<input type="checkbox"/> traditional to & love handicraft textile products made by hand in the cottage industry.			
12. Competent authority		1 address, country)	