

# GENERAL AGREEMENT ON

CONFIDENTIAL

## TARIFFS AND TRADE

TEX.SB/1518\*  
28 October 1988

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Bilateral agreement between Norway and Malaysia

Attached is a notification received from Norway of a bilateral agreement concluded with Malaysia for the period 1 January 1988 to 31 December 1991.<sup>1</sup>

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<sup>1</sup>The previous bilateral agreement between the parties is contained in COM.TEX/SB/1098.

\*English only/Anglais seulement/Inglés solamente

**TCH/HAa**

## DÉLÉGATION DE NORVÈGE

58, RUE DE MOILLEBEAU, CASE POSTALE 274

1211 GENÈVE 19

*Geneva, 18 October 1988*

**Enclösure**

For	Initials	Enclos.
OFFR. DEPT. A		<input checked="" type="checkbox"/>
Gen. & Adm. Div.		
Development Div.		
Trade & Fin. Div.		
Tech. Coop. Div.		
Spec. Proj. Div.		
GNS Div.		
OFFR. DEPT. B		
Econ. & Appl. Sci.		
Agriculture Div.		
Tariff Div.		
Tech. Ser. T. Div.		

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*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 Malaysia.*

*The agreement which covers the period 1 January 1988 – 31 December 1991, was initialled in Kuala Lumpur 16 October 1987, implemented on a provisional basis from 1 January 1988, and signed in Kuala Lumpur 22 February 1988.*

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

*The former bilateral MFA-agreement between Norway and Malaysia initially included 21 categories, of which 12 were subject to quota limitations, while the remaining 9 were subject to an administrative system of surveillance. This new agreement covers a total of 8 categories, all of which are subject to quota limitations.*

**H.E. Mr. Marcello Raffaelli**

## Ambassador

*Chairman of the Textiles Surveillance Body.*

**GATT**

**Geneva**


*Increases in base levels vary between 8 and 50 per cent. In the new agreement, growth rates vary between 1.5 and 3.0 per cent, while growth rates in the previous agreement were at a level of 0.1 - 0.5 per cent.*

*In contrast to the former agreement, the new agreement includes all types of flexibility for all categories under quota restriction.*

*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. In spite of this Norway has, in its bilateral MFA-agreement with Malaysia agreed to reductions in the number of categories covered by the agreement, increases in growth rates and introduction of all kinds of flexibility into the agreement.*

*Yours sincerely,*

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

*Martin Huslid  
Ambassador  
Permanent Representative*

AGREEMENT BETWEEN THE GOVERNMENT OF NORWAY  
AND THE GOVERNMENT OF MALAYSIA  
RELATING TO THE EXPORTS FROM MALAYSIA OF CERTAIN  
TEXTILE PRODUCTS FOR IMPORT 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 Malaysia regarding the exports of certain textile products from Malaysia 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 MFA") as extended by the Protocol of 31 July 1986, bearing in mind particularly the provisions of Article 1:2 and Article 4 of the MFA and Paragraph 12 of the Protocol of Extension.

## COVERAGE

3. These arrangements apply to Malaysia'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 blends thereof, in which one, or all of those fibres in combination represent either the chief value of the fibres or 50 percent or more by weight (or 17 percent or more by weight of wool).

## CLASSIFICATION

4. For the purpose of classifying textile products in the appropriate category, the definitions set out in Annex A will apply.

5. In case of divergent opinions between Malaysia and the competent Norwegian authorities at the point of entry into Norway on the classification of products covered by this Agreement, consultations

as provided for in Article 14 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 Malaysia shall be informed by the competent authorities in Norway as soon as a case of divergent opinions on the classification of products arises.

Pending agreement on the appropriate classification and in order to avoid disruption of trade, the products in question shall be imported on the basis of the classification indicated by the competent Norwegian authorities at the point of entry, in conformity with the provisions of this Agreement.

#### RESTRAINT LEVELS

6. For products listed in Annex B to this Agreement, Malaysia shall for each quota period during the term of this Agreement restrain its exports to Norway to the limits set out in Annex B, or the limits modified as provided for in this Agreement.

#### 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 Malaysia may, after prior notification to the Government of Norway, during the subsequent twelve month period, approve 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. This will also be applicable from the last year of the previous Agreement into the first year of the current Agreement.

(b) Carry forward: During each restraint period of this Agreement, the Government of Malaysia 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 the specific levels have been increased by carry forward the Government of Malaysia shall inform the Government of Norway of the carry forward quantities and debit these to the corresponding levels which are agreed or may be agreed upon for the subsequent period. This will also be applicable from the first year of the present Agreement into the last year of the previous Agreement.

(c) Swing: During each restraint period of this Agreement, the Government of Malaysia 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 the restraint period of this Agreement, the additional export quantities resulting from carryover, carry forward and swing taken together shall, for each specific level, not exceed the percentages set out in Annex B under column (g).

#### ADMINISTRATION

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

### CIRCUMVENTION

9. Norway and Malaysia agree to co-operate fully in dealing with problems relating to circumvention of the arrangements set out in this Agreement. When information available to the Norwegian authorities indicates that products of Malaysian origin listed in Annex B to this Agreement have been imported into Norway by transshipment, rerouting or otherwise, in circumvention of the arrangements set out in this Agreement, Norway may ask for consultations as provided for in Article 14 of this Agreement, with a view to seeking an appropriate and mutually acceptable solution.

### SEASONAL FLUCTUATIONS

10. The Government of Malaysia 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.

### RULES OF ORIGIN

11. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in Norway and the procedures for control of the origin of the products set out in Annex C.

### RE-EXPORTS

12. Exports from Malaysia 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 licence certifies that the products concerned are for re-export outside Norway.

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Where the competent Norwegian authorities have evidence that products exported from Malaysia and set off by Malaysia against a quantitative limit established in Annex B have been subsequently re-exported outside Norway, the Norwegian authorities shall notify Malaysia of the quantities involved. Upon receipt of such notification, Malaysia may authorize 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

13. For all products covered by this Agreement the Government of Malaysia undertakes to provide the Government of Norway with quarterly statistics of all export licences issued by the authorities for each category for each quota 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 quota period;
- (ii) the modified limit if the quota has been modified as provided for in Article 7 of this Agreement; and
- (iii) the rate of utilization of the quota.

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 Malaysia with quarterly statistics of total imports and licences issued for imports from Malaysia of all categories covered by this Agreement.

Both parties agree to supply each other with statistical information on all textile exports/imports by country of destination/origin, when requested.

#### CONSULTATIONS

14. The Government of Norway and the Government of Malaysia 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 Multi-Fibre Arrangements (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 thirty 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 MFA within a further forty-five days at the latest unless extended by mutual agreement.

#### OTHER TEXTILE PRODUCTS

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

#### GENERAL

16. The present Agreement shall enter into force on 1 January 1988 and shall be applicable up to 31 December 1991, unless this is changed by application of the provisions of Article 17 of this Agreement.

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17. Either party may at any time propose modifications to this Agreement. Such proposals shall lead to consultations in accordance with the procedures outlined in Article 14.

Either party may at any time denounce this Agreement provided that at least sixty days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

18. The Annexes to this Agreement shall be considered as an integral part thereof.

Done at Kuala Lumpur on in two originals in  
the English language, both texts being equally authentic.

On behalf of the Government  
of the Kingdom of Norway.

On behalf of the  
Government of Malaysia.

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ANNEX A  
PRODUCT CATEGORIES COVERED BY THE AGREEMENT

<u>Category</u>		
<u>Number</u>	<u>Unit</u>	<u>Description</u>
1	Pieces	Outer garments of woven materials, 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 undergarments, men's, boys', women's, girls', infants'; other than T-shirts, blouses, nightwear 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 rubberized: pullovers, sweaters, jumpers, cardigans and jackets.

<u>Category Number</u>	<u>Unit</u>	<u>Description</u>
7	Kgs.	Bed linen.
8	Pieces	Outer garments of woven material, women's, girls': blouses, shirts and the like.

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Cat. No.	Restraint Level 1988	Annual Growth Rate	Carryover	Carry forward	Swing	Total Flexibility	Conversion Factor
		Percentages	Percentages	Percentages	Percentages	Percentages	Unit Per kg.
1	42,000 pcs	2.5	8	4	3	8	1.2
2	110,000 pcs	3.0	8	4	3	8	1.2
3 & 4	145,000 pcs	2.0	8	4	2	8	4.0
5	260,000 pcs	1.5	6	3	2	6	3.0
6	155,000 pcs	3.0	8	4	4	8	3.0
7	14,000 kgs	3.0	8	4	3	8	1.0
8	90,000 pcs	3.0	8	4	4	8	3.0

ANNEX B

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ANNEX C  
ADMINISTRATIVE CO-OPERATION

1. The competent authorities of Malaysia shall issue an export licence in respect of all consignments from Malaysia for exports to Norway of products covered by Annex A of the Agreement. The export licence shall conform to the specimen attached as Annex D. The competent authorities of Malaysia shall 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.
2. The export licence mentioned in paragraph 1 shall also serve to certify that the products in question are of Malaysian origin.
3. Each export licence shall cover only one of the categories of products listed in Annex B to this Agreement.
4. The competent Norwegian authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued.
5. Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected.
6. The presentation of an export licence, in application of paragraph 9 below, shall be effected not later than 28 February of the year following that in which the goods covered by the licence have been shipped.
7. Importation in Norway of textile products subject to quantitative limits shall be subject to the presentation of appropriate import documents.
8. The competent Norwegian authorities shall issue such import documents automatically within ten working days of the presentation by the importer of the original of the corresponding export licence.

9. The competent Norwegian authorities shall cancel the already issued import documents if the corresponding export licence has been withdrawn. However, if the competent Norwegian authorities have not been notified about the withdrawal or cancellation of the export licence until after the products have been imported into Norway, the quantities involved shall be set off against the quantitative limit for the category and quota year in question and Malaysia shall be informed as soon as possible.

10. If the competent Norwegian authorities find that the total quantities covered by export licences issued by Malaysia for a particular category in any quota period exceed the quantitative limit established in Annex B for that category or that limit modified as provided for in this Agreement, the said authorities may suspend the further issue of import documents. In this event, the competent Norwegian authorities shall immediately inform the authorities of Malaysia and the special consultation procedure set out in Article 14 of the Agreement shall be initiated forthwith.

11. Exports of Malaysia origin not covered by export licences issued by Malaysia in accordance with the provisions of this Annex may be refused the issue of appropriate import documents by the competent Norwegian authorities.

However, if the import of such products is allowed into Norway by the competent Norwegian authorities, the quantities involved shall not be set off against the appropriate quantitative limits unless it is agreed with the Malaysian authorities.

12. The export licence 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 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 by this Agreement.

13. Each export licence shall bear a serial number by which it can be identified.

The export licence shall also contain the following information:-

- (a) Country of destination;
- (b) Country of origin;
- (c) Name and address of exporter (and manufacturer if different from exporter);
- (d) Name and address of importer;
- (e) Full and detailed description of the goods;
- (f) Relevant category number and description as set out in Annex A of the Agreement;
- (g) F.o.b. value;
- (h) Quantity in unit set out in Annex A.

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

The duplicate must bear the date of the original export licence.

15. Malaysia shall send the Norwegian Ministry of Trade the names and addresses of the governmental authorities competent for the issue and verification of export licences together with specimens of the stamps used by these authorities. Malaysia shall also notify the Ministry of any change in this information.

57

1 Exporter (name, full address, country)	ORIGINAL 2 No	
	EXPORT LICENCE (TEXTILE PRODUCTS)	
3 Consignee (name, full address, country) in Norway		
	6 Place and date of shipment – Means of transport	7 Country of origin
9 Approved and debited quantity against restraint level		
10 Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS	11 Quantity or weight	12 FOB Value
13 CERTIFICATION BY THE COMPETENT AUTHORITY  I, the undersigned, certify that the goods described above are originating in Malaysia in accordance with provisions in force in Norway and these goods have been charged against the quantitative limit established for the quota year shown in box no 4 in respect of the category shown in box no 5 by the provisions regulating trade in textile products with Norway.		
14 Competent authority (name, full address, country)	At ..... on .....	
	(Signature)	(Stamp)

CONFIDENTIAL

16 October 1987

Sir,

I wish to refer to the textile consultations held between the delegations from Malaysia and Norway on 14 - 16 October 1987 in Kuala Lumpur during which an understanding was reached that if the Government of Malaysia should have occasion to consider that, as a result of the restraints imposed under this Agreement, Malaysia is placed in an inequitable position compared with any third country, the Government of Malaysia may request the Government of Norway to consult with a view to agreeing upon appropriate remedial action such as a reasonable modification of this Agreement.

If the above understanding conforms with the understanding of the Norwegian Government, this letter and your letter of confirmation shall constitute an Agreement between our two Governments.

Please accept, Sir, the assurances of my highest consideration.



Mr. Chong Ngian Yet  
Leader of the Malaysian Delegation

Mr. Johan Hillestad Iversen  
Leader of the Norwegian Delegation

CONFIDENTIAL

16 October 1987

Sir,

I refer to your letter of 16 October 1987, the contents of which read as follows:

"I wish to refer to the textile consultations held between the delegations from Malaysia and Norway on 14 - 16 October 1987 in Kuala Lumpur during which an understanding was reached that if the Government of Malaysia should have occasion to consider that, as a result of the restraints imposed under this Agreement, Malaysia is placed in an inequitable position compared with any third country, the Government of Malaysia may request the Government of Norway to consult with a view to agreeing upon appropriate remedial action such as a reasonable modification of this Agreement.

If the above understanding conforms with the understanding of the Norwegian Government, this letter and your letter of confirmation shall constitute an Agreement between our two Governments."

I am pleased to confirm our acceptance of the understanding as referred to in your above letter.

Please accept, Sir, the assurances of my highest consideration.



Mr. Johan Hillestad Iversen  
Leader of the Norwegian Delegation

Mr. Chong Ngian Yet  
Leader of the Malaysian Delegation