GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1527*
18 November 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between Sweden and Pakistan

Attached is a notification received from Sweden of a bilateral agreement concluded with Pakistan for the period 1 July 1987 to 30 April 1992. The notification also includes an extension until 30 June 1987 of the previous agreement which expired on 30 April 1987.

¹The previous bilateral agreement is contained in COM.TEX/SB/974.

^{*}English only/Anglais seulement/Inglés solamente

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SWEDISH DELEGATION



Geneva, November 14, 1988

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

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Dear Mr Ambassador,

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 prolongation of the previous agreement and of a new bilateral agreement between Pakistan and Sweden.

The prolongation covers the period May 1 - June 30, 1987. The prolongation includes the same growth rates and flexibility as the previous agreement (see COM TEX/SB/974).

The new agreement with Pakistan has been entered into for the period July 1, 1987 to April 30, 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 4, knitted underwear other than T-shirts, group 14, towels, and the Rest Group, with the exception of knitted shirts and

knitted waistcoats, have been eliminated. Babies garments, i.e. sizes not exceeding 86 centimetres, not knitted or chocheted, are no longer under restraint.

Growth rates have been improved for all categories under restraint and now vary from 1 % 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. However, it was understood between the parties that for the items which remain under restraint in the new agreement, there were possibilities for unlimited carryover from the period May 1 to June 30, 1987, into the first period of the new agreement. 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 Annex B of the Arrangement and paragraph 12 of the 1986 Protocol.

Due to the introduction of the Harmonized System, the composition of some groups have been modified. For group 5, sweaters etc, the scope has been extended to cover knitted shirts, T-shirts and knitted waistcoats. To compensate for the increased coverage in group 5, 221 000 pieces have been added to the restraint level for the first period of the new agreement on a pro rata basis.

A provision concerning the debiting of garments delivered in combination, sets or ensembles has been introduced.

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 - 1987, from 34 000 to 25 000 in 1987. 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 16 % in volume between 1986 and 1987. Imports from developing ocutries during the same period increased by 23 %. The market share for domestically produced items is thus decreasing. Import penetration in this sector as an average is well over 80 %.

Copies of the prolongation and the new Agreement are attached.

Lars Anell

Ambassador

Permanent Representative of Sweden

Annex: as stated

Memorandum of Understanding

The Agreement between Pakistan and Sweden concerning exports of certain textile products from Pakistan to Sweden, entered into on December 22, 1983, is hereby extended for the period May 1 - June 30, 1987. The items under restraint and the levels to be applied during the period of extension are given in Annex I to this Memorandum.

In accordance with Article 5 of the aforementioned Agreement, the Pakistani side will issue Export Certificates up to the levels in Annex I to this Memorandum. The relevant period, i.e. May 1 - June 30, 1987 shall appear on every Export Certificate issued during the period of extension. All the other relevant provisions of the Agreement of December 22, 1983 shall also apply during the period of extension.

Chairman of the

Pakistani delegation

Lennart Watz

Chairman of the

Swedish delegation

(a) Group No	(b) Ex Swedish Statistical Classification No (CCCN)	(c) Description	(d) Unit	(e) Level for Period 1.5-30.6.19	(f) Conversion Factor (pcs/kg) 987
			Aggrega	ate level for gro	ups 4 and 5 200576
4	60.04.70-, 80-, 90-	Underwear (including underwear T-shirts) knitted or crocheted, other than shirts, night garments and tights	Pieces	41786	10,25
5	60.05.30-	Sweaters, pullovers, slipovers, jumpers and cardigans etc (including outerwear T-s knitted or crocheted	Pieces hirts),	166813	8,9
)	60.05.60- 61.02.20-, 30-, 40-, 99-	Costumes, dresses and skirts	Pieces	22330	4,35
LO	61.02.006 60.05.80-, 82-, 84- 61.02.50-, 99- ,61.02.006	Blouses	Pieces	40056	8,35
13	62.02.11-, 19-, 792-3	Bed linen	Kg	93 765	1,0
14	62.02.31-, 39-, 792-3	Towels and similar articles	Kg	44405	1,0
Rest group					
1, 2 - 3, 6 - 8, 11 (except 11e), 12, 18 and 19.			kg Kg	11026	1,0
	60.03.00-, 10-, 90	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres		than' 20 9 single i	of this quantity, not m % may be used for any tem (except shirts) in est group
				Sublevel f	for shirts
	60.04.10- 61.03.10-	Shirts	Kg	6806	4,0

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(a) Group

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(b) Ex Swedish Statistical Classification No (CCCN)	(c) Description	(d) Unit
60.04.60-, 21-, 25-	Nightwear, panty hose and tights, knitted or crocheted	-
60.05.10-, 20-, 80-, 81-, 83-, 84-, 85-, 87-, 89-	Outer garments, knitted or crocheted, other than sweaters, pullovers etc (group 5), costumes, dresses and skirts (ex group 9) and blouses (ex group 10)	
61.01.00-, 10-, 30-, 41-, 45-, 50-, 70-, 90-, 95-	Men's and boys' woven outer garments	
61.02.00-, 11-, 15-, 60-, 80-, 90-, 95-, 99-	Women's, girls' and infants' woven outer garments other than costumes, dresses and skirts (ex group 9) and blouses (ex group 10)	
61.03 20-	Men's and boys' nightwear, not knitted or crocheted	
61.04.10-	Women's, girls' and infants' nightwear, not knitted or crocheted	
62.01.all	Travelling rugs and blankets	
60.05.90- 62.02.21-, 29-, 792-793	Table linen	
60.05.90-, 91- 62.02.51, 59-, 71-, 79-	Curtains, bedspreads and other furninshing articles (e g cushion covers, loose covers for furniture, table covers, motor car seat covers)	

(e) Level for period 1.5-30.6.1987

(f) Conversion Factor (pcs/kg)

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AGREEMENT BETWEEN THE GOVERNMENT OF PAKISTAN AND THE GOVERNMENT OF SWEDEN REGARDING THE EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM PAKISTAN 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 period specified in Annex I.

Article 3

The Government of Pakistan will limit exports from Pakistan to Sweden of the textile products listed in Annex I to this Agreement to the group levels set out in Annex I. The date of issue of shipping documents shall be considered to be the date of exportation.

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- (a) This Agreement shall apply to exports from Pakistan 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 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).
- (b) This Agreement shall also apply to the products described in Annex 1 hereof, which are manufactured from impregnated fabrics as defined in Annex III of this Agreement.
- (c) The classification of the products in this Agreement is based on the Nomenclature of the Customs Cooperation Council and the Swedish customs tariff.

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.

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The Government of Sweden will admit imports of the textile products of Pakistaniorigin, listed in Annex 1, provided that such imports are covered by an Export Certificate, as per specimen in Annex 1V. Such a document shall be issued by Export Promotion Bureau, Government of Pakistan, 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.



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- (a) If in any period of this Agreement the group limits specified in Annex 1 to this Agreement are not fully utilized, the Government of Pakistan may, after prior notification to the Government of Sweden, during the subsequent period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports
 - i) are in the same groups where the shortfalls occured;
 - ii) do not exceed 3 per cent of the limits for the period during which the shortfalls occured;
- (b) During each twelve months period of this Agreement, the Government of Pakistan may, after prior notification to the Government of Sweden, approve the export of amounts in excess (carry forward) of the group limits specified in Annex 1 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 Pakistan 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.

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- (c) During each period of this Agreement, the Government of Pakistan may, after prior notification to the Government of Sweden, approve the export of amounts in excess of the group levels specified in Annex 1 to this Agreement up to 3 per cent of these limits (swing). 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.
- (d) During each 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.



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The Government of Pakistan will forward to the Government of Sweden via the Embassy of Sweden in Islamabad monthly statistics on a cumulative basis of the quantities of the items in the specific groups as listed in Annex 1 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 Pakistan monthly statistics on a cumulative basis of licences issued for imports from Pakistan. The statistics shall reach the Government of Pakistan via the Embassy of Sweden in Islamabad within a period of two months from the month under reference.

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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 Pakistan as soon as possible. Should any excess quantity be permitted to enter Sweden the authorities of Pakistan 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.

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Both parties regard it as essential that exports to Sweden of goods listed in Annex 1 are evenly spaced throughout the period of agreement and that, in the allocation of quotas, due consideration is given to traditional patterns of trade. Accordingly, the Government of Pakistan undertakes to provide a procedure to achieve this.





The Government of Sweden and the Government of Pakistan agree to consult each other, at the request of either party, when any problem arises from the implementation of this Agreement. The Governments furthermore agree 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 Pakistan 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 Pakistani 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.

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The Government of Pakistan 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, 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.



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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.

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Done in Islamabad on November 12, 1987.

For the Government of Pakistan

For the Government of

Sweden

EXPORTS OF CERTAIN TEXTILES FROM PAKISTAN

(a)	(b)	(c)	(d)	· (e)	(f)	(g)	(h)	(i)
Group No	Description	Unit	Level for period 1.7.1987-30.4.1988	Level for period 1.5.1988-30.4.1989	Level for period 1.5.1989-30.4.1990	Level for period 1.5.1990-30.4.1991	Level for period 1.5.1991-30.4.1992	Conver- sion factor (pcs/kg)
5	Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts and shirts, knitted or crocheted	pieces	1.029.297	1,256,771	1.281.906	1.310.749	1.343.518	8,90 -
9	Costumes, dresses and skirts	pieces	113.315	139.038	142.514	146.433	150.826	4,35
10	Blouses	pieces	202.274	245.977	251.917	257.585	264.025	8,35
13	Bed linen	kg	471.158	572.457	581.044	591.212	603.036	1,00

Two or more pieces of garmets delivered in combination, set or ensemble, even if packed, consigned and sold together, should be charged against the group to which every single piece of the combination, set or ensemble belongs.



ANNEX II

EXPORTS OF CERTAIN TEXTILES FROM PAKISTAN TO SWEDEN

Group No (a)	Ex Swedish Statistical Classification No (CCCN) (b)	Ex Swedish Statistical Classification No (HS) (c)
5	60.05.30-, 60.04.10- 60.05.80-, 87-, 89-	61.09.10-,90-, 61.10.10-,20-, 30-,90-, 61.11.10-,20-,30-,90- 61.05.10-, 20-, 90-
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-,
13	62.02.11-,19-,792-3	63.02.21-,22-,29-,31-,32-,39-

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 included in the export limit as from 1987-07-01 as set out in Annex I.

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°C and 30°C.
- (b) Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

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AMMEX I	<u>v</u>
ORIGINAL Importer's copy	
1 Exporter (name, full address, country)	
EXPORT CERTIFICATE	
3 Consignee (name, full address, country) (TEXTILE PRODUCTS)	-
4 Quota period 5 Group nu	mber
, quad par los	
6 Place and date of shipment - Means of 7 Country of origin 8 Country transport nation	of desti-
Transport.	
9 Approved and debited quantity	against
restraint level	
10 Marks and numbers - Number and kind of 11 Quantity or 12 FOB	Value
packages - DESCRIPTION OF GOODS weight	
· ·	
13 CERTIFICATION BY THE COMPETENT AUTHORITY	
I, the undersigned, certify that the goods described above are originating	na in
in accordance with provisions in force in Sweden and these	·
have been charged against the quantitative limit established for the quot	-
The state of the s	
shown in box no 4 in respect of the group shown in box no 5 by the provis	
shown in box no 4 in respect of the group shown in box no 5 by the provise regulating trade in textile products with Sweden.	
regulating trade in textile products with Sweden.	
	sions
regulating trade in textile products with Sweden. 14 Competent authority (name, full	sions