

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1623*

6 November 1989

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Sweden and Macao

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded with Macao for the period 1 January 1988 to 31 March 1993.¹

¹ The previous bilateral agreement is contained in COM.TEX/SB/1069

* English only/Anglais seulement/Inglés solamente

SWEDISH DELEGATION

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Director General:		
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OPER. DEPT. B		

Geneva, October 23, 1989

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

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 new bilateral agreement between Macao and Sweden.

The new agreement with Macao has been entered into for the period January 1, 1988 to March 31, 1993. 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 2, woven shirts, ex group 6, overcoats and the Rest Group have been eliminated. Babies garments, i.e. sizes not exceeding 86 centimetres, not knitted or crocheted, are no longer under restraint. The restrictions on group 11b, bathing suits and trunks, are only applied for three years.

Growth rates have been improved for all categories under restraint and now vary from 1,5% up to 4%, 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%, or for some items 5%. The use of the flexibility provisions taken together shall not exceed 6%, or 10% for some items, of the restraint limits. 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 paragraph 2 of the Arrangement and paragraph 12 of the 1986 Protocol.

Due to the introduction of the Harmonized System, the composition of some groups has 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, 202 031 pieces have been added to the restraint level for the first period of the new agreement. 202 031 pieces were transferred from group 4 to group 5 to take account of the decreased coverage in group 4 by T-shirts. Group 6 c,d, jackets, includes also ladies suit jackets, previously under restraint in the Rest Group.

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 1980-1988, from 34 000 to 24 000 in 1988. 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 17% in volume between 1986 and 1988. Imports from developing countries during the same period increased by 25%. The market share for domestically produced items is thus decreasing. Import penetration in this sector as an average is well over 80%.

A copy of the new Agreement is attached.

Lars Anell
Ambassador
Permanent Representative of Sweden

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

ARTICLE 3

The Government of Macao will limit exports from Macao to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.

ARTICLE 4

(a) This Agreement shall apply to exports from Macao 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 these 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 I hereof, which are manufactured from impregnated fabrics as defined in Annex III of this Agreement.

(c) The classification of the products covered by this Agreement is based on of the International Convention on the Harmonized Commodity Description and Coding System (HS) and 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.

ARTICLE 5

The Government of Sweden will admit imports of the textile products of Macao origin, listed in Annex I, provided that such imports are covered by an Certificate of Origin (Certificado de Origem) as per specimen in Annex IV. Such a document shall be issued by Direccao dos Servicos de Economia de Macau, 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.

ARTICLE 6

(a) If in the period January 1, 1987 to December 31, 1987, the group limits specified in column (h) of Annex I to the Agreement of June 11, 1984 as ammended are not fully utilized, the Government of Macao may after consultations with the Government of Sweden, during the period January 1, 1988 to December 31, 1988 approve the export of additional amounts (carryover) wherever appropriate equivalent to such shortfalls provided that such exports

- i) are in the same groups where the shortfalls occurred;
- ii) do not exceed 5 per cent of the limits for groups 1, 3, 4, 11b and 17 specified in column (h) of Annex I to the Agreement of June 11, 1984.
- iii) do not exceed 3 per cent of the limits for groups 5, 6 c,d, 8, 9 and 10 as specified in column (h) of Annex I to the Agreement of June 11, 1984.

(b) If in any twelve months period of this Agreement, the group limits specified in Annex I to this Agreement are not fully utilized, the Government of Macao may, after consultations with the Government of Sweden, during the subsequent twelve months period approve the export of additional amounts (carryover) equivalent to such shortfalls provided that such exports

- i) are in the same group where the shortfalls occurred;
- ii) do not exceed 5 per cent of the limits for groups 1, 3, 4, 11b and 17 for the period during which the shortfalls occurred;
- iii) do not exceed 3 per cent of the limits for groups 5, 6 c,d, 8, 9 and 10 for the period during which the short falls occurred

(c) During each twelve months period of this Agreement, the Government of Macao may, after consultations with the Government of Sweden, approve the export of amounts in excess (carry forward) of the group limits specified in Annex I to this Agreement up to 5 per cent of these limits for groups 1, 3, 4, 11b and 17 and 3 per cent for groups 5, 6 c,d, 8, 9 and 10 for the relevant period. Where specific group limits have been increased by carry forward the Government of Macao 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.

(d) During each twelve months period of this Agreement, the Government of Macao may, after consultations with the Government of Sweden, approve the export of amounts in excess of the group limits specified in Annex I to this Agreement up to 5 per cent of these limits for groups 1, 3, 4, 11b and 17 and 3 per cent for groups 5, 6c,d, 8, 9 and 10 (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.

(e) During each twelve months period of this Agreement, the additional export quantities resulting from carryover, carry forward and swing taken together shall, for groups 1, 3, 4, 11b and 17 not exceed 10 per cent of the agreed limits. For groups 5, 6c,d, 8, 9 and 10 they shall not exceed 6 per cent.

ARTICLE 7

The Government of Macao will forward to the Government of Sweden via the Consulate General of Sweden in Hong Kong, monthly statistics on a cumulative basis of the quantities of the items as listed in Annex I for which duly endorsed Certificates of Origin 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 Macao, via the Consulate General of Sweden in Hong Kong, monthly statistics on a cumulative basis of licences issued for imports from Macao. The statistics shall reach the Government of Macao within a period of two months from the month under reference.

ARTICLE 8

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in a Certificate of Origin has already been reached, or the unused portion of that limit is insufficient to cover the goods specified in the Certificate of Origin 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 Macao as soon as possible. Should any excess quantity be permitted to enter Sweden, the authorities of Macao 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. .

ARTICLE 9

Both parties regard it as essential that exports from Macao to Sweden of goods listed in Annex I are evenly spaced throughout the period of agreement taking into account normal seasonal factors, and that due consideration is given, to traditional patterns of trade. Accordingly, the Government of Macao undertakes to provide a procedure to achieve this.

ARTICLE 10

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

ARTICLE 11

The Government of Macao 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.

The Government of Macao and the Government of Sweden reaffirm their willingness to strengthen this collaboration, having regard to the administrative and technical procedures in force in Macao for the implementation of this Agreement.

Where information available to the Government of Sweden constitutes clear evidence that products of Macao origin subject to specific limits established under this Agreement have been transhipped, re-routed or otherwise imported into Sweden in circumvention of this Agreement, the Government of Sweden may request the opening of consultations in accordance with Article 10 herein. Where the evidence provided establishes that the provisions of this Agreement have been circumvented, the Government of Macao undertakes to debit the appropriate specific limits for the year in which the circumvention took place or for subsequent years, the timing and scale of such debiting being decided in consultations with the Government of Sweden.

ARTICLE 12

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.

Done in Macao on *4th May 1988*

For the Government of
Macao

For the Government of
Sweden



ANNEX I

EXPORTS OF CERTAIN TEXTILES FROM MACAO TO SWEDEN

(a) Group No	(b) Description	(c) Unit	(d) Level for period 88.01.01-- 12.31	(e) Level for period 89.01.01-- 12.31	(f) Level for period 90.01.01-- 12.31	(g) Level for period 91.01.01-- 12.31	(h) Level for period 92.01.01-- 93.03.31	(i) Conver- sion factor (pcs/kg)
1	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres	pairs	508 674	521 391	537 033	555 829	722 577	24,0
3	Night garments	pcs	78 547	80 511	82 926	85 829	111 577	3,5
4	Underwear, including singlets and vests, knitted or crocheted, other than shirts, T-shirts, night garments and tights	pcs	603 311	618 393	636 945	659 238	857 010	15,0
5	Sweaters, pullovers, slipovers, waistcoats and cardigans etc, T-shirts and shirts, knitted or crocheted	pcs	951 208	967 854	987 211	1 009 423	1 293 324	4,5
6 c,d	Jackets	pcs	118 390	121 054	124 081	127 493	164 147	1,4
8	Trousers other than shorts (including work trousers e g trousers with bib and braces)	pcs	378 787	387 310	396 993	407 910	525 184	2,0
9	Costumes, dresses and skirts	pcs	80 186	81 990	84 040	86 351	111 177	2,0
10	Blouses	pcs	182 234	186 334	190 993	196 245	252 666	6,0
11 b	Bathing suits and trunks	pcs	73 009	75 200	78 208	-	-	15,0
17	Brassières	pcs	142 507	146 070	150 452	155 718	202 433	25,0

- A) Two or more pieces of garments 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.
- B) The denomination babies' garments applies to sizes not exceeding 86 centimetres.
- C) Babies' garments, not knitted or crocheted, are not restrained.
- D) Group 6 c/d, jackets, includes ladies suit jackets the outer shell of which (exclusive of sleeves and facings or collar if there is any) consists of at least four panels (two in front and two at the back) sewn together lengthwise, with full front opening without a closure or with a closure other than a slide fastener (zipper).

ANNEX II


EXPORTS OF CERTAIN TEXTILES FROM MACAO TO SWEDEN

Group No	Ex Swedish Statistical Classification No (HS)
1	61.11.10-, 20-, 30-, 90- 61.15.91-, 92-, 93-, 99-
3	61.07.21-, 22-, 29-, 61.08.31-, 32-, 39- 61.11.10-, 20-, 30-, 90- 62.07.21-, 22-, 29-, 62.08.21-, 22-, 29-
4	61.07.11-, 12-, 19-, 61.08.21-, 22-, 29- 61.09.10-, 90- 61.08.11-, 19-, 61.11.10-, 20-, 30-, 90-
5	61.09.10-, 90- 61.10.10-, 20-, 30-, 90-, 61.11.10-, 20-, 30-, 90- 61.05.10-, 20-, 90-
6 c,d	61.01.10-, 20-, 30-, 90-, 61.02.10-, 20-, 30-, 90- 61.03.31-, 32-, 33-, 39- 61.04.31-, 32-, 33-, 39-, 61.11.10-, 20-, 30-, 90- 62.01.91-, 92-, 93-, 99-, 62.02.91-, 92-, 93-, 99- 62.03.31-, 32-, 33-, 39-, 62.04.31-, 32-, 33-, 39-
8	61.03.41-, 42-, 43-, 49-, 61.04.61-, 62-, 63-, 69- 61.11.10-, 20-, 30-, 90- 62.03.41-, 42-, 43-, 49-, 62.04.61-, 62-, 63-, 69-

Group No	Ex Swedish Statistical Classification No (HS)
9	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	61.06.10-, 20-, 90- 61.11.10-, 20-, 30-, 90- 62.06.10-, 20-, 30-, 40-, 90-
11 b	61.11.10-, 20-, 30-, 90-, 61.12.31-, 39-, 41-, 49- 62.11.11-, 12-
17	62.12.10-

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.

EXPORTADOR (nome e morada) EXPORTER (name & address)		ORIGINAL Nº	
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CONSIGNATÁRIO (nome e morada) CONSIGNEE (name & address)		<h2 style="margin: 0;">CERTIFICADO DE ORIGEM</h2> <h2 style="margin: 0;">CERTIFICATE OF ORIGIN</h2>	
NOME DO BANCO NEGOCIADOR NAME OF BANK		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> PAÍS DE DESTINO COUNTRY OF DESTINATION </div> <div style="width: 45%;"> Nº DA FACTURA NO. OF INVOICE </div> </div>	
Meio de Transporte Utilizado Form of Transportation <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> VIA MARÍTIMA BY SEA </div> <div style="width: 45%; text-align: center;"> <input type="checkbox"/> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> VIA AÉREA BY AIR </div> <div style="width: 45%; text-align: center;"> <input type="checkbox"/> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> VIA TERRESTRE BY LAND </div> <div style="width: 45%; text-align: center;"> <input type="checkbox"/> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> VIA POSTAL BY POST </div> <div style="width: 45%; text-align: center;"> <input type="checkbox"/> </div> </div>		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Nº DA LICENÇA DE EXPORTAÇÃO NO. OF EXPORT LICENCE </div> <div style="width: 45%;"> Nº DO PRODUTOR NO. OF MANUFACTURER </div> </div>	
Marcas, números e tipos de embalagem – DESCRIÇÃO DAS MERCADORIAS Shipping marks, types of packing – DESCRIPTION OF GOODS			QUANTIDADE PESO (Kg) QUANTITY OR WEIGHT (Kg)
<p>Eu, abaixo assinado, certifico que as mercadorias acima mencionadas foram produzidas em Macau.</p> <p>I, the undersigned, certify that the goods specified above have been manufactured in Macau.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 30%;"> MACAU, _____ </div> <div style="width: 60%; text-align: right;"> ASSINATURA E SELO BRANCO </div> </div>			