

# GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1625\*

22 January 1990

## TARIFFS AND TRADE

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Bilateral Agreement between Austria and Turkey

#### Note by the Chairman

Attached is a notification received from Austria of a bilateral agreement concluded with Turkey for the period 1 January 1990 to 31 December 1991; if mutually agreed, the agreement may be extended for a further twelve-month period.

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\* English only/Anglais seulement/Inglés solamente

7/150-4

**PERMANENT DELEGATION  
OF AUSTRIA TO THE GATT**

9-11 rue de Varembe  
1211 GENEVA 20

No 14-G/90

REC - 2 JAN 1990

1002

Geneva, 4 January 1990

Dear Mr. Raffaelli,

With reference to Article 4 of the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT), as extended, I have the honour to transmit herewith the copy of a bilateral agreement between Austria and Turkey concluded on 3 October 1989 which entered into force on 1 January 1990.

In the recent past the economic conditions of the Austrian clothing industry have continued to deteriorate. Production in 1988 decreased by 2,6 %. The production figures for the first half of 1989 indicate already that 1989 as a whole will again show a negative development.

The number of factories in 1988 declined by 4 %, compared with the previous period. From 1980 to 1988 about 20 % of the clothing factories had to shut down and 25 per cent of the jobs were lost.

At the same time the clothing industry is confronted with a steadily rising import penetration 1980: 56 %, 1988: 74 %. As a consequence profits were substantially curtailed.

Mr. Marcelo RAFFAELI  
Chairman

Textiles Surveillance Body  
G A T T  
GENEVA

The situation in the Austrian garment industry is extremely severe in certain sectors, such as blouses and shirts. Factories producing such goods are situated mostly in depressed regions having virtually no other industries and where they are the main source of industrial employment. Such garments, as well as others are extremely sensitive to disruption of the normal operation of market forces. Experience has shown, that imports of low price textiles exert an enormous downward pull on prices, forcing domestic producers to operate at the break even point or even at a loss.

Imports of woven shirts of cotton from Turkey increased from 90.129 in 1986 to 166.900 in 1988. In the first half of 1989 there was a very sharp increase to 126.082 pieces.

The Austrian shirt production decreased from 1986: 4,359 mio pieces by 25 % to 1988: 3,254 mio pieces. The ratio of imports from Turkey to domestic production was 2,1 % in 1986 in comparison to 8,5 % in 1-6/89 (concerning shirts).

Imports of trousers of cotton (men', boys', women's, girl's) from Turkey increased from 117.000 in 1986 to 235.000 in 1988. In the first half of 1989 there was also a very sharp increase to 229.000.

The Austrian trousers production decreased from 1986: 5,120.000 pieces to 4,000.000 pieces in 1988. The ratio of imports from Turkey to domestic production was 2,3 % in 1986 in comparison to 11,7 % in 1-6/89 (concerning trousers).

Yours sincerely,

Encl.

Johannes Potocnik  
(Minister)

MEMORANDUM OF UNDERSTANDING RELATING TO TRADE  
IN CERTAIN TEXTILE PRODUCTS BETWEEN  
TURKEY AND AUSTRIA

1. This memorandum of Understanding has been made having regard to the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES done at Geneva on 20 December 1973, and in particular to Article 4 thereof and to the Protocol Extending the Arrangement, done at Geneva on 31 July 1986.
2. This Memorandum of Understanding sets out the arrangement that has been agreed between Turkey and Austria regarding the exports of certain textile products set out in ANNEX I from Turkey into Austria.
3. Upon presentation of export information documents (EID) as per specimen in ANNEX II issued by the competent authorities of Turkey within the agreed limits for exports from Turkey to Austria and endorsed to the effect that shipment has been debited against the agreed limits, as indicated in ANNEX I, the competent Austrian authority will issue the corresponding import licenses.
4. According to the agreed limits set out in ANNEX I, carry-over, carry-forward and swing can be used as follows: Carry-over to the corresponding quantitative limit for the second memorandum

year of amount not used during the previous memorandum year is authorized up to 11 % of the quantitative limit of the receiving memorandum year. Carry-forward is authorized up to 6 % of the quantitative limit of the receiving memorandum year. Carry-forward shall be deducted from the export limit established for the succeeding year. Swing between the categories of ANNEX I may be made up to an amount of 5 % of the agreed limit of the receiving category, provided that a corresponding reduction is applied to the agreed limit from which the swing is made. The calculation shall be based on the conversion factors set out in ANNEX I.

5. In order to avoid hardship to the trade in the products of categories 1 and 2 specified in paragraph 3 above shipments from Turkey to Austria made on/or before 31 December 1989 will be admitted by Austria upon presentation of the relevant documentation outside the agreed export limit without endorsed export information documents provided that customs clearance in Austria is effected on 31 January 1990 at the latest.

6. Turkey will provide Austria with statistics of the textile products set out in Annex I which should be accompanied with EID for exports to Austria and debited against the limits set out in ANNEX I on a quarterly basis.

7. Austria will provide Turkey with monthly statistics of import licenses issued on the basis of export information documents of Turkey.

8. Austria and Turkey agreed to consult at the request of either party, on any matter arising from the implementation of this

Memorandum. Any consultations held under this paragraph shall be approached by both parties in a spirit of cooperation and with the object of reconciling any differences between them.

9. Export information documents as set out in para. 3 above shall cease to be valid three months after the date of issue for the purpose of presentation to the competent Austrian authority.

10. This Memorandum shall apply for two calendar year periods commencing on 1st January 1990. However this Memorandum may be extended by mutual consent for a third year, commencing on 1 January 1992, subject to any modification which may be agreed upon before the above said period.

This Memorandum of Understanding is done on 3 October 1989 in Vienna.

For the Republic of Turkey

For the Republic of Austria

Mr Erdogan HÜRBAS  
Director General

Mr. Josef MAYER  
Director

## ANNEX 1

A Category Number	B Austrian HS Number	C Product Description	D Unit	E Restraint Level		F Conversion Factors
				1990	1991	
1	62 05 20	men's or boys' shirts of cotton	pcs	360.000	378.000	4 pcs/kg
2	62 03 42 62 04 62	men's or boys' women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton	pcs	475.000	498.750	1,76 pcs/kg

1. Exporter's name and address (in English) Exporteur: nom, adresse complète (en français)		2. Country of origin Pays d'origine	
3. Management (name, address, telephone) Gestionnaire: nom, adresse, téléphone		4. Country of origin Pays d'origine	
5. Consignee (name, address, telephone) Destinataire: nom, adresse, téléphone		6. Country of origin Pays d'origine	
7. To be sent to the importer C'est à l'importateur		8. Country of destination Pays de destination	
9. Place and date of shipment (date, month, year) Lieu et date d'expédition (mois, année)		10. Subsidy details Détails des subventions	
11. Marks and numbers - Number and kind of packages DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis DESIGNATION DES MARCHANDISES		12. H.S. Quantité	13. Value (2) 100 Turkish Lira Turque
<p>This document must be presented to the competent authorities in the country of origin within one month of its date of issue. Ce présent document doit être présenté aux autorités compétentes du pays d'origine, importeur, dans un délai d'un mois à compter de sa date de délivrance.</p>			
<p>14. CERTIFICATION BY THE TURKISH EXPORTING ASSOCIATION - VISA DE L'ASSOCIATION EXPORTATRICE TURQUE</p> <p>I, The undersigned, certify the authenticity of the above information. Je soussigné certifie l'authenticité des informations ci-dessus.</p> <p style="text-align: center;">A. A. I. S. T. A. B. U. L. Ç. İ. T. A. S. I. Y. E. T. İ. M. E. N. İ.</p> <p>15 - Cumhuriyet Association - Association Cumhuriyet</p> <p style="text-align: right;">Signature                      Stamp</p> <p>The General Secretariat of Istanbul Textile and Apparel Exporters Union Secrétariat Général Union des Exportateurs de Textile et de Confection-Istanbul</p> <p>Maya Sok. Maya Han 191 Gayrettepe / ISTANBUL</p>			