

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1627*

22 January 1990

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Sweden and Sri Lanka

Note by the Chairman

Attached is a notification received from Sweden of a bilateral agreement concluded with Sri Lanka for the period 1 August 1988 to 31 July 1993.¹

¹The previous bilateral agreement between the parties is contained in COM.TEX/SB/1073.

*English only/Anglais seulement/Inglés solamente

ANSWERED	DATE	RECEIVED
	14/1/1990	
REG - 9 JAN 1990		
For:		
Director General:		
JSB		
OPER. DEPT. A		
OPER. DEPT. B		

Geneva, January 9, 1990

1003

Ambassador M. Raffaelli
Chairman of the Textiles
Surveillance Body
GATT
Geneva

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 Sri Lanka and Sweden.

The new agreement with Sri Lanka has been entered into for the period August 1, 1988 to July 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 group 2, shirts 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.

Group 9, costumes etc., which was previously restrained in the Rest Group is now subject to a specific restraint level.

Growth rates have been improved for all categories under restraint and now vary from 1,5% 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. 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.

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.

Yours sincerely,

Arnold Willén
Ambassador
Acting Permanent Representative of Sweden

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

AND

THE GOVERNMENT OF SWEDEN

REGARDING THE EXPORTS OF CERTAIN TEXTILE PRODUCTS

FROM SRI LANKA TO SWEDEN

ARTICLE 1

The following Agreement has been reached having regard to the Arrangement Regarding International Trade in Textiles bearing in mind particularly the provisions of 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 Sri Lanka will limit exports from Sri Lanka 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 Sri Lanka 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 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 Sri Lanka origin, listed in Annex I, provided that such imports are covered by an Export Certificate, as per specimen in Annex IV. Such a document shall be issued by the Ministry of Textile Industries, 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 August 1, 1987 to July 31, 1988, the group limits specified in column (h) of Annex 1 to the Agreement of August 2, 1984 are not fully utilized, the Government of Sri Lanka may after consultations with the Government of Sweden, during the period August 1, 1988 to July 31, 1989 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 3 per cent of the limits specified in column (h) of Annex I to the Agreement of August 2, 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 Sri Lanka 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 3 per cent of the limits of these groups for the period during which the shortfalls occurred;

(c) During each twelve months period of this Agreement, the Government of Sri Lanka 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 3 per cent of these limits for the relevant period. Where specific group limits have been increased by carry forward the Government of Sri Lanka 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 Sri Lanka 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 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.

(e) During each twelve months 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.

ARTICLE 7

The Government of Sri Lanka will forward to the Government of Sweden, via the Embassy of Sweden in Colombo monthly statistics on a cumulative basis of the quantities of the items as listed in Annex I 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 Sri Lanka, via the Embassy of Sweden in Colombo, monthly statistics on a cumulative basis of licences issued for imports from Sri Lanka. The statistics shall reach the Government of Sri Lanka 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 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 Sri Lanka as soon as possible. Should any excess quantity be permitted to enter Sweden, the authorities of Sri Lanka 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 Sri Lanka 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 Sri Lanka undertakes to provide a procedure to achieve this.

ARTICLE 10

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

Where information available to the Government of Sweden constitutes clear evidence that products of Sri Lanka 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 Sri Lanka 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 Columbo on 22 June 1985

For the Government of
Sri Lanka

For the Government of
Sweden

(W.L.P. de Mel)
Secretary
Ministry of Trade & Shipping

(Sven Backlund)
Charge d' Affaires a.i.
Embassy of Sweden in Sri Lanka

ANNEX I

EXPORTS OF CERTAIN TEXTILES FROM SRI LANKA TO SWEDEN

(a) Group No	(b) Description	(c) Unit	(d) Level for period 88.08.01- 89.07.31	(e) Level for period 89.08.01- 90.07.31	(f) Level for period 90.08.01- 91.07.31	(g) Level for period 91.08.01- 92.07.31	(h) Level for period 92.08.01- 93.07.31	(i) Conver- sion factor (pcs/kg)
8	Trousers other than shorts (including work trousers e g trousers with bib and braces)	pcs	196 302	200 719	205 737	211 395	217 736	2.0
9	Costumes, dresses and skirts	pcs	91 800	93 866	96 212	98 858	101 824	3.1
10	Blouses	pcs	480 293	488 698	498 472	509 688	522 430	5.0

- 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.

. EXPORTS OF CERTAIN TEXTILES FROM SRI LANKA TO SWEDEN

Group No	Ex Swedish Statistical Classification No (HS)
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-
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-

**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 and 30 degrees C,
 - b)** fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

ORIGINAL		COPY		2 No	
1 Exporter (name, full address, country)		EXPORT CERTIFICATE (TEXTILE PRODUCTS)			
3 Consignee (name, full address, country)					
		4 Quota period		5 Group number	
6 Place and date of shipment - Means of transport		7 Country of origin		8 Country of destination	
		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					
<p>I, the undersigned, certify that the goods described above are originating in in accordance with provisions in force in Sweden and these goods have been charged against the quantitative limit established for the quota year shown in box no 4 in respect of the group shown in box no 5 by the provisions regulating trade in textile products with Sweden.</p>					
14 Competent authority (name, full address, country)		At on			
		(Stamp)			