

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/343

8 November 1978

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Agreement between Sweden and the Philippines

Note by the Chairman

The attached notification received from the Swedish Mission concerns a new agreement covering certain textile products concluded between Sweden and the Philippines. Also attached is the short reasoned statement.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et les Philippines

Note du Président

La Mission de la Suède a fait parvenir au secrétariat la notification ci-jointe relative à un nouvel accord portant sur certains produits textiles conclu entre la Suède et les Philippines. Un bref exposé des motifs de cet accord est également joint à la présente note.

SWEDISH DELEGATION

ANSWERED	DOC. ISSUED	FOLIO
	115-513	243
6 NOV 1978		
For:	Action	Comment
TRADE POLICY DT.		
Gen. Div.		
Agri. Div.		
Special Proj.		
TRADE DEVELOP. DT.		
Sp. Asst. Tr. Negs		
Dev. Div.		
Intel. Div.		
CHAIR, T.S.S.	X	
OFFICE OF D-G.		
Consultant (ADG)		
Conf. Div.		
Dir. Ext. Relations		
Gen. Sec. Gen.		
Training Prog.		

Geneva, 31 October 1978

191

Ambassador P Wurth
Chairman
Textiles Surveillance Body, GATT
Centre William Rappard
154, rue de Lausanne
1211 GENEVE 21

Dear Mr Ambassador,

I am notifying to the Textiles Surveillance Body a new agreement concerning trade in textiles between the Philippines and Sweden.

This agreement has been reached for the purpose of eliminating real risks of market disruption in Sweden, while ensuring an orderly development of textile exports from the Philippines to Sweden and is being notified, in its relevant parts, with reference to article 4 of the Arrangement Regarding International Trade in Textiles, as well as the Protocol of Extension and the understandings set forth therein (L/4616), acceded to by Sweden through letter of 28 April 1978.

mark in Registry
The new bilateral agreement represents a more comprehensive coverage than the previous one. This approach has been made necessary by the deteriorating situation in whole segments of the Swedish textile industry and by the real risks of market disruption which, according to past experience, an agreement covering only certain sensitive products would present to a country like Sweden.

The present system of comprehensive agreements, i a with the Philippines, is based on a categorization into fourteen groups of the most sensitive textile products within CCC (BTN) chapters 60-62. These groups are:

- I Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic textile fibres
- II Shirts
- III Nightwear

- IV Knitted underwear, other than shirts, nightwear and tights (including underwear T-shirts)
 - V Knitted sweaters, pullovers, slipovers, jumpers and cardigans etc (including outerwear T-shirts)
 - VI Overcoats and jackets
 - VII Suits, lounge coats and blazers
 - VIII Trousers, other than shorts
 - IX Costumes, dresses and skirts
 - X Blouses
 - XI Clothing, other than listed above, covered by CCC headings 60.03 - 60.05 and 61.01 - 61.04 as well as Commodity List 18 in Sweden
- (Note: Commodity List 18 refers to textile products under the import licence surveillance system in Sweden. It is annexed to this letter)
- XII Travelling rugs and blankets
 - XIII Bed linen
 - XIV Towels and similar articles

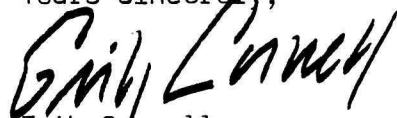
In this agreement with the Philippines, separate restraint levels have been established for groups II, IV - VI, VIII and X, whereas groups I, III, VII, IX and XI - XIV have been merged into a common rest group, which should make a fair amount of flexibility possible. It can also be noted that most of the specific groups have a wide product coverage, which should work in the same direction. The absence of swing between the restraint groups is a reflection of a mutual recognition of the minimum viable production principle. No textiles under CCC chapters 50 - 59 are subject to restraint in the present agreement.

As the new bilateral agreement has a structure which differs considerably from the old one, a valid comparison between them is very difficult.

The difficult situation of the Swedish textile industry has become further aggravated during the last years. Imports of garments have increased substantially, while consumption has been stagnant. This has led to a further decrease of domestic production. As in previous years, a number of factories have had to close down in 1977. It should be recalled that Sweden is the country which has the highest import penetration in the world when it comes to textiles and the highest per capita import of clothing from developing countries.

For Sweden, which is a small market, with an exceptionally high level of imports and a low domestic production, the maintenance of a minimum viable production of textiles is of vital importance.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Erik Cornell". The signature is fluid and cursive, with the first name "Erik" and last name "Cornell" clearly distinguishable.

Erik Cornell
Permanent Representative a i

Annexes As stated

KH

AGREEMENT BETWEEN THE GOVERNMENT OF SWEDEN AND
THE GOVERNMENT OF THE PHILIPPINES REGARDING
EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM THE
PHILIPPINES TO SWEDEN

AGREEMENT BETWEEN THE GOVERNMENT OF SWEDEN AND THE GOVERNMENT OF THE
PHILIPPINES REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM THE
PHILIPPINES TO SWEDEN

ARTICLE 1

The following Agreement has been reached on the basis of the Arrangement Regarding International Trade in Textiles, particularly Article 1:2 and Article 4 thereof, and the provisions of GATT document COM.TEX/W/47.

ARTICLE 2

This Agreement shall apply for the period specified in Annex I.

ARTICLE 3

The Government of the Philippines will limit exports from the Philippines to Sweden of the textile products listed in Annex I to the levels set out in that Annex. The date of actual shipment from the Philippines as evidenced by the bill of lading shall be considered to be the date of exportation.

ARTICLE 4

The Government of Sweden will admit imports of the textile products of Philippine origin, listed in Annex I, only when such imports are covered by Special Export Licenses as per specimen in Annex II. Such a document shall be issued by the Garments and Textile Export Board, be consecutively numbered and bear an endorsement that the consignments concerned have been approved and debited to the agreed limit for exports to Sweden for the relevant period.

ARTICLE 5

If the information available to the Swedish authorities shows that the limit for the category of products specified in a Special Export License has already

6

154

been reached or the unused portion of that limit is insufficient to cover the goods specified in the said license, the said authorities may refuse to admit any quantity in excess of the limit. In this event the Swedish Government shall promptly inform the Government of the Philippines. Both parties agree to consult each other within a reasonable period of time thereafter, with a view to obtaining a satisfactory solution within thirty (30) days.

ARTICLE 6

Both parties regard it as essential that exports from the Philippines to Sweden of the textile products listed in Annex I are spaced as evenly as possible during the period of agreement and that, in the allocation of quotas, due consideration is given to traditional patterns of trade. Accordingly, the Government of the Philippines undertakes to achieve this.

ARTICLE 7

The Government of the Philippines will forward to the Government of Sweden monthly statistics on a cumulative basis of the quantities/value of textile products under restraint listed in Annex I, for which duly endorsed Special Export Licenses for exports to Sweden have been issued for the relevant period of agreement. The statistics shall reach the Embassy of Sweden in Manila within a period of two months from the month under reference.

The Government of Sweden will forward to the Government of the Philippines monthly statistics on a cumulative basis of imports from the Philippines of textile products under restraint as listed in Annex I. The statistics shall be forwarded to the Government of the Philippines, via the Embassy of Sweden in Manila, as soon as possible.

ARTICLE 8

The Government of Sweden and the Government of the Philippines agree to consult each other, at the request of either party, if any problem should arise from the implementation of this Agreement.

The Government of Sweden and the Government of the Philippines agree furthermore to enter into consultations before October 31, 1979, on the conditions of a new Agreement. Should the Parties be unable in the course of such consultations to reach a satisfactory solution within a reasonable period of time, Sweden shall have the right to introduce limits not lower than those specified in Annex I to this Agreement.

2

12/1

ARTICLE 9

The two Annexes to this Agreement shall be considered as integral parts of it.

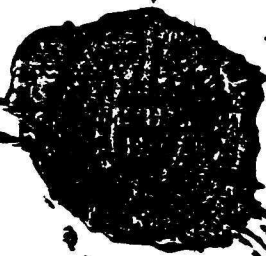
ARTICLE 10

This Agreement has been drawn up in two copies in the English language, each of those being equally authentic.

Done in Manila on July 20, 1978

For the Government of Sweden

Anders Olsson



For the Government of the Philippines

Vicente S. Serrano, Jr.



(a)	(b)	(c)	(d)	(e)
Group	Swedish Tariff			Level for period
No	Classification No	Description	Unit	1.8.78 to 31.10.79
II	60.04.10- 61.03.10-	Shirts, knitted or woven, men's, boys' and infants' wear	Pieces	512.500
IV	60.04.70-, 80-, 90-	Knitted underwear, <u>other</u> <u>than</u> shirts, nightwear and tights (including underwear T-shirts)	Pieces	275.000 (whereof T-shirts not to exceed 100.000 pcs, other items not to exceed 175.000 pcs)
V	60.05.30-	Knitted sweaters, pullovers, slipovers, jumpers and card- igans etc (including outerwear T-shirts)		
VI	ex 60.05.803-4, 809 812, 892, 895-896 61.01. ex 003, ex 008 10-, 45- 61.02. ex 008 11-, 15-, ex 99-	Overcoats and jackets, knitted or woven	Pieces	81.250
VIII	60.05.802, ex 803-4, 806, ex 809, ex 895 61.01. ex 003, ex 008 50- 61.02. ex 008 60-, ex 99-	Trousers, knitted or woven, <u>other than</u> shorts	Pieces	93.750
X	60.05. ex 803-4, ex 809 822, 825, 826 61.02. ex 008 50-, ex 99-	Blouses, knitted or woven, women's, girls' and infants' wear	Pieces	625.000

124

Restergroup

I, III, VII
IX, XI-XIV

60.03.003-109
902-909

Knitted stockings, understock- F O B
ings, ankle socks, sockettes value
and the like, other than
ladies' stockings of con-
tinuous synthetic fibres

500.000 US \$

60.04.21-, 25-, 60-

Knitted nightwear and tights

60.05.102-205
602-609

ex 803-804
ex 809, ex 812
ex 892, ex 895-896

Knitted outerwear, other than
sweaters, pullovers, slipovers,
jumpers, cardigans etc (group V),
overcoats and jackets (group VI),
trousers other tlm shorts (group
VIII) and blouses (group X)

61.01. ex 003, ex 008
30-, 41-, 70-, 90-

Men's and boys' woven outer gar-
ments other than overcoats and
jackets (group VI) and trousers
other than shorts (group VIII)

61.02 ex 008
20-, 30-, 40-, 80-
90-, ex 99-

Women's, girls' and infants'
woven outer garments other
than overcoats and jackets
(group VI), trousers other
than shorts (group VIII) and
blouses (group X)

61.03.202-209
61.04 ex 102-109

Men's and boys', women's and
girls' nightwear, not knitted or
crocheted

62.01. all

Travelling rugs and blankets

62.02.110, 190
ex 792-793

Bed linen

62.02.31-, 39-
ex 792-793

Towels and similar articles

124

Note: This license shall be valid only upon certification by the appropriate Officer of the Garments and Textile Export Board. It must be accomplished in four (4) copies

AGREEMENT BETWEEN THE GOVERNMENT OF THE PHILIPPINES
AND
THE GOVERNMENT OF SWEDEN
REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM
THE PHILIPPINES TO SWEDEN

ARTICLE 1

The following Agreement has been reached on the basis of the Arrangement Regarding International Trade in Textiles, particularly Article 1:2 and Article 4 thereof, and the provisions of GATT document CCM.TEX/W/47.

ARTICLE 2

This Agreement shall apply for the period specified in Annex I.

ARTICLE 3

The Government of the Philippines will limit exports from the Philippines to Sweden of the Textile products listed in Annex I to the levels set out in that Annex. The date of actual shipment from the Philippines as evidenced by the bill of lading shall be considered to be the date of exportation.

ARTICLE 4

The Government of Sweden will admit imports of the textile products of Philippine origin, listed in Annex I, only when such imports are covered by Special Export Licenses as per specimen in Annex II. Such a document shall be issued by the Garments and Textile Export Board, be consecutively numbered and bear an endorsement that the consignments concerned have been approved and debited to the agreed limit for exports to Sweden for the relevant period.

ARTICLE 5

If the information available to the Swedish authorities shows that the limit for the category of products specified in a Special Export License has already been reached or the unused portion of that limit is insufficient to cover the goods specified in said license, the said authorities may refuse to admit any quantity in excess of the limit. In this event the Swedish Government shall promptly inform the Government of the Philippines. Both parties agree to consult each other within a reasonable period of time thereafter, with a view to obtaining a satisfactory solution within thirty (30) days.

ARTICLE 6

Both parties regard it as essential that exports from the Philippines to Sweden of the textile products listed in Annex I are spaced as evenly as possible during the period of agreement and that, in the allocation of quotas, due consideration is given to traditional patterns of trade. Accordingly, the Government of the Philippines undertakes to achieve this.

ARTICLE 7

The Government of the Philippines will forward to the Government of Sweden monthly statistics on a cumulative basis of the quantities/value of textile products under restraint listed in Annex I, for which duly endorsed Special Export Licenses for exports to Sweden have been issued for the relevant period of agreement. The statistics shall reach the Embassy of Sweden in Manila within a period of two months from the month under reference.

The Government of Sweden will forward to the Government of the Philippines monthly statistics on a cumulative basis of imports from the Philippines of textile products under restraint as listed in Annex I. The statistics shall be forwarded to the Government of the Philippines, via the Embassy of Sweden in Manila, as soon as possible.

ARTICLE 8

The Government of the Philippines and the Government of Sweden agree to consult each other, at the request of either party, if any problem should arise from the implementation of this Agreement.

The Government of the Philippines and the Government of Sweden agree furthermore to enter into consultations before October 31, 1979, on the conditions of a new Agreement. Should the Parties be unable in the course of such consultations to reach a satisfactory solution within a reasonable period of time, Sweden shall have the right to introduce limits not lower than those specified in Annex I to this Agreement.

ARTICLE 9

The two Annexes to this Agreement shall be considered as integral parts of it.

ARTICLE 10

This Agreement has been drawn up in two copies in the English language, each of those being equally authentic.

Done in Manila on 20 July, 1978.

FOR THE GOVERNMENT OF
THE PHILIPPINES

FOR THE GOVERNMENT
OF SWEDEN

(a) Group No.	(b) Swedish Tariff Classification No.	(c) Description	(d) Unit	(e) Level for period 1.8.78 to 31.10 79
II	60.04.10- 61.03.10-	Shirts, knitted or woven, men's, boys' and infants' wear	Pieces	312.500
IV	60.04.70, 80-, 90-	Knitted underwear, <u>other than</u> shirts, nightwear and tights (including underwear T-shirts)	Pieces	275.00 (whereof T-shirts not to exceed 100.000 pcs., other items not to exceed 175.00 pcs.)
V	60.05.30-	Knitted sweaters, pullovers, slipovers, jumpers and card- igans etc (including outerwear T-shirts)		
VI	ex 60.05.803-4, 809 812, 892, 895-896 61.01. ex 003, ex 008 10-, 45- 61.02. ex 008 11-, 15-, ex 99-	Overcoats and jackets, knitted or woven	Pieces	81.250
VIII	60.05.802, ex 303-4 806, ex 809, ex 895 61.01, ex 003, ex 008 50- 61.02. ex 008 60-, ex 99-	Trousers, knitted or woven, <u>other than</u> shorts	Pieces	93.750
X	60.05. ex 803-4, ex 809 822, 825, 826 61.02. ex 008 50-, ex 99-	Blouses, knitted or woven, women's, girls' and infants' wear	Pieces	625.000

ANNEX I

(a)	(b)	(c)	(d)	(e)
Group No.	Swedish Tariff Classification No.	Description	Unit	Level for period 1.8.78 to 31.10.79
<u>Restgroup</u>	60.03.003-109	Knitted stockings, understockings, socks, ankle socks, sockettes and the like, <u>other than</u> ladies' stockings of continuous synthetic fibres	FOB Value	500,000 US\$
I, III, VII IX, XI-XIV	60.04.21-, 25-, 60-	Knitted nightwear and tights		
	60.05.102-205 602-609 ex 803-804 ex 809, ex 812 ex 892, ex 895-896	Knitted outerwear, <u>other than</u> sweaters, pullovers, slipovers, jumpers, cardigans etc (group V), overcoats and jackets (group VI), trousers other than shorts (group VIII) and blouses (group X)		
	61.01. ex 003, ex 008 30-, 41-, 70-, 90-	Men's and boys' woven outer garments <u>other than</u> overcoats and jackets (group VI) and trousers other than shorts (group VIII)		
	61.02. ex 008 20-, 30-, 40-, 80- 90-, ex 99-	Women's, girls' and infants' woven outer garments other than overcoats and jackets (group VI), trousers other than shorts (group VIII) and blouses (group X)		
	61.03.202-209 61.04. ex 102-109	Men's and boys', women's and girls' nightwear, not knitted or crocheted		
	62.01.all	Travelling rugs and blankets		
	62.02.110, 190 ex 792-793	Bed linen		
	62.02.31-, 39- ex 792-793	Towels and similar articles		

II
(This is not
an annex
to the agreement)

Clothing and other made up textile articles (ex CCC
chapters 60-62) included in Commodity list No 18

<u>Description</u>	<u>Swedish Statistical Classification No. (CC</u>
Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic textile fibres	60.03.003-109 902-909
Undergarments, knitted or crocheted	60.04. all
Outer garments, knitted or crocheted	60.05.102-802, ex 803-804, 806, ex 809, 812-826, ex 892, ex 895,896
Outer garments, not knitted or crocheted	61.01. all 61.02. all
Shirts and night-garments, men's and boys' wear	61.03.102-209
Night-garments, women's and girls' wear	61.04.ex 102-109
Travelling rugs and blankets	62.01. all
Bed linen, towels and similar articles	62.02.110, 190, 311-399, ex 792-793

Republic of the Philippines
GARMENTS AND TEXTILE EXPORT BOARD

SPECIAL EXPORT LICENSE

1. Name and Address of Importers:

2. Name and Address of Exporter:

3. Name of Carrier:

4. Date of Shipment:

5. Destination:

[illegible]

I declare that the merchandise described in this license is shipped, sold or agreed to be sold, and that all the information contained herein is true and correct.

Print and Sign Name of Seller

Date Signed

This is to certify that the merchandise described in this license has been authorized for export to Sweden and that the quantity/value has been debited against the applicable level(s) of restraint set out in Annex I of the Agreement between the Philippines and Sweden for the period: August 1, 1978 - October 31, 1979

Certified by:

Printed Name and Designation

Date Certified

Note: This license shall be valid only upon certification by the appropriate Officer of the Garments and Textile Export Board. It must be accomplished in four (4) copies.