

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/807\*

24 January 1983

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

### Agreement between Sweden and Sri Lanka

### Note by the Chairman

Attached is a notification received from Sweden concerning a new bilateral agreement concluded under Article 4 of the MFA with Sri Lanka.<sup>1</sup> The agreement is valid from 1 August 1982 to 31 July 1984.

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<sup>1</sup> The previous agreement with Sri Lanka is contained in COM.TEX/SB/631.

\* English only/Anglais seulement

**Telex**  
**22 112**

- V Sweaters, pullovers, slipovers, jumpers and cardigans etc, knitted or crocheted
- VI Overcoats and jackets
- VII Suits, lounge coats and blazers
- VIII Trousers other than shorts
- IX Costumes, dresses and skirts
- X Blouses
- XI Clothing included in Commodity List No. 28, other than elsewhere specified

(Note: Commodity List 28 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 Sri Lanka separate restraint levels have been established for the above groups II, VIII and X, whereas the remaining items 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. With regard to the absence of other flexibility, reference is made to paragraph 11 of document L/5276. No textiles under CCCN chapters 50-59 are subject to restraint in the present agreement.

The agreement hereby notified to the Textiles Surveillance Body has the same product coverage as the previous agreement with Sri Lanka (cf.doc. COM,TEX/SB/631). The restraint groups are also the same as in the old agreement, with the exception that a sub-limit within the rest group has been introduced for group VI providing that not more than 40 per cent of the total may be used for this group.

The annual restraint levels of the specific groups in the previous agreement and the corresponding restraint levels in the new agreement are shown in the following table:

	<u>Previous Agreement</u>		<u>New Agreement</u>	
			<u>Year 1</u>	<u>Year 2</u>
II (pcs)	450,000	0.4	452,000 <sup>0.4</sup>	453,808
VIII (pcs)	187,000	0.4	187,900 <sup>0.4</sup>	188,652
X (pcs)	460,000	0.4	462,000 <sup>0.4</sup>	463,848
rest group (kgs)	61,000	0.8	61,500 <sup>0.4</sup>	61,746

The difficult situation of the Swedish textile industry has become further aggravated. A continued decrease of domestic production has taken place. Further factories have had to close down. 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,

Hans V. Ewerlöf  
Ambassador  
Permanent Representative

Annexes      As stated

SWEDISH BOARD OF COMMERCE

1979-09-12

*(This is not  
a part of  
the agreement)*

Garments and made up textile articles included in Commodity list No 28

SWEDISH CCC No

Description

60.03.003-109, 902-909

Stockings, under stockings, socks, ankle-socks, sockettes and the like other than ladies' stockings of continuous synthetic fibres, knitted or crocheted, not elastic nor rubberised

60.04.all

Under garments, knitted or crocheted, not elastic nor rubberised

60.05.all

Outer garments and other articles, knitted or crocheted, not elastic nor rubberised

61.01.all

Men's and boys' outer garments

61.02.all

Women's, girls' and infants' outer garments

61.03.all

Men's and boys' under garments

61.04.all

Women's, girls' and infants' under garments

61.09.102-209

Corsets, corset-belts, suspenders, garters and brassières (including such articles of knitted or crocheted fabric)

62.01.all

Travelling rugs and blankets

62.02.all

Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles

62.04.210-290

Sails

AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF SRI LANKA AND THE GOVERNMENT  
OF SWEDEN REGARDING EXPORTS OF CERTAIN TEXTILE PRODUCTS  
FROM SRI LANKA TO SWEDEN

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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 1:2, article 4 and article 6:4 thereof and the provisions of GATT document L 5276.

ARTICLE 2

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

ARTICLE 3

The Government of Sri Lanka will limit exports to Sweden of the textile products listed in Annex I to this Agreement to the levels set out in that Annex. The date of issue of 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 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) Notwithstanding the provisions of this Article this Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in Annex II of this Agreement.

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 III. 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 levels for exports to Sweden for the relevant period.

ARTICLE 6

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 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 Sri Lanka authorities shall, upon information by the Swedish authorities, deduct the overshipped quantity from the relevant level which is or may be agreed upon for the following restraint period.

ARTICLE 7

Both parties regard it as essential that exports to Sweden of goods listed in Annex I 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 Sri Lanka undertakes to provide a procedure to achieve this.

ARTICLE 8

Where the Swedish authorities ascertain that the level of imports in a group subject to quantitative limits set out in Annex I exceeds the level of imports in the preceding year by 10% of the level of the quantitative limit set out in Annex I for the current agreement year, they may request, with a view to avoiding palpable damage to domestic industry, the opening of consultations with a view to reaching agreement on:

- a modification of the quantitative limit set out in Annex I by the establishment of an ad hoc limit



below the existing quantitative limit  
- as well as the corresponding equitable and  
quantifiable compensation, mutually acceptable  
to both parties.

The Swedish authorities shall authorize the  
importation of products of the said group shipped from  
Sri Lanka before the date on which the request for  
consultations was submitted.

Pending a mutually satisfactory solution,  
Sri Lanka undertakes for a period of 1 month from the date  
of notification of the request for consultations, to  
restrain exports to Sweden of the products in the group  
concerned to one twelfth of the level of exports reached  
during the preceding period of restraint, calculated on  
a twelve months' basis.

A quantitative limit modified as a result of  
the application of the above should be regained in the  
last agreement period of any bilateral agreement signed  
during the validity of MFA III, by means of an appropriate  
growth rate.

The provisions of the first paragraph of this  
article shall not apply to a given group unless the  
quantitative limit established in Annex I for the group  
represents at least 0.5% of total Swedish imports  
during 1980.

The provisions of the first paragraph of this  
article shall not apply to a given group unless the  
level of imports originating in Sri Lanka during the  
current agreement period represents at least 50% of the  
quantitative limit set out in Annex I for the group.

Any limit modified in accordance with the provisions above may in no case be lower than the level of imports of products in that group originating in Sri Lanka in 1980.

With a view to limiting recourse to this article, Sri Lanka undertakes to inform Sweden of any sharp and substantial increases in the issue of export licences for any group which is likely to lead to the fulfilment of the conditions required for the application of the present article.

If by the time of negotiation of a new agreement between Sri Lanka and Sweden, Sri Lanka will, with any other country or group of countries, have agreed to provisions relating to paragraph 10 of the protocol of Extension to MFA.III, which in the view of Sweden are more favourable than this Article, Sri Lanka will accord to Sweden provisions which in the new agreement place Sweden in an equitable position to any third country or group of countries in this respect.

ARTICLE 9

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 groups II, VIII and X and of the weight of the rest group, listed in Annex I, for which duly endorsed export certificates for exports to Sweden have been issued. The statistics shall reach the Government of Sweden within a period of two months from the month of reference.

The Swedish Government will forward to the Government of Sri Lanka monthly statistics on a cumulative basis of licences issued for imports from Sri Lanka of the above mentioned groups listed in Annex I. The statistics shall reach the Government of Sri Lanka, via the Embassy of Sweden in Colombo, within a period of two months from the month of reference.

ARTICLE 10

The Government of Sweden and the Government of Sri Lanka 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 Sri Lanka agree furthermore to enter into consultations, before the end of the period of agreement on the conditions of a new Agreement.

If consultations do not result, within a reasonable period of time, in a mutually satisfactory solution and this would result in serious damage to its domestic producers of like or directly competitive products, the Government of Sweden may apply limitations to the extent and for such a time as may be found necessary.

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 by such devices as transshipment, re-routing, fraud etc.

ARTICLE 12

Either Government may terminate this Agreement before the end of the period of validity, provided that at least sixty 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 of this Agreement shall be considered as integral parts of the Agreement.

ARTICLE 14

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

Done in *Colombo* on *27th July* 1982.

*Roy T. Salme*  
For the Government  
of Sweden

*[Signature]*  
For the Government  
of Sri Lanka

*[Handwritten mark]*

*[Handwritten mark]*

EXPORTS OF CERTAIN TEXTILES FROM SRI LANKA TO SWEDEN

Group No (a)	Ex Swedish Tariff Classification No (b)	Description (c)	Unit (d)	Level for period 1.8.82 - 31.7.83 (e)	Level for period 1.8.83 - 31.7.84 (f)
II	60.04.10- 61.03.10-	Shirts	Pieces	452,000	453,808
VIII	60.05.80-, 83-, 84-, 61.01.005, 003, 50- 61.02.005, 60- 99-	Trousers, other than shorts, (incl. work trousers e.g. trousers with bib and braces and trousers made of impregnated fabrics)	Pieces	187,900	188,652
X	60.05.80-, 82-, 84-, 61.02.006, 50- 99-	Blouses	Pieces	462,000	463,848



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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ANNEX III

ORIGINAL

Importer's 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

I, the undersigned, certify that the goods described above are originating in \_\_\_\_\_ in accordance with the 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.

14 Competent authority (name, full address, country)

At ..... on

(Signature)

(Stamp)