

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

*PT file*  
CONFIDENTIAL

TEX.SB/814\*

2 February 1983

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Romania

Note by the Chairman

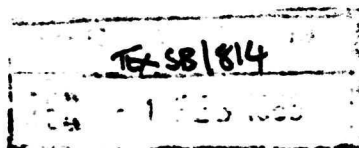
Attached is a notification received from Finland, concerning a new bilateral agreement concluded under Article 4<sup>1</sup> of the MFA with Romania, valid from 1 January 1983 to 31 December 1986.—

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<sup>1/</sup> The previous bilateral agreement is contained in COM.TEX/SB/706.

\* English only/Anglais seulement.

No. 2077



Geneva, 31 January 1983

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Dear Mr. Chairman,

I have the honour to notify hereby to the Textiles Surveillance Body the Article 4-agreements concluded by Finland with India, Korea, Thailand, Romania and Malaysia. The agreement with Malaysia is a consultation agreement, the others contain effective restraints. All these agreements supercede previous Article 4-agreements.

All the agreements containing specific restraints provide for usual growth and flexibility in Finnish agreements, i.e. normally lower than 6 % growth based on the relevant MVP-provisions in the MFA and its Protocol of Extension and flexibility at least to the extent provided for in Annex B. The product coverage of the agreements has remained mainly unchanged, in some cases product categories have been combined, thus allowing for additional flexibility.

The reasons underlying the renewal of these bilateral agreements have already been discussed in some detail in the context of previous Finnish notifications in 1982, and the basic facts remain unchanged. The production and employment outlook of the Finnish clothing industry remains gloomy, import penetration ratios in the categories under restraint are very high and imports have tended to increase further. Enclosed you will find some recent trade figures of the kind, in which the TSB has shown interest in certain recent cases. I hope to be able to supply some further data in the next few weeks on those product categories, notably CCCN 60.05, where the figures are still missing.

H.E.


Mr. Marcelo Raffaelli

Chairman

Textiles Surveillance Body

I will be pleased to provide further details to the Secretariat, should you consider it necessary.

Please accept, Sir, the assurances of my highest consideration.

  
Matti Pullinen  
First Secretary

## MEMORANDUM OF UNDERSTANDING

During the consultations held in Bucharest on 5 - 7th October, 1982 between a delegation from Finland and a delegation from Romania, having regard to the Arrangement Regarding International Trade in Textiles, in particular Articles 1 and 4 and to the Protocol of 22nd December, 1981, extending the said Arrangement, and having regard to Romania's status of a developing country agreement was reached as follows:

1. The following arrangements shall apply for the period from 1st January 1983 to 31st December 1986.
2. The Socialist Republic of Romania will authorize exports into Finland of textile products included in Annex I, originating in and consigned from Romania up to the levels mentioned in that Annex.
3. Finland will for the purpose of the present arrangement admit imports of the textile products of Romanian origin set out in Annex 1 to the agreed limits provided that such imports into Finland are covered by an export licence and a certificate of origin, as per specimens at Annex II and III, issued by the Romanian authorities listed at Annex IV.. The export licence shall bear an endorsement by competent officials to the effect that the consignment concerned has been debited to the agreed levels for exports to Finland for the relevant period. The date of shipment indicated on the shipping documents shall be considered to be the date of exportation.

The Government of Finland will inform the Romanian authorities when imports into Finland of the textile products that have been debited to the agreed limits are subsequently re-exported from Finland.

Σ. Vm Romania may then credit the quantities involved to the appropriate limits.

4. If the information available to the Finnish authorities shows that the quantitative limits for the products specified in Annex I have already been reached or that the unused balances of those limits are insufficient to cover the goods specified in the export licence, the Finnish authorities may, subject to the provisions of Articles 5 and 6 not admit, after prior notification to the Romanian authorities, import of such products for any quantity in excess of the quantitative limits set out in Annex I. In such a case the Finnish authorities shall immediately inform the Romanian authorities of their decision.

5. Exports may exceed the limits in Annex I by 5 per cent, provided that a corresponding reduction is applied to the other limits.

For the purpose of calculating such a reduction the conversion factors listed in Annex I shall apply.

6. Carry-over and carry forward taken together shall not exceed 11 per cent, of which carry forward shall not represent more than 6 (six) per cent.

7. Romania shall endeavour to ensure that exports of the textile products subject to quantitative limits are spaced out as evenly as possible over the year, due account being taken, in particular of seasonal factors.

✓ 8. For the textile products not covered by Annex I to this Arrangement, the following specific consultation procedures shall apply:

- a) The Finnish authorities may request consultations with the Romanian authority with a view to reaching a mutually acceptable solution when conditions on the Finnish market are such ~~that~~ a limitation on further trade in certain of these textiles or textile products may be necessary to eliminate real risks of market disruption.

Σ. Vm

The request for such consultations shall be accompanied, within a reasonable period of time by a statement of the market conditions which make necessary the request for consultations. The statement shall include data in respect of the existence of real risks of market disruption (as defined in Annex A to the Arrangement Regarding International Trade in Textiles).

- b) Until such time as a mutually accepted solution has been reached, the Romanian authority undertakes, if so requested by the Finnish authorities, to limit shipments from the date on which Finland requests consultations, in order to ensure that exports of the products in question to Finland do not exceed, based on an annual rate, the level of 102% of the exports recorded in the twelvemonth period ending two months before the month in which the request for consultation was made.

The amount of products exported from Romania after the receipt of the request for consultations shall be deducted from any restraint level to be agreed in the consultations.

- c) The Parties shall enter into consultations within one month at the latest of the notification of the request with a view to reaching agreement within one further month at the latest.
- d) Should the Parties be unable to reach a satisfactory solution Finland shall have the right to introduce a quantitative limit at an annual level not lower than 102% of that reached by imports of the product in question in the twelve-month period terminating two months preceding the month in which the request for consultations was made. The annual growth rate of this limit shall be 3 (three) per cent.

E. Vm

e) If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been subject of consultations under this Agreement, either Government may, after notification to the other Government, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Arrangement Regarding International Trade in Textiles.

9. Finland and Romania agree to consult together, at the request of either party on any matter arising from the implementation of these arrangements. They furthermore agree to enter into consultations on possible extension or modification of the present arrangements.
10. If Romania considers that, as a result of the restraint imposed by these arrangements, Romania is being placed in an inequitable position vis-avis a third country, Romania may request the Government of Finland to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.
11. Romania will forward to Finland quarterly statistics on a cumulative basis on the textile products for which export licences for export to Finland have been issued. Finland will forward to Romania quarterly statistics on a cumulative basis on imports of the said textile products.
12. The Annexes to this Memorandum of Understanding shall form an integral part thereof.

E. Km

Done in Bucharest, on 31 December 1982 in two originals  
in the English and Romanian language, both texts being  
authentic. In case of any difference on interpretation,  
the English text is the text of reference.

For the Government of the  
Republic of Finland

*Erik Hagfors*

For the Government of the  
Socialist Republic  
of Romania

*O. Ciampi*



## ANNEX I

<u>Finnish Tariff</u>		<u>Unit of</u>					<u>Conversion factor:</u>
<u>Classification</u>	<u>Description</u>	<u>quantity</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>(pairs,pieces/kg)</u>
60.03	Stockings,under stockings,socks,anklesocks,sockettes and the like,knitted or crocheted	Pairs	630.360	642.967	655.826	668.942	24,3
60.04	Under garments, knitted or crocheted	Pieces	126.072	128.593	131.165	133.788	17
60.05	Outer garments, knitted or crocheted	Pieces	155.000	158.100	161.262	164.487	5,55
61.03.102-109	Men's and boys' shirts of cotton and man-made fibres	Pieces	52.453	53.423	54.411	55.418	4,6

E. 60

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2 Eo	
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)		3 Quota year Année contingente	4 Category number Numéro de catégorie
	EXPORT LICENCE (Textile products)  LICENCE D'EXPORTATION (Produits textiles)		
	6 Country of origin Pays d'origine	7 Country of destination Pays de destination	
8 Place and date of shipment - Means of transport Lieu et date d'embarquement - Moyen de transport	9 Supplementary details Détails supplémentaires		
10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES		11 Quantity (1) Quantité (1)	12 FOB Value (2) Valeur FOB (2)
		13 CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with <del>XXXXXXXXXXXX</del> Finland Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case No 3 pour la catégorie désignée dans la case No 4 dans le cadre des dispositions régissant les échanges de produits textiles avec <del>XXXXXXXXXXXX</del> Finlande	
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At - A _____, on - le _____  (Signature) (Stamp - Cachet)		

(1) Show net weight (kg) and also quantity in the unit prescribed for category where L - then net weight  
(2) In the currency of the site contract - Dans la monnaie du contrat de vente

S.M

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(1) Show net weight (kg) and also quantity in the unit prescribed for category where... (2) In the currency of the sale contract - Dans la monnaie du contrat de vente

1 Exporter (name, full address, country) Exportateur (nom, adresse complete, pays)		ORIGINAL		2 No	
		3 Quota year: Année contingente		4 Category number Numéro de catégorie	
5 Consignee (name, full address, country) Destinataire (nom, adresse complete, pays)		CERTIFICATE OF ORIGIN (Textile products)			
		CERTIFICAT D'ORIGINE (Produits textiles)			
		6 Country of origin Pays d'origine		7 Country of destination Pays de destination	
8 Place and date of shipment - Means of transport Lieu et date d'embarquement - Moyen de transport		9 Supplementary details Données supplémentaires			
10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES		11 Quantity (1) Quantité (1)		12 FOB Value (2) Valeur FOB (2)	
13 CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in <del>Finland</del> <del>Finland</del> Finland Je soussigné certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case No 6, conformément aux dispositions en vigueur <del>Finland</del> <del>Finland</del> en Finlande					
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)		At - A _____, on - le _____  (Signature) (Stamp - Cachet)			

S.H

ANNEX IV

- Ministry of Light Industry

Σ.Κ.