

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/817^{*}

2 February 1983

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Finland and Thailand

Note by the Chairman

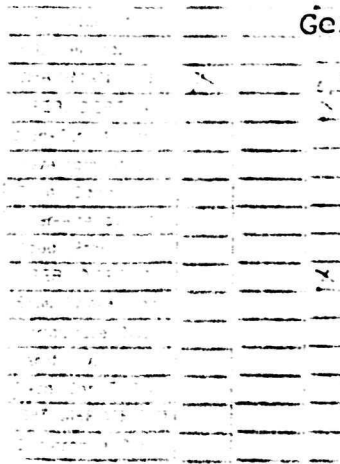
Attached is a notification received from Finland, concerning a new bilateral agreement concluded under Article 4,^{1/} of the MFA with Thailand, valid from 1 January 1983 to 31 December 1985, with the possibility of extension to 31 December 1986.

^{1/} The previous bilateral agreement is contained in COM.TEX/SB/469.

* English only/Anglais seulement.

Geneva, 31 January 1983

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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.

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 consultation held in Bangkok on 13-14 December 1982, between a delegation from Finland and a delegation from Thailand and having regard to the Arrangement Regarding International Trade in Textiles and the Protocol of extension dated 22 December 1981, agreement was reached as follows:

1. Thailand agrees to voluntarily restrain its exports of the textile products specified in Annex I during the period of 1 January 1983 to 31 December 1985 to the limits set out in Annex I. These arrangements may be extended to apply for the period of 1 January to 31 December 1986, if so mutually agreed by the Parties.
2. Finland shall for the purpose of these arrangements automatically admit imports of the textile products of Thai origin set out in Annex I to the agreed limits, provided that such imports into Finland are covered by export certificates as Attachment A. The export certificates shall be endorsed to the effect that the consignments concerned have been debited to the agreed export restraint limits.
3. Exports may exceed either of the two limits in the Annex I by 6 (six) per cent, provided that a corresponding reduction is applied in the other limit. For the purpose of calculating such a corresponding reduction, the conversion factors listed in the Annex I shall apply.
4. If the information available to the Finnish authorities through the import surveillance system shows that the quantitative limits of the products specified in Annex I have already been reached or the unused portion of those limits are insufficient to cover the goods specified in the export certificates, the Finnish authorities may, subject to the provisions of Article 3 and 5, refuse to admit

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the imports 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 authorities of Thailand.

5. Carry-over and carry forward taken together shall not exceed 10 (ten) per cent, of which carry forward shall not represent more than 5 (five) per cent.

6. The Government of Finland will inform the Royal Thai Government when imports into Finland of textile products that have been debited to the agreed limits are subsequently re-exported from Finland. The Royal Thai Government may then credit the quantities involved to the appropriate limits.

7. Thailand will forward to Finland quarterly statistics on a cumulative basis of the quantity of the textile products for which certificates for export to Finland have been issued. Finland will forward to Thailand quarterly statistics on a cumulative basis of imports from Thailand of the textile products set out in Annex I.

8. Thailand 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.

9. The Royal Thai Government shall require all exports to Finland of the products listed in Annex II to be covered by export authorizations issued by the Department of Foreign Trade, Ministry of Commerce, Thailand. An export authorization shall be issued only on evidence of a firm contract for the supply of the goods involved and shall be valid for 3 months from the date of issue.

/10. Export ...

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10. Export certificates (Attachment B) to ship goods covered by an export authorization will be issued by the Royal Thai Government on presentation of the relevant export authorization within the latter's validity period. An export certificate shall be valid for 28 days from the date of issue. The Royal Thai Government shall not issue export certificates in respect of exports to Finland of the products listed in Annex II which are not covered by a valid export authorization.

11. The Royal Thai Government shall provide the Government of Finland with half-monthly statistical returns showing the quantities covered by export authorizations issued to Thailand exporters in respect of the products listed in Annex II. The Royal Thai Government agrees to notify the Government of Finland immediately upon receipt of any applications for export authorizations in exceptionally large amounts or unusual concentration of applications for export authorizations in the products. In judging what constitutes exceptionally large or unusual concentrations of applications, Thailand will have regard to recent levels of trade and will ensure that the quantities covered by the issue of export authorizations in question would not be such as to cause a sharp and substantial increase of imports of the products in question into Finland.

12. The Government of Finland shall admit imports of the textile products of Thailand origin listed in Annex II where such imports satisfy all normal conditions of entry, and are accompanied by a copy of an export certificate issued by the Department of Foreign Trade, Ministry of Commerce, Thailand.

13. The Government of Finland may request the Royal Thai Government to suspend the issue of export authorizations if, in the opinion of the Government of Finland, a limitation on further trade in the products listed in Annex II may be necessary to eliminate real risk of market disruption. Such a request shall be accompanied by a request for consultations with due regard to the relevant provisions

/of the Arrangement ...

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of the Arrangement Regarding International Trade in Textiles and the protocol for its extension and by a detailed factual statement within a reasonable period of time, including data designed to demonstrate the existence of a real risk of market disruption (as defined in Annex A of the Arrangement Regarding International Trade in Textiles).

14. Upon receipt of such a request for suspension and for consultations, the Royal Thai Government shall suspend immediately the issue of export authorizations in respect of the relevant products. The Royal Thai Government may, however, continue to issue export certificates against valid export authorizations issued before such a suspension.

15. Where the issue of export authorizations is suspended, the Government of Finland shall consider giving its consent to the extension of validity of an existing export authorization for a period not exceeding 90 days, if it is satisfied that the failure to apply for an export certificate within the validity period of the export authorization has been caused by circumstances beyond the control of the person to whom the export authorization was issued.

16. The Government of Finland and the Royal Thai Government agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

17. If the Royal Thai Government considers that, as a result of the restraint imposed by these arrangements, Thailand is being placed in an inequitable position vis-a-vis another supplier, the Royal Thai Government may request the Government of Finland to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

18. The Annexes to this Memorandum of Understanding shall form an integral part thereof.

/19. Either party ...

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19. Either party may at any time terminate these arrangements provided that at least ninety days' written notice is given, in which event the arrangements shall come to an end at the expiry of the ninety day period.

Done in Bangkok, on December 14, 1982.



Arhi Palosuo

Head of the Delegation
of Finland



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Head of the Delegation
of Thailand



ANNEX II

(a)
Finnish tariff
classification No.

(b)
Description

60.05.352
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Jumpers, sweaters, cardigans,
pullovers, blouses and shirts
(including T-shirts, singlets
and undershirts) , knitted or
crocheted, wholly or mainly
by weight of cotton and
man-made fibres, women's and
girls' wear

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ANNEX I

(a) Finnish tariff classification No.	(b) Description	(c) Unit of quantity	(d) 1.1.83-31.12.83	1.1.84-31.12.84	1.1.85-31.12.85	(e) Conversion Factor (Square yards equivalent per dozen)
61.03.102 103 105 106 109	Men's and boys' shirts of cotton and man-made fibres	Pieces	37,500	37,875	38,254	26 sq.yd/doz
61.09.201	Brassieres, ready made	Pieces	100,000	102,000	104,040	4.8 sq.yd/doz

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No. 42739



No. _____

DEPARTMENT OF FOREIGN TRADEMinistry of Commerce
Thailand**EXPORT CERTIFICATE**

(Special form for textiles)

At the request of Messrs _____

(address) _____

to carry out a survey of the following products :

BTN or Textile Category Code	Quantity	Description, Marks & Numbers of Packages	Value (F.O.B. Bangkok)

We hereby certify that the above-mentioned products are of the country of exportation
(Thailand)

To be exported to Messrs _____

(address) _____

Issued on _____

(Goods must be exported within two weeks of the date of issue.)

Department of Foreign Trade

These products are of Thai Origin
and are approved and debited
against 198..... restraint level
for export to Finland.

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No. 42740



No. _____

DEPARTMENT OF FOREIGN TRADEMinistry of Commerce
Thailand**EXPORT CERTIFICATE**
(Special form for textiles)At the request of Messrs _____
(address) _____

to carry out a survey of the following products :

BTN or Textile Category Code	Quantity	Description, Marks & Numbers of Packages	Value (F.O.B. Bangkok)

We hereby certify that the above-mentioned products are of the country of exportation
(Thailand)To be exported to Messrs _____
(address) _____

Issued on _____

(Goods must be exported within two weeks of the date of issue.)

Department of Foreign Trade

These products are
of Thai Origin.

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