

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/918\*

3 February 1984

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Agreement between Sweden and Malaysia

Note by the Chairman

Attached is a notification received from Sweden concerning a new bilateral agreement concluded under Article 4 of the MFA with Malaysia.<sup>1</sup> The agreement is valid from 1 July 1983 to 30 June 1984.

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<sup>1</sup>The previous agreement with Malaysia is contained in COM.TEX/SB/736.

\*English only/Anglais seulement/Inglés solamente

SWEDISH DELEGATION

Geneva, January 31, 1984

584

For			
DEPT. A			X
Gen. Sec. Div.			
Adm. Div.			
Ext. Rel. Div.			
Int. Aff. Div.			
Legal Div.			
DEPT. B			X
Gen. Sec. Div.			
Adm. Div.			
Ext. Rel. Div.			
Int. Aff. Div.			
Legal Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
Adm. / Fin. Div.			
Trans. / Doc. Div.			
Training Div.			
Personnel Off.			
Conference Off.			

Ambassador M. Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT

Centre William Rappard  
154, rue de Lausanne

1211 GENEVA 21

ANSW.	INDEXED	FOLIO
TEX. 513/918		
REC - 1 FEB 1984		
For		
Cabinet of DG		X
Info. Service		
OFFICE LEGAL AFF.		
Sec. / Council Aff. Div.		
CHAIRMAN TSB	X	

Dear Mr Ambassador,

Pursuant to article 4:4 of the Arrangement as extended through the 1981 Protocol, I am notifying the Textiles Surveillance Body of the conclusion of a four-year bilateral agreement between Malaysia and Sweden. The agreement covers the period July 1, 1983 to June 30, 1987.

This agreement has been reached for the purpose of avoiding risks of further market disruption in Sweden while ensuring an orderly development of exports from Malaysia to Sweden. The product categories in this agreement are of a similar scope as in other agreements notified by Sweden under the Arrangement as extended by the 1981 Protocol. In comparison with the preceding agreement between Malaysia and Sweden, this agreement contains one new specific restraint. Within the rest group sublevels have been established for three product categories.

As to the flexibility provisions in the agreement as well as the terms of growth, reference is made to Annex B of the Arrangement and paragraph 11 of the 1981 Protocol.

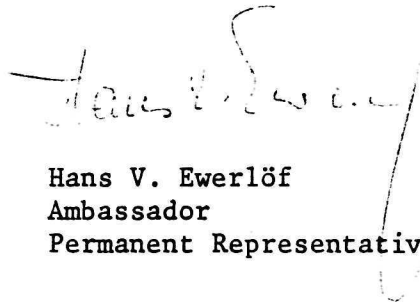
The difficult situation of the Swedish textile industry has been further aggravated. The level of production of made up textile articles has been reduced to less than half during the period 1973-1982. The number of employed in this sector has been further reduced by ten per cent in the years 1980-1982. Imports have been irregular during the 1980s. After a heavy increase during 1980, imports declined in 1981 as a result of weak demand. The trend changed again in 1982. Sweden has the highest import penetration of textiles in the world and the highest per capita import of clothing from developing countries.

.../...

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

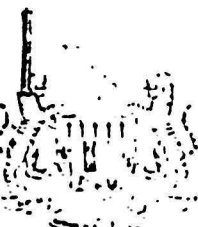
Copies of the Agreement and related documents are attached.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Hans V. Ewerlöf", with a long, sweeping horizontal stroke extending to the right.

Hans V. Ewerlöf  
Ambassador  
Permanent Representative

enclosure



KEMENTERIAN PERDAGANGAN DAN  
PEKINDUSTRIAN MALAYSIA  
BLOK 10, JALAN DUTA,  
KUALA LUMPUR

13/07/83 dan 18/7/83  
S/N 137 dan 138/1780

Telefon 910033, 910022, 913011

Teleks 11 DAGANG, KUALA LUMPUR

Ref: 137

BPAO.1387:1/X Vol.2

7th July, 1983

H.E. Bengt Rosio  
Ambassador of Sweden  
Swedish Embassy  
6th Floor, Wisma Angkasaraya  
Jalan Ampang,  
KUALA LUMPUR.

KEM. AMB. KUALA LUMPUR		
D. PRO 13/295		
19.03.83		
AMB.	CH.	MAL
7/	1/4	1/1

Excellency,

Agreement Re: Exports of Certain Textile  
Products from Malaysia to Sweden

I refer to your letter of May 17, 1983 concerning the  
exports of certain textile products from Malaysia to  
Sweden, which reads as follows:

" With reference to the consultations held  
here in Kuala Lumpur on April 25-27, 1983  
regarding exports of certain textile  
products from Malaysia to Sweden, I have  
the honour to inform you that the following  
is the understanding of the Government of  
Sweden:

ARTICLE 1

The following Agreement has been reached on the basis of the Arrangement Regarding International Trade in Textiles, bearing in mind particularly the articles 1:2 and 4 of the said Arrangement, 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 Malaysia will voluntarily limit exports to Sweden of the textile products listed in Annex I to the levels set out in that Annex.

ARTICLE 4

- (a) This Agreement shall apply to exports from Malaysia 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) The provisions of this Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in (c).
- (c) 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).
- The definition does not cover:
    - Fabrics which, after impregnation, coating, covering or laminating, cannot without fracturing be bent manually around a cylinder of a diameter of 7 mm at a temperature between 15°C and 30°C.

Fabric either completely embedded in artificial plastic material or coated or covered on both sides with such material.

ARTICLE 5

The Government of Sweden will admit imports of the textile products of Malaysian origin, listed in Annex I, only when such imports are covered by an Export Certificate as per specimen in Annex II, issued by the Malaysian Ministry of Trade and Industry and duly endorsed that the consignments concerned have been debited to the agreed limits. The date of issue of shipping documents is considered to be the date of delivery.

ARTICLE 6

- (a) If in the period July 1, 1982 to June 30, 1983, the group levels specified in column (g) of Annex I to the Agreement of June 19, 1981 are not fully utilized, the Government of Malaysia may after consultations with the Government of Sweden, during the period July 1, 1983 to June 30, 1984 approve the export of additional amounts (carryover) 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 levels of these groups specified in column (g) of Annex I to the Agreement of June 19, 1981.
- (b) If in any twelve months period of this Agreement, the group levels specified in Annex I to this Agreement are not fully utilized, the Government of Malaysia may, after consultation with the Government of Sweden, during the subsequent twelve months period approve the export of additional amount (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 levels of these groups for the period during which the shortfalls occurred;
- (c) During each twelve months period of this Agreement, the Government of Malaysia may, after consultations with the Government of Sweden, approve the export of amounts in excess of the group levels specified in Annex I to this Agreement up to 1 per cent



of these levels (carry forward) for the relevant period. Where specific group levels have been increased by carry forward the Government of Malaysia shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group levels for the subsequent period.

- (d) During each twelve months period of this Agreement, the Government of Malaysia may, after consultations with the Government of Sweden, approve the export of amount in excess of the group levels specified in Annex I to this Agreement up to 1 per cent (swing) of these levels. Where specific group levels have been increased by swing a corresponding reduction shall be made in one or more of other group levels. For the purpose of calculating swing, the conversion factors in Annex III 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, for each specific group level, not exceed 3 per cent of the respective agreed level.

ARTICLE 7

The Government of Malaysia will forward to the Government of Sweden, via the Embassy of Sweden in Kuala Lumpur, monthly statistics on a cumulative basis of the items 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.

ARTICLE 8

The Government of Sweden will forward to the Government of Malaysia monthly statistics on a cumulative basis of imports from Malaysia of the items, listed in Annex I.

ARTICLE 9

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.

ARTICLE 10

The Government of Sweden and the Government of Malaysia agree to consult each other, at the request of either, when any problem arises from

the implementation of this Agreement.

The Government of Sweden and the Government of Malaysia agree furthermore to enter into consultations on a prolongation, modification or removal of the limitations before the end of the period of the agreement.

ARTICLE 11

Either Party may at any time denounce this Agreement provided that at least sixty days notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

ARTICLE 12

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

I would appreciate your confirmation that the above is also the understanding of the Government of Malaysia. This letter together with your reply will constitute an agreement between the Government of Sweden and the Government of Malaysia. "

I have the honour to confirm that the proposal in your letter is acceptable to the Government of Malaysia and

that Your Excellency's letter and this letter shall constitute an agreement between our two Governments.

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

Yours sincerely,



(TAN SRI NASRUDDIN MOHAMED)  
Secretary General  
Ministry of Trade and Industry  
Malaysia

/md:

(a) Group	(b) Ex Swedish Tariff Classi- fication No	(c) Malaysian Statistical No	(d) Description	(e) Unit	(f) Level for period 1.7.83 - 30.6.84	(g) Level for period 1.7.84 - 30.6.85	(h) Level for period 1.7.85 - 30.6.86	(i) Level for period 1.7.86 - 30.6.87
	60.04.10- 61.03.10-		Shirts	Pieces	653,867	658,771	663,712	668,690
5	60.04.70-,80-, 90- 60.05.30-		Underwear (including under- wear T-shirts), knitted or crocheted, <u>other than</u> shirts, nightwear and tights; Sweaters, pullovers, slipovers, jumpers and cardigans etc (including outerwear T-shirts), knitted or crocheted	Pieces	801,506	807,517	813,573	819,675
	60.05.80-,83-,84- 61.01.50-,003,005 61.02.60-,005,99-		Trousers other than shorts (including work trousers eg trousers with bib and braces and trousers made of impregnated fabrics)	Pieces	314,977	316,562	318,135	319,726
0	60.05.80-,82-, 84- 61.02.006,50-, 99-		Blouses	Pieces	348,598	349,644	350,693	351,745
3	62.02.11-,19-, 792-3		Bed linen	Kilograms	277,311	277,449	277,588	277,727
7	61.09.20-		Brassieres	Pieces	180,000	180,900	181,805	182,714

## ANNEX I

(a) Group	(b) Ex Swedish Tariff Classi- fication No	(c) Malaysian Statistical No	(d) Description	(e) Unit	(f) Level for period 1.7.83 - 30.6.84	(g) Level for period 1.7.84 - 30.6.85	(h) Level for period 1.7.85 - 30.6.86	(i) Level for period 1.7.86 - 30.6.87
t up								
, 6, , -d, -i, 14	60.03.00-, 10-, 90-		Stockings, understockings, socks, ) ankle sock, sockettes and the ) like, knitted or crocheted, ) <u>other than</u> ladies' stockings ) of continuous synthetic fibres )					
	60.04.21-, 25, 60-		Nightwear, panty hose and tights ) knitted or crocheted )					
	60.05.10-, 20-, 60-, 80-, 81-, 84-, 85-, 87-, 89-		Outer garments <u>other than</u> ) sweaters etc (group 5), ) trousers (group 8), and ) blouses (group 10) knitted ) or crocheted )					
	61.01.003, 004, 006, 10-, 30-, 41-, 45-, 70-, 90-, 95-		Outer garments, men's and boys' ) wear, <u>other than</u> trousers ) (group 8), not knitted or ) crocheted )					
				)Kgs	124,489*	125,111	125,737	126,360
	61.02.004, 006, 11- 15-, 20, 30-, 40-, 60-, 90-, 95-, 99-		Outer garments, women's, girls' ) and infants' wear, <u>other than</u> ) trousers (group 8), and ) blouses (group 10), not knitted ) or crocheted )					

up	(b) Ex Swedish Tariff No	(c) Malaysian Statistical No	(d) Description	(e) Unit	(f) Level for period 1.7.83 - 30.6.84	(g) Level for period 1.7.84 - 30.6.85	(h) Level for period 1.7.85 - 30.6.86	(i) Level fo period 1.7.86 - 30.6.87
	61.03.20- 61.04.10-		Nightwear, not knitted or crocheted)	)				
				)				
	62.01.101-900		Travelling rugs and blankets	)				
	62.02.31-, 39-, 792-3		Towels and similar articles	)				
				)				
	*Sublevels :							
	60.03.00-, 10-, 90-		Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, <u>other than</u> ladies' stockings of continuous synthetic fibres	kgs	19,000	19,095	19,190	19,286
	60.05.60- 61.02.006, 20-, 30-, 40-, 99-		Costumes, dresses and skirts	kgs	20,000	20,100	20,200	20,301
	60.05.80-, 84-, 87-, 89- 61.01.003, 006, 70- 61.02.006, 80- 99-		Shorts	kgs	6,000	6,030	6,060	6,090

ORIGINAL

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 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)

(50.000)



ANNEX III

For the purpose of swing, the following conversion factors shall apply:

<u>Group no</u>	<u>Description</u>	<u>Pieces per kilogramme</u>
II	Shirts	4.5
IV/V	Knitwear	6.0
VIII	Trousers	2.0
X	Blouses	6.0
XVII	Brassieres	18.0