

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL  
TEX.SB/932\*  
9 March 1984

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Agreement between Austria and the Philippines

#### Note by the Chairman

Attached is a notification received from Austria concerning a new bilateral agreement concluded under Article 4 of the MFA with the Philippines.<sup>1</sup> The agreement is valid from 1 January 1984 to 31 December 1984.

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<sup>1</sup>The previous agreement and extension are contained in COM.TEX/SB/792 and 892

\*English only/Anglais seulement/Inglés solamente.

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**No. 180-G/84**

1211 GENEVA 20, 28 February 1984  
9-11, rue de Varembe

For	1. Mr.	2. Mr.	3. Mr.	4. Mr.
OPER. DEPT. A				X
Non-Mar. M. Div.				
Development Div.				
Tech. Coop. Div.				
Trade Pol. Div.				
Spec. Proj. Div.				
OPER. DEPT. B				X
Econ. R./Anal. Unit				
Agriculture Div.				
Tariff Div.				
Tech. Bar. T. Div.				
Ext. Rel. Div.				
DEPT. CONF. AFF./ADM.				
Adm. / Fin. Div.				
Trans. / Doc. Div.				
Training Div.				
Personnel Off.				
Conference Off.				

[illegible]

Sir,

With reference to Article 4 of the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT), as extended, I have the honour to transmit the following notification concerning a bilateral agreement between Austria and the Philippines concluded on 17 November 1983. The text of a memorandum containing this agreement has been transmitted to you by my letter ref. No. 101-G/84 of 6 February 1984.

In this connection I wish to recall that the agreement signed between Austria and the Philippines on 2 July 1982 which was due to expire on 31 July 1983 had been extended for the period ending on 31 December 1983 on an interim basis in order to gain time for consultations concerning the elaboration of a new agreement.

In the recent past the economic conditions of the Austrian textiles industry have continued to deteriorate. There was a further downwards trend in orders and production was declining. In 1982 overall production in the textile sector declined by 4.8 per cent in comparison to 1981. In

the first half of 1983 production declined by 8.5 per cent. The number of jobs in 1982 declined by 6.8 per cent and in the first half of 1983 by 7.4 per cent in comparison to the previous period.

At the same time the textiles industry is confronted with steadily rising import penetration (1982 imports reached already a share of more than 82 per cent of the Austrian production) and with increasing expenditure (e.g. 6.0 per cent increase in labour cost). Due to the situation prevailing in the market it was not possible to reflect fully increases in production costs by price measures. As a consequence profits were substantially curtailed.

The situation is particularly severe in certain sectors of the Austrian garment industry, mainly in respect of blouses. The factories of this industry are situated in areas having virtually no other industries and in depressed regions where they are the main source of industrial employment. Such textiles, as well as other textiles, are extremely sensitive to disruptive market forces. Experience has shown that imports of low-price blouses exert an enormous downward pull on prices, forcing domestic producers to operate at the break even point or even at a loss. In the first half 1983 the number of jobs in the garment industry decreased by 3.54 per cent.

Production of woven blouses, synthetic fibres and/or of cotton decreased by 14.4 per cent in 1982 as compared with the previous year and by 8.3 per cent in the first six months of 1983 whereas imports from the Philippines continued to increase by 66.62 per cent from 1981 to 1982. In 1982 the ratio of imports from the Philippines to domestic production was 5.23 per cent. In the same period the ratio of imports from the Philippines to total imports

into Austria was 2.6 per cent. The average price of woven blouses imported from the Philippines was 48.14 AS, whereas the average price of total imports was 223.54 AS.

The share of woven blouses from the Philippines in apparent consumption increased from 1.19 per cent in 1981 to 2.03 per cent in 1982.

The development of imports from the Philippines into Austria of woven blouses is shown in the following tableau (in pieces):

1981:	88,999
1982:	148,299
1/2 1982:	109,645
1/2 1983:	68,313.

As a result of the consultations held on 16 and 17 November 1983 in Manila Austria and the Philippines reached understanding that exports of woven blouses of man-made fibres or of cotton from the Philippines into Austria shall be restrained for the period 1 January to 31 December 1984 to a level of 155,788 pieces. At the same time Austria agreed that notwithstanding the serious problems to which the Austrian garment industry is exposed the second item which was restrained under the agreement of 2 July 1982 namely woven shirts of man-made fibres or of cotton shall be liberalized with effect from 1 January 1984 and at the same time be put under the statistical surveillance system only.

For the interim period 1 August until 31 December 1983 an increase of 2 per cent for the quota of blouses has been agreed upon. This increased level has been taken as a basis to calculate the quota for 1984, applying a 3 per cent growth rate. The calculation has been done in the following way:

January to July 1983	7 1/12 of 150,000:	87,500
August to December 1983:	5 1/12 + 2 per cent of 150,000:	<u>63,750</u>
		151,250
	+ 3 per cent:	155,788

In view of the existing exceptional circumstances in terms of Annex B of the ARRANGEMENT in this highly sensitive product a lower than 6 per cent growth has been agreed upon between both parties. In determining growth special consideration has been taken into account such as liberalisation of the quota for shirts.

I should be grateful if you could make this information available to the Textile Surveillance Body.

My authorities regret that for technical reasons they have not been able to transmit the notification in time.

Accept, Sir, the assurances of my highest consideration.



Richard Hochörtler  
Deputy Permanent  
Representative

Mr. Marcelo Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT

G e n e v a

15/190-4

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**PERMANENT REPRESENTATION  
OF AUSTRIA TO THE GATT**

No. 101-G/84

1211 GENEVA 20, 6 February 1984  
9-11, rue de Varembe

Enclosure

Sir,

I have the honour to transmit to you in advance the Memorandum of Agreement between Austria and the Philippines relating to the export from the Philippines of certain categories of garments into Austria.

The formal notification I will transmit to you in the near future.

Accept, Sir, the assurances of my highest consideration.

*R. Hochörtler*

Richard Hochörtler  
Deputy Permanent  
Representative

*see folio 598*

ANSWERED	DOC. ISSUED	FOLIO
RED - 7 FEB 1984		
For	To	
Cabinet of DG		
Info. Service		
OFFICE LEGAL AFF.		
Secs. / Council Aff. Div.		
CHAIRMAN TSS	X	

Mr. Marcelo Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT

G e n e v a

*To await formal  
notification  
- g.*

For	Action	Comments	Init.
OPER. DEPT. A			X
Non Tar M. Div.			
Development Div.			
Tech. Coop. Div.			
Trade Pol. Div.			
Spec. Proj. Div.			
OPER. DEPT. B			X
Econ. R/Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Ser. T. Div.			
Ext. Rel. Div.			
DEPT. C			
Adm. / Fin. Div.			
Trade / Doc. Div.			
Training Div.			
Personnel Off.			
Conference Off.			

*M.B.D.*

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Memorandum of Agreement between Austria and the Philippines  
relating to the export from the Philippines of certain categories  
of garments into Austria

1. This Memorandum of Agreement has been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the "Arrangement"), done at Geneva on 20 December 1973, and to the Protocol Extending the Arrangement, done at Geneva on 22 December 1981.

2. This Memorandum of Agreement sets out the arrangements that have been agreed between the Philippines and Austria regarding the export of woven blouses in the level set out in the Annex I hereof and the licensing of exporting of trousers and woven shirts into Austria.

3. Upon presentation of Export License issued by the competent Philippine authority, a specimen of which is attached as Annex II, within the agreed export limit for exports from the Philippines to Austria and endorsed to the effect that the shipment has been debited against the agreed export limit, the competent authority will issue the corresponding import license.

4. The Philippines will provide Austria with statistics of the textile product set out in Annex I licensed for exports to Austria and debited against the limit set out in Annex I on a monthly basis.

5. Austria will provide the Philippines with monthly statistics of import licenses issued on the basis of export licenses of the Philippines as well as statistics on actual quantities entered into Austrian customs territories.

6. Austria and the Philippines agree to consult at the request of either party on any matter arising from the implementation of this Agreement.



7. In respect of exports of woven slacks, shorts, jeans and trousers of cotton, men's and boys' wear, CCCN No.ex 61.01; and woven shirts of man made fibres or of cotton, CCCN.No.ex 61.03 :

a) The competent Austrian authority will upon presentation of a Special Export License, a specimen of which is attached as Annex III, issued by the competent Philippine authority and indicating Austria as the country of final destination, automatically issue import license and will provide the Philippines with information concerning such import license on a quarterly basis.

b) Should exports of the above garments from the Philippines to Austria develop in a manner which causes real risks of market disruption, Austria may request consultations with the Philippines with a view to reaching an agreement on mutually acceptable terms. The request for such consultations shall be accompanied by a statement containing relevant data of the market conditions which, in the view of Austria, make necessary the request for consultations. Both parties agree to consult within thirty days from the date on which the request for consultations has been received, and to exert their best efforts to complete such consultations within fifteen days of their commencement. If no agreement is reached, the Philippines will limit exports of the above garments during the year in question to a level not lower than that achieved during the twelve-month period preceding the month in which the consultations were requested.

8. Export licenses as set out in paragraph 3 above and Special Export Licenses as set out in paragraph 7 above shall cease to be valid four months after the date of issue for purposes of presentation to the competent Austrian authority.

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9. This Agreement shall be effective for a period of one year to commence 1 January 1984.


Manila, 17 November 1983

For Austria:

  
GERHARD WAAS  
Director

Federal Ministry of Commerce,  
Trade and Industry

For the Philippines:

  
ALFREDO PIO DE RODA, JR.  
Deputy Minister  
Ministry of Finance

As regards the Agreement concluded between the representatives of Austria and the Philippines regarding exports of the Philippine garments to Austria, these representatives have further agreed as follows:

1. Notwithstanding the provisions of the Agreement, the Philippines may export woven blouses to Austria of any quantity provided the ultimate destinations of such woven blouses are countries outside of Austria and the Export License clearly indicates the country of ultimate destination.
2. Upon notification to the competent Austrian authority that imports of woven blouses have been re-shipped to countries outside of Austria, the competent Austrian authority shall notify the competent Philippine authority of the fact of such re-shipment and the quantities involved and the Restraint Level in Column D of Annex I of the Agreement (hereinafter referred to as RL) shall correspondingly be credited by the indicated quantities.
3. If, as a result of the statistics provided by Austria under paragraph 5 of the Agreement, it has been determined that quantities covered by an Export License have not been applied for in an Import License, such quantities may be reissued in another Export License within the current quota year.
4. The Philippines may continue to debit any shipment to Austria against the RL, as the same may be adjusted as provided for in paragraphs 2 and 3 above, for as long as the RL is not exceeded.

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*[Signature]*


5. The competent authorities of Austria and the Philippines may likewise consult at any time regarding the implementation of this supplemental Agreement as provided in paragraph 6 of the Agreement.

For Austria:



GERHARD WAAS  
Director  
Federal Ministry of Commerce,  
Trade and Industry

For the Philippines:

  
ALFREDO PIO DE RODA, JR.  
Deputy Minister  
Ministry of Finance

ANNEX J

RESTRAINT LEVEL

A	B	C	D
<u>Category Number</u>	<u>Austrian CCCN Number</u>	<u>Product Description</u>	<u>Restraint Level</u>
1	EX. 61.02	Woven blouses of man-made fibers or of cotton	155,788 pcs.

*[Handwritten signature]*

*[Handwritten signature]*

# A N N E X II

1 Exporter (name, full address, country)  
Exportateur (nom, adresse complète, pays)

ORIGINAL

2 GTEB EL NO. 026135

3 Quota year  
Année contingentaie

4 Category number  
Numéro de catégorie

5 Consignee (name, full address, country)  
Destinataire (nom, adresse complète, pays)

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  
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 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 Austria.

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 l'Austria.

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 other than net weight - Dans la monnaie du contrat de vente  
(2) In the currency of the sale contract - L'unité n'est pas le poids net

# A N N E X III

Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	<b>ORIGINAL</b>	<sup>2</sup> GTEB CO NO. 033259	
	3 Quota year Année contingentaire	4 Category number Numéro de catégorie	
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	<p align="center"><b>CERTIFICATE OF ORIGIN</b> (Textile products)</p> <hr/> <p align="center"><b>CERTIFICAT D'ORIGINE</b> (Produits textiles)</p>		
	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)
<p><b>13 CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE</b></p> <p>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 Austria.</p> <p>Je soussigné certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case No 6, conformément aux dispositions en vigueur dans Austria.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div data-bbox="117 1948 815 2201" style="width: 45%;">         14 Competent authority (name, full address, country)          Autorité compétente (nom, adresse complète, pays)       </div> <div style="width: 50%;">         At - A _____, on - le _____       </div> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 10px;"> <div>(Signature)</div> <div>(Stamp - Cachet)</div> </div>			

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