ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Bilateral Agreement Between Sweden and Pakistan

Note by the Chairman

Attached hereto is a notification from the Swedish Mission regarding a new agreement—concluded between Sweden and Pakistan for the period 1 March 1979 to 29 February 1980. Also attached is the short reasoned statement.

1/ For previous agreement see COM.TEX/SB/432, for observations of the TSB see COM.TEX/SB/442, paragraphs 3 and 4.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord bilatéral entre la Suède et le Pakistan

Note du Président


1/ Pour l'accord précédent, voir le document COM.TEX/SB/432; pour les observations de l'OST, voir le document COM.TEX/SB/442, paragraphes 3 et 4.
Dear Mr. Würth,

Please find enclosed a notification to the Textiles Surveillance Body of a new agreement concerning trade in textiles between Pakistan and Sweden. The agreement covers the period 1 March 1980 to 28 February 1982.

This agreement has been reached for the purpose of eliminating real risks of market disruption in Sweden, while ensuring an orderly development of textile exports from Pakistan to Sweden and is being notified with reference to Article 4 of the Arrangement Regarding International Trade in Textiles, as well as the Protocol of Extension and the understandings set forth therein (L/4616), acceded to by Sweden through letter of 28 April 1978.

The more comprehensive approach in this, as well as in other Swedish Textile agreements, has been made necessary by the deteriorating situation in whole segments of the Swedish textile industry and by the real risks of market disruption which, according to past experience, an agreement covering only certain sensitive products would present in a country like Sweden.

This agreement is based on a categorization into the following groups, comprising the most sensitive textile products within CCCN (BTN) chapters 60-62:

I Stockings, understockings, socks, ankle socks, Sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres

II Shirts

III Night garments
Underwear, knitted or crocheted, other than shirts, night garments and tights

Sweaters, pullovers, slipovers, jumpers and cardigans etc, knitted or crocheted

Overcoats and jackets

Suits, lounge coats and blazers

Trousers other than shorts

Costumes, dresses and skirts

Blouses

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.)

Travelling rugs and blankets

Bed linen

Towels and similar articles

Table linen

Curtains and other furnishing articles

In this agreement with Pakistan separate restraint levels have been established for the above groups IV, V, X, XIII and XIV, 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. The absence of swing between the restraint groups is a reflection of a mutual recognition of the minimum viable production principle. No textiles under CCCN chapters 50-59 are subject to restraint in the present agreement.

The difficult situation of the Swedish textile industry has become further aggravated during the last years. Imports of garments have increased substantially. A further decrease of domestic production has taken place. As in previous years, a number of 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.
or 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
Permanent Representative

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

<table>
<thead>
<tr>
<th>SWEDISH CCC No</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.03.003-109, 902-909</td>
<td>Stockings, under stockings, socks, ankle-socks, sockettes and the like other than ladies' stocking of continuous synthetic fibres, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>60.04.all</td>
<td>Under garments, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>60.05.all</td>
<td>Outer garments and other articles, knitted or crocheted, not elastic nor rubberised</td>
</tr>
<tr>
<td>61.01.all</td>
<td>Men's and boys' outer garments</td>
</tr>
<tr>
<td>61.02.all</td>
<td>Women's, girls' and infants' outer garments</td>
</tr>
<tr>
<td>61.03.all</td>
<td>Men's and boys' under garments</td>
</tr>
<tr>
<td>61.04.all</td>
<td>Women's, girls' and infants' under garments</td>
</tr>
<tr>
<td>61.09.102-209</td>
<td>Corsets, corset-belts, suspenders, garters and brassières (including such articles of knitted or crocheted fabric)</td>
</tr>
<tr>
<td>62.01.all</td>
<td>Travelling rugs and blankets</td>
</tr>
<tr>
<td>62.02.all</td>
<td>Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles</td>
</tr>
<tr>
<td>62.04.210-290</td>
<td>Sails</td>
</tr>
</tbody>
</table>
AGREEMENT BETWEEN PAKISTAN AND SWEDEN REGARDING EXPORTS OF TEXTILE PRODUCTS FROM PAKISTAN TO SWEDEN

Article 1

The following Agreement has been reached on the basis of the Arrangement Regarding International Trade in Textiles, particularly articles 1:2, 4 and 6:4, and the provisions of GATT document COM.TEX/W/47.

Article 2

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

Article 3

The Government of Pakistan 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 Pakistan 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 Pakistani 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 Export Promotion Bureau, Government of Pakistan, be consecutively numbered and shall bear an endorsement that the consignments concerned have been approved and debited to the agreed levels for export to Sweden for the relevant period.

Article 6

(a) If in the period March 1, 1979 to February 29, 1980, the group levels specified in column (d) of Annex I to the agreement between Pakistan and Sweden, signed on February 27, 1979, are not fully utilized, the Government of Pakistan may, after consultation with the Government of Sweden, during the period March 1, 1980 - February 28, 1981, 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 9% of the levels of these groups specified in column (d) of Annex I to the agreement between Pakistan and Sweden of February 27, 1979.

(b) If in the period March 1, 1980 - February 28, 1981, the group levels specified in column (d) of Annex I to this Agreement, are not fully utilized, the Government of Pakistan may, after consultation with the Government of Sweden, during the period March 1, 1981 - February 28, 1982, 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 7% of the levels of these groups specified in column (d) of Annex I to this Agreement.

(c) During the period March 1, 1980 - February 28, 1981, the Government of Pakistan may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels specified in column (d) of Annex I to this Agreement up to 1% of those levels (carry forward). Where specific group levels are increased by carry forward the Government of Pakistan shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group levels for the period March 1, 1981 - February 28, 1982, set out in column (e) of Annex I to this Agreement.

(d) During the period March 1, 1981 - February 28, 1982, the Government of Pakistan may, after consultation with the Government of Sweden, approve the export
of amounts in excess of the group levels specified in column (e) of Annex I to this Agreement up to 2% of those levels (carry forward). Where specific group levels are increased by carry forward the Government of Pakistan shall inform the Government of Sweden of the carry forward quantities and debit these to any corresponding group level that may be agreed upon.

(e) Carryover and carry forward quantities of group IV and V are to be distributed on the basis of 20% to group IV and 80% to group V.

**Article 7**

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 Pakistan as soon as possible.

**Article 8**

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 Pakistan undertakes to provide a procedure to achieve this.
Article 9

The Government of Pakistan will forward to the Government of Sweden, via the Embassy of Sweden in Islamabad, monthly statistics on a cumulative basis of the quantities of the groups IV, V, X, XIII, XIV and of the value of the "nest group", listed in Annex I, for which duly endorsed export certificates for exports to Sweden have been issued.

The Swedish Government will forward to the Government of Pakistan monthly statistics on a cumulative basis of imports from Pakistan of the above mentioned groups listed in Annex I. The statistics shall be forwarded to the Government of Pakistan, via the Embassy of Sweden in Islamabad, as soon as possible.

Article 10

The Government of Pakistan and the Government of Sweden agree to consult each other, at the request of either, when any problem arises from the implementation of this Agreement. The Government of Pakistan and the Government of Sweden furthermore agree to enter into consultations on the extension, modification or elimination of the limitations before the end of the period of agreement.

Article 11

This Agreement is concluded for a period of two years. Either Government may however terminate the Agreement with effect from March 1, 1981. Such termination shall be notified not later than three months before the expiry of the first agreement year.
Article 12

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

Article 12

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

Done in Islamabad on 11th day of March 1980

For the Government of Pakistan

For the Government of Sweden
### Exports of certain textiles from Pakistan to Sweden

<table>
<thead>
<tr>
<th>Group No</th>
<th>Ex Swedish Tariff No</th>
<th>Description</th>
<th>Level for period</th>
<th>Level for period</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
</tr>
<tr>
<td>IV</td>
<td>60.04,70-80-90</td>
<td>Underwear, knitted or crocheted, other than shirts, nightwear and tights (including underwear T-shirts)</td>
<td>Aggregate levels for groups IV and V:</td>
<td>1 170 000 pcs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-sublevels for group IV:</td>
<td>243 360 pcs</td>
</tr>
<tr>
<td>V</td>
<td>60.05,30-</td>
<td>Sweaters, pullovers, slipovers, jumpers and cardigans etc., knitted or crocheted (including outerwear T-shirts)</td>
<td>-sublevels for group V:</td>
<td>973 440 pcs</td>
</tr>
<tr>
<td>X</td>
<td>60.05,803-809,82-86,02,006,50-99</td>
<td>Blouses</td>
<td>233 000 pcs</td>
<td>233 250 pcs</td>
</tr>
<tr>
<td>XIII</td>
<td>62.02.11-19,792-3</td>
<td>Bedlinen</td>
<td>545 500 kgs</td>
<td>546 000 kgs</td>
</tr>
<tr>
<td>XIV</td>
<td>62.02.31-39,792-3</td>
<td>Towels and similar articles</td>
<td>250 250 kgs</td>
<td>250 500 kgs</td>
</tr>
<tr>
<td>Restgroup</td>
<td></td>
<td>Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings, of continuous synthetic fibres</td>
<td>Scandinavian Crowns F.O.B. value</td>
<td>3 950 000</td>
</tr>
<tr>
<td>I-III</td>
<td>60.03,00-10-90</td>
<td>Shirts, nightwear, pantyhose and tights, knitted or crocheted</td>
<td>(group V) and blouses (ex group X)</td>
<td></td>
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<tr>
<td></td>
<td>60.04,10-21-25,60</td>
<td>Outer garments, knitted or crocheted, other than sweaters, pullovers etc.</td>
<td>Men's and boys' woven outer garments</td>
<td></td>
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<td></td>
<td>60.05,10-20-60-80-81-83-87-89</td>
<td></td>
<td>Women's, girls' and infants' woven outer garments other than blouses (ex group X)</td>
<td></td>
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<tr>
<td></td>
<td>61.01.00-10-30-41-45-50-70-90-61.02.00-11-15-20-30-40-60-80-90-99</td>
<td></td>
<td>Men's and boys' shirts and nightwear, not knitted or crocheted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>61.03.10-20-</td>
<td></td>
<td>Women's, girls' and infants' nightwear, not knitted or crocheted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>61.04.10-</td>
<td></td>
<td>Travelling rugs and blankets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62.01.all</td>
<td></td>
<td>Curtains, bedspreads and other furnishing articles (e.g. cushion covers, loose covers for furniture, table covers, motor car seat covers)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>60.05.90-</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>62.02.21,29,792-3</td>
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<td>60.05.90-91-92-93</td>
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<td>62.02,51-59,71,79-</td>
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</tr>
</tbody>
</table>
ANNEX II

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 cm 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.
ANNEX - III

GOVERNMENT OF PAKISTAN
EXPORT PROMOTION BUREAU

EXPORT CERTIFICATE FOR TEXTILES

1. Country of origin

2. Export Certificate Sweden A (First Agreement Year)*
    Sweden B (Second Agreement Year)

3. Exporter's name and address

We certify that the above exporter is authorised to export the following goods which have been debited against Pakistan country quota of Sweden -

1. Destination :

2. Order/L/C No:

3. Description of goods :

4. Group No :

5. Net weight :
   Quantity (Pieces/kilograms or metric tons)

6. Value (FOB):

7. Name of ship or flight No : 

8. Date of shipment :

9. Importer's name and address :

Copy forwarded to:

The Collector of Customs,
Customs House,
KARACHI.

Export Promotion Bureau
Government of Pakistan

*Numbers to be used by Export Promotion Bureau offices

Karachi : 1 - 10,000
Lahore : 11,000 - 12,000
Faisalabad: 13,000 - 14,000
Rawalpindi: 15,000 - 16,000
Multan : 17,000 - 18,000
Sialkot : 19,000 - 20,000
Peshawar : 21,000 - 22,000
Hyderabad: 23,000 - 24,000
Quetta : 25,000 - 26,000