

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL  
TEX.SB/326  
25 August 1978

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3

Extension of a bilateral agreement concluded  
between Austria and Korea

Note by the Chairman

Attached hereto is a notification from the Austrian mission regarding an extension to the existing bilateral agreement<sup>1</sup> concluded with Korea under Article 3 of the Arrangement.

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<sup>1</sup>For previous agreement see COM.TEX/SB/271.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 3

Prorogation d'un accord bilatéral conclu entre  
l'Autriche et la Corée

Note du Président

On trouvera ci-joint une notification de la mission de l'Autriche relative à la prorogation de l'accord bilatéral existant<sup>1</sup> conclu entre l'Autriche et la Corée, conformément à l'article 3 de l'Arrangement.

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<sup>1</sup>Voir le texte de cet accord dans le document COM.TEX/SB/271.

TS/140-3

72-515/32

**REC - 7 AUG 1978**

*Rec*

For:	ADDC	Comment	Int.
TRADE POLICY ST			<input checked="" type="checkbox"/>
Gen. Div.			
App. Div.			
Special Proj:			
TRADE DEVELOP. DT.:			<input checked="" type="checkbox"/>
Sp. Asst. Tr. Negs			
Dev. Div.			
Intef. Div.			
CHAR. S	<input checked="" type="checkbox"/>		
OFFICE OF U-G:			
Consultant (ADC)			
Cont. Div.			
Div. Ext. Rele/Info.			
Ext. Rele. Sec.			
Info/Lib. Serv.			
Training Prog.			

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MISSION PERMANENTE DE L'AUTRICHES  
AUPRES DE L'OFFICE DES NATIONS UNIES ET  
DES INSTITUTIONS SPECIALISEES A GENEVE

No. 5447-A/78

Geneva, 31 July 1978

Sir,

With reference to article 3 of the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT), as extended, I have the honour to transmit herewith copies of notes exchanged by Austria and the Republic of Korea dated as of 17 May 1978 and 30 June 1978, respectively, by which the validity of the bilateral agreement concerning exports of socks of synthetic fibres, BTN No. ex 60.03 A, from the Republic of Korea to Austria, concluded by exchange of notes of 28 June 1977, was extended for the twelve-month period 1 August 1978 to 31 July 1979.

The aforementioned agreement dated as of 28 June 1977, the text of which was circulated by the Textiles Surveillance Body to participating countries in the ARRANGEMENT in COM. Tex/SB/271 of 28 September 1977, provided for an export level of 5.297.145 pairs of socks specified above for the twelve-month period 1 August 1977 to 31 July 1978.

The new agreement provides for an export level of 5.376.602 pairs, this amount representing the aforementioned export level of 5.297.145 pairs plus 1 1/2 per cent. This growth

Mr. Paul Wurth  
Chairman  
Textiles Surveillance Body  
GATT  
Geneva

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rate was agreed in accord with paragraph 2 of ANNEX B of the ARRANGEMENT which provides that in exceptional cases where there are clear grounds for holding that the situation of market disruption will recur if the growth rate of 6 per cent is implemented, a lower positive growth rate may be decided upon after consultation with the exporting country or countries concerned.

In 1977 total imports of socks of synthetic fibres amounted to 10.642.794 pairs, the Republic of Korea being the dominant supplier with 4.771.065 pairs or 44,83 per cent of total imports.

Between 1974 and 1977 domestic production fell from 6.299.532 pairs to 5.006.617 pairs or by 20,52 per cent. During the same period the number of domestic producers dropped from nineteen to ten, and employment decreased from 1.898 to 940 or by 50,47 per cent. Utilization of capacity of the remaining mills amounts to only 60 per cent at present. This unfavorable development is also reflected by the index of domestic production of socks and stockings which fell from 87,8 in 1974 to 70,3 in 1978 (base year 1971 = 100). In 1977 the ratio of imports of socks of synthetic fibres from the Republic of Korea to domestic production of such socks amounted to 95,30 per cent.

The socks imported from the Republic of Korea are offered at prices which are substantially below those prevailing in the Austrian Market for similar domestic products of comparable quality as well as for similar products imported from certain other sources. In 1977 average prices per pair amounted to AS 21,94 for domestic products, AS 31,33 for products imported from the USA, AS 21,61 for products imported from France, AS 16,22 for products imported from the Federal Republic of Germany, AS 6,27 for

products imported from Italy, AS 5,24 for products imported from Romania and AS 4,82 for products imported from the Republic of Korea.

Further particulars may be seen from the attached statistics drawn up in accord with ANNEX A of the ARRANGEMENT.

I should be glad if you would make this information available to the members of the Textiles Surveillance Body.

Yours sincerely,

Viktor Segalla  
Counsellor

Vienna,

1978

Excellency,

I have the honour to refer to the agreement under Article 3 of the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT) between Austria and the Republic of Korea on trade in socks of synthetic fibres, BTN No. ex 60.03 A, effected by exchange of notes of 28 Jun1 1977.

I further wish to refer to the negotiations which took place between representatives of Austria and of the Republic of Korea on 11 and 12 May 1978 in Vienna. As a result of these negotiations the following understanding concerning the extension of the aforementioned agreement has been reached under Article 3 of the ARRANGEMENT as extended by the PROTOCOL done at Geneva on 14 December 1977:

(1) Direct and/or indirect exports of socks of synthetic fibres from the Republic of Korea to Austria will be limited to a quantity of 5,376,602 pairs during the period 1 August 1978 to 31 July 1979.

(2) For the purposes of this agreement the expression "socks of synthetic fibres" includes socks in which such fibres represent 50 or more per cent by weight of the product.

(3) Upon presentation of export recommendations issued by the Korean authorities within the amount set forth in paragraph (1) above for direct and/or indirect exports of socks of synthetic fibres from the Republic of Korea to Austria and endorsed to the effect that the consignments concerned have been debited to the agreed export limit, the competent Austrian authority will licence the corresponding imports within a period of three weeks.

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(4) Austria and the Republic of Korea shall have full regard to the provisions relating to carryover and carry forward as set down in paragraph 5 of Annex B of the ARRANGEMENT.

(5) Austria will, as far as possible, inform the Republic of Korea when imports into Austria of the products that have been debited to the agreed export limit are subsequently re-exported from Austria. The Republic of Korea may then credit the quantities involved to the export limit set down in paragraph (1) above.

(6) The Republic of Korea will provide Austria with information in respect of exports of socks of synthetic fibres to Austria, showing the number and dates of export recommendations issued and the quantities covered by these export recommendations, ~~This will be done by airmail on a monthly basis, within the first fifteen days of the month following the issuance.~~

(7) Austria will provide the Republic of Korea with information concerning import licences issued within the agreed export limit upon presentation of export recommendations as indicated in paragraph (3) above, on a monthly and cumulative basis.

(8) Consultations regarding the conduct of exports of socks of synthetic fibres from the Republic of Korea to Austria will be held if so desired by either party.

I should be grateful if you would kindly confirm that this letter sets out correctly the understanding reached between the representatives of our two countries.

Accept, Excellency, the assurances of my highest consideration.

H.E.  
Mr. Young Choo KIM  
Ambassador of the Republic of Korea

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*h. post.*

**EMBASSY OF THE REPUBLIC OF KOREA  
VIENNA**

June 30, 1978

Sir,

I have the honour to acknowledge the receipt of your letter No. 27.638/14-II dated 17 May 1978, concerning the result of negotiations for an extension of the agreement between the Republic of Korea and Austria on trade in socks of synthetic fibres which were held in Vienna on 11 and 12 May 1978.

I have further the honour to confirm that the contents of your letter referred to above correctly set out the understanding reached between the representatives of our two countries in the said negotiations.

Accept, Sir, the assurances of my highest consideration.

*Young Choo Kim*  
Young Choo Kim  
Ambassador

MinRat Dr. Rudolf Willenpart  
Federal Ministry of Trade,  
Commerce and Industry

V i e n n a

Bundesministerium  
für Handel, Gewerbe u. Industrie  
Sekt. II  
Eingel.: - 9. 07. 78  
a. Zl.: 27.638/23

*K3.*  
*7. 07. 78*

IMPORTS OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES INTO AUSTRIA  
Quantity (Q) in pairs; Value (V) in 1.000 AS

Table 1

	1 9 7 4		1 9 7 5		1 9 7 6	
	Q	V	Q	V	Q	V
<u>Total:</u>	<u>4,995.296</u>	<u>38,585</u>	<u>9,959.537</u>	<u>61.674</u>	<u>11,204.776</u>	<u>67.242</u>
Germany F.R.	575.048	6.715	775.557	8.114	909.631	12.143
Italy	1,590.800	10.807	2,545.901	13.569	1,537.416	8.520
France	66.725	878	32.698	672	24.582	595
Switzerland	199.420	3.161	449.527	6.213	233.483	2.646
U. K.	267.604	3.125	321.108	3.817	294.112	3.411
Portugal	75.648	410	67.406	289	72.120	254
Germany D.R.	-	-	75.900	614	148.595	839
Romania	95.021	460	614.038	2.969	1,002.794	4.731
Hungary	236.188	1.965	178.016	1.270	98.400	637
Taiwan	-	-	-	-	208.905	807
Hong-Kong	35.400	312	38.478	245	18.137	133
<u>Rep. of Korea</u>	<u>1,636.266</u>	<u>9.649</u>	<u>4,794.636</u>	<u>22.674</u>	<u>6,575.805</u>	<u>31.114</u>
U. S. A.	51.106	839	34.317	641	46.214	995
Other countries	166.070	1.164	31.955	587	34.582	417

Source: Österreichisches Statistisches Zentralamt



Table 1aIMPORTS OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES INTO  
AUSTRIAQuantity (Q) in pairs; Value (V) in 1.000 AS  
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	1 9 7 7	
	Q	V
T o t a l	10,642.794	75.378
Ger many F. R. of	1,244.705	20.191
Italy	2,137.781	13.396
France	44.191	955
Switzerland	191.032	2.062
U. K.	380.601	4.072
Germany D. R. of	95.280	697
Romania	1,498.565	7.846
Hungary	48.000	349
Korea Rep. of	4,771.065	23.012
U. S. A.	31.858	998
Other countries	199.716	1.800

Source: Österreichisches Statistisches Zentralamt

Table 2

DOMESTIC PRODUCTION, TOTAL IMPORTS AND IMPORTS FROM THE  
 REPUBLIC OF KOREA OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES  
 Quantity (Q) in pairs, Value (V) in 1.000 AS

	Domestic Production		Total Imports		Imports from the Rep. of Korea	
	Q	V	Q	V	Q	V
9 7 4	6,299.532	103.252	4,995.296	38.585	1,636.266	9.649
9 7 5	6,122.270	113.227	9,959.537	61.674	4,794.636	22.674
9 7 6	5,907.438	115.257	11,204.776	67.242	6,575.805	31.114
9 7 7	5,006.617	109.852	10,642.794	75.378	4,771.065	23.012

RATIO OF IMPORTS FROM THE REPUBLIC OF KOREA  
 TO DOMESTIC PRODUCTION IN PER CENT

1 9 7 4	25,97
1 9 7 5	78,31
1 9 7 6	111,31
1 9 7 7	95,30

RATIO OF IMPORTS FROM THE REPUBLIC OF KOREA  
 TO TOTAL IMPORTS IN PER CENT

1 9 7 4	32,76
1 9 7 5	48,14
1 9 7 6	58,69
1 9 7 7	44,83

Table 3AVERAGE PRICES OF SOCKS AND STOCKINGS OF SYNTHETIC  
FIBRES IMPORTED INTO AUSTRIA

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	1 9 7 4 A.S.	1 9 7 5 A.S.	1 9 7 6 A.S.	1 9 7 7 A.S.
Germany F.R. of	11,68	10,46	13,35	16,22
Italy	6,79	5,33	5,54	6,27
France	13,16	20,55	24,20	21,61
Switzerland	15,85	13,82	11,33	10,79
U. K.	11,68	11,89	11,60	10,70
Portugal	5,42	4,29	3,52	-
Germany D.R. of	τ	8,09	5,65	7,32
Romania	4,84	4,84	4,72	5,24
Hungary	4,51	7,13	6,47	7,27
Taiwan	-	-	3,86	-
Hong Kong	8,81	6,37	7,33	-
Korea Rep. of	5,90	4,73	4,73	4,82
U. S. A.	16,42	18,68	21,53	31,33

Table 4

EXPORTS OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES FROM AUSTRIA  
 Quantity (Q) in pairs; Value (V) in 1.000 AS  
 Average Price (A.P.) in AS

	1 9 7 4			1 9 7 5			1 9 7 6		
	Q	V	A.P.	Q	V	A.P.	Q	V	A.P.
<u>Total</u>	<u>2,107,110</u>	<u>29.434</u>	<u>13,97</u>	<u>1,795.287</u>	<u>27.136</u>	<u>15,12</u>	<u>2,044.616</u>	<u>32.027</u>	<u>15,66</u>
Germany F.R.	18.816	366	19,45	84.609	1.941	22,94	334.974	5.419	16,18
France	-	-	-	3.689	140	37,95	8.753	239	27,30
Netherlands	-	-	-	-	-	-	21.039	283	13,45
Switzerland	1,381.134	18.952	13,72	1,071.864	14.926	13,93	992.477	14.001	14,11
U. K.	23.674	327	13,81	37.903	459	12,11	216.504	3.960	18,29
Denmark	251.980	2.896	11,49	199.497	2.402	12,04	172.924	2.210	12,78
Norway	108.001	1.995	18,47	74.973	1.588	21,18	59.584	1.015	17,03
Sweden	179.749	2,074	11,54	150.813	1.980	13,13	102.253	1.872	18,31
Iceland	14.370	243	16,91	17.220	316	18,35	8.470	142	16,77
Poland	65.107	1.046	16,07	94.689	1.735	18,32	83.336	1.771	21,25
Japan	20.851	532	25,51	9.552	363	38,00	7.337	270	36,80
Canada	11.085	304	27,42	19.447	611	31,42	17.547	543	30,95
Other countries	33.343	699	20,96	31.031	675	21,75	19.418	302	15,55

EXPORTS OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES FROM  
AUSTRIA

Quantity (Q) in pairs, Value (V) in 1.000 AS, Average Price (A.P.) in A.S.

	Q	1 9 7 7 V	A.P.
Total	2,204.572	36.193	16,42
Germany F.R.of	310.235	5.888	18,98
France	21.674	662	30,54
Netherlands	16.869	418	24,78
Switzerland	1,165.519	16.983	14,57
● K.	221.293	5.318	24,03
Denmark	131.053	1.931	14,73
Norway	72.442	616	8,50
Sweden	179.322	2.284	12,74
Poland	34.500	605	17,54
Japan	4.556	238	52,24
Canada	23.499	729	31,02
Other countries	23.610	521	22,07

Table 5

APPARENT CONSUMPTION OF SOCKS AND STOCKINGS OF SYNTHETIC FIBRES;  
 Ratio OF IMPORTS FROM THE REPUBLIC OF KOREA TO APPARENT CONSUMPTION;  
 Quantity (Q) in pairs, Value (V) in 1.000 AS

	Domestic Production	+	Imports	-	Exports	=	Apparent Consumption	Imports from the Rep. of Korea	Percentage Shar of the Rep. of Korea
Q 1974	6,299.532	+	4,995.296	-	2,107.110	=	9,187.718	1,636.266	17,81
V	103.252	+	38.585	-	29.434	=	112.403	9.649	8,58
Q 1975	6,122.270	+	9,959.537	-	1,795.287	=	14,286.520	4,794.636	33,56
V	113.227	+	61.674	-	27.136	=	147.765	22.674	15,34
Q 1976	5,907.438	+	11,204.776	-	2,044.616	=	15,067.598	6,575.805	43,64
V	115.257	+	67.242	-	32.027	=	150.472	31.114	20,68
Q 1977	5,006.617	+	10,642.794	-	2,204.572	=	13,444.839	4,771.065	35,49
V	109.852	+	75.378	-	36.193	=	149.037	23.012	15,44

Table 6

TURNOVER, PROFITS, EMPLOYMENT, UTILIZATION OF CAPACITY,  
PRODUCTION INDEX, INVESTMENTS  
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1. TURNOVER

In recent years, turnover was also lower than production;  
as a result, stocks continued to grow.

2. PROFITS

Profits are falling; in respect of socks, domestic production  
suffers heavy losses.

3. EMPLOYMENT AND ENTERPRISES

	Employment	Enterprises
1974	1.898	19
1975	1.350	14
1976	970	10
1977	940	10

4. UTILIZATION OF CAPACITY

60 per cent.

5. PRODUCTION INDEX (Basis 1971 = 100)

	1974	1975	1976	1977
Austrian industry in general	118,8	110,2	118,0	122,6
Textile industry in general	107,4	93,6	99,0	101,2
Knitting industry in general	97,6	79,4	86,4	91,2
Socks and stockings of synthetic fibres	87,8	85,3	82,3	70,3

6. INVESTMENTS

No investments can be made because of the bad earnings performance.  
Moreover, a big part of the capital is tied up by excessive stocks.