

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/336

29 September 1978

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Agreement between Sweden and India

Note by the Chairman

The attached notification received from the Swedish Mission concerns a new<sup>1</sup> agreement covering certain textile products concluded between Sweden and India.<sup>1</sup> Also attached is the short reasoned statement.

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<sup>1</sup>For previous agreement see COM.TEX/SB/120 and 256.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et l'Inde

Note du Président

La Mission de la Suède a fait parvenir au secrétariat la notification ci-jointe relative à un nouvel accord portant sur certains produits textiles conclu entre la Suède et l'Inde.<sup>1</sup> Un bref exposé des motifs de cet accord est également joint à la présente note.

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<sup>1</sup>Pour l'accord précédent, voir les documents COM.TEX/SB/120 et 256.

Geneva, 27 September, 1978

Ambassador P. Wurth  
Chairman  
Textiles Surveillance Body  
GATT  
Centre William Rappard  
GENEVA

Dear Mr. Ambassador,

I am notifying to the Textiles Surveillance Body a new agreement concerning trade between India and Sweden.

This agreement has been reached for the purpose of eliminating real risks of market disruption in Sweden, while insuring an orderly development of textile exports from India 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 new bilateral agreement represents a more comprehensive coverage than the previous one. This approach 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.

The present system of comprehensive agreements, i.a. with India, is based on a categorization into fourteen groups of the most sensitive textile products within CCC (BTN) chapters 60-62. These groups are:

- I Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic textile fibres
- II Shirts
- III Nightwear

- IV Knitted underwear, other than shirts, nightwear and tights (including underwear T-shirts)
- V Knitted sweaters, pullovers, slipovers, jumpers and cardigans etc (including outerwear T-shirts)
- VI Overcoats and jackets
- VII Suits, lounge coats and blazers
- VIII Trousers, other than shorts
- IX Costumes, dresses and skirts
- X Blouses
- XI Clothing, other than listed above, covered by CCC headings 60.03-60.05 and 61.01-61.04 as well as Commodity List 18 in Sweden

(Note: Commodity List 18 refers to textile products under the import license surveillance system in Sweden. It is annexed to this letter.)

- XII Travelling rugs and blankets
- XIII Bed linen
- XIV Towels and similar articles

In this agreement with India, separate restraint levels have been established for groups II, IV, V, IX, X and XIII, whereas groups I, III, VI - VIII, XI, XII and XIV 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. No textiles under CCC chapters 50-59 are subject to restraint in the present agreement.

As the new bilateral agreement has a structure which differs considerably from the old one, a valid comparison between them is very difficult.

The difficult situation of the Swedish textile industry has become further aggravated during the last years. Imports of garments have increased substantially, while consumption has been stagnant. This has led to a further decrease of domestic production. As in previous years, a number of factories have had to close down in 1977. 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.

For 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,



Carl De Geer  
Permanent Representative



Annexes: as stated