

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/337

29 September 1978

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Agreement between Sweden and Thailand

Note by the Chairman

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

¹ For previous agreement see COM.TEX/SB/213 and 217.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et la Thaïlande

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 la Thaïlande.¹ Un bref exposé des motifs de cet accord est également joint à la présente note.

¹ Pour l'accord précédent, voir les documents COM.TEX/SB/213 et 217.

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 Thailand and Sweden.

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 Thailand 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 Thailand, 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 licence 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 Thailand, separate restraint levels have been established for groups II, V, VI, VIII, IX, X and XIV, whereas groups I, III, IV, VII, XI, XII and XIII 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

AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF SWEDEN
AND THE GOVERNMENT OF THE KINGDOM OF THAILAND REGARDING EXPORT
OF CERTAIN TEXTILE PRODUCTS FROM THAILAND TO SWEDEN

Article 1

This Agreement has been reached on the basis of the Arrangement Regarding International Trade in Textiles, particularly article 1 : 2 and article 4 thereof, 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 the Kingdom of Thailand will limit exports from Thailand to Sweden of the textile products listed in Annex I to the levels set out in that Annex. The date of clearance by the Thai Customs Department is considered to be the date of exportation.

Article 4

The Government of the Kingdom of Sweden will admit imports of the textile products of Thai origin, listed in Annex I, only when such imports are covered by Export Certificates as per specimen in Annex II. Such a document shall be issued by the Department of Foreign Trade of the Ministry of Commerce of Thailand, be numbered and bear an endorsement

that the consignments concerned have been approved and debited to the agreed limit for exports to Sweden for the relevant period.

Article 5

Both parties regard it as essential that exports from Thailand to Sweden of the textile products listed in Annex I are evenly spaced throughout the period of Agreement and that, in the allocation of quotas, due consideration is given, as far as possible, to traditional patterns of trade. Accordingly, the Government of the Kingdom of Thailand undertakes to provide a procedure to achieve this.

Article 6

The Government of the Kingdom of Thailand will forward to the Government of the Kingdom of Sweden, via the Embassy of Sweden in Bangkok, monthly statistics on a cumulative basis of the quantities of the groups II, V, VI, VIII, IX, X and XIV and of the value of the "rest group", listed in Annex I, for which duly endorsed Export Certificates for exports to Sweden have been issued for the relevant period of Agreement. The statistics shall reach the Government of the Kingdom of Sweden within a period of two months from the month under reference.

Article 7

The Government of the Kingdom of Sweden will provide the Government of the Kingdom of Thailand with quarterly statistics on a cumulative basis of imports from Thailand

of the items listed in Annex I. The statistics shall be forwarded to the Government of the Kingdom of Thailand, via the Embassy of Sweden in Bangkok, as soon as possible.

Article 8

The Government of the Kingdom of Sweden and the Government of the Kingdom of Thailand agree to consult each other, at the request of either, when any problem arises in connection with this Agreement. The Government of the kingdom of Sweden and the Government of the Kingdom of Thailand agree furthermore to enter into consultations on the extension, modification or elimination of the limitations before the end of the period of Agreement. If consultations do not result, within a reasonable period of time, in a mutually satisfactory solution and the elimination or modification of the limitations would result in serious damage to its domestic producers of like or directly competitive products, the Government of the Kingdom of Thailand notes that the Government of the Kingdom of Sweden may apply limitations to the extent and for such time as may be found necessary.

Article 9

If the Government of the Kingdom of Thailand considers that, as a result of the restraint imposed by this Agreement, Thailand is being placed in an inequitable position vis-a-vis any third country, the Government of the Kingdom of Thailand may request the Government of the Kingdom of Sweden to consult with a view to appropriate remedial action such as a reasonable modification of this Agreement.

Article 10

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

Article 11

This Agreement replaces the two Agreements between the Government of the Kingdom of Sweden and the Government of the Kingdom of Thailand signed November 19th 1976 and December 30th 1976 respectively.

Article 12

This Agreement has been drawn up in two copies in the English language, each of those being equally authentic.

Done in Bangkok..... on 23rd August....., 1978

For the Government of the
Kingdom of Sweden

Lena Sundh

(Lena Sundh)

Chargé d'Affaires a.i.
The Royal Swedish Embassy

For the Government of the
Kingdom of Thailand

Chuay Kannawat

(Chuay Kannawat)

Director General
Economic Department

ANNEX I

Exports of certain textiles from Thailand to Sweden of wool, cotton or of man-made textile fibres (including clothing of impregnated, coated, covered or laminated woven or knitted fabric falling within heading no. 59.08, 59.11 or 5912 CCC)

(a) Group No.	(b) Swedish Tariff Classification No.	(c) Description	(d) Period	(e) Unit	(f) Level
II	60.04.102-106 61.03.102-106 ex 109	<i>base</i> Shirts a) knitted or crocheted b) not knitted or crocheted	1.7.78-30.6.79 1.12.77-30.6.79	} Pieces	1,118,288
	656,500 656,500 + 7ml lark 300986				
V	60.05.302-306 652,000 + 7 1/2	Knitted sweaters, pullovers, slipovers, jumpers and cardigans etc. (including outerwear T-shirts)	1.12.77-30.6.79	Pieces	1,036,137
VI	ex 60.05.803-4 812, 892 895-896 61.01.ex 003, ex 008 104, ex 109, 454-456 61.02.ex 008 112-116, 152-156 ex 992-996	Overcoats and jackets <i>Roll-back 140,000</i>	1.7.78-30.6.79	Pieces	140,000
VIII	61.01.ex 003, ex 008 504-506 61.02.ex 008, 602-606 ex 992-996	Trousers <u>other than</u> shorts, not knitted or crocheted <i>of cotton, man + wool</i>	1.12.77-30.6.79	Pieces	762,800

(a) Group No.	(b) Swedish Tariff Classification No.	(c) Description	(d) Period	(e) Unit	(f) Level
IX	60.05.602-606 61.02.ex 008 202-206, 302-306 402-406 ex 992-996	Costumes, dresses and skirts <i>Roll-back</i> <i>90,000 pieces</i>	1.7.78-30.6.79	Pieces	90,000
X	60.05.ex 803-4 822, 825, 826 61.02.ex 008, 502-506 ex 509 ex 992-996	Blouses a) knitted or crocheted b) not knitted or crocheted	1.7.78-30.6.79 15.1.78-30.6.79	} Pieces	356,862
XIV	62.02.311, 319, ex 399 ex 792-793	Towels <i>Roll-back 96 tons</i>	1.7.78-30.6.79	Metric tons	96
<u>Rest group</u>					
I, III, IV, VII XI-XIII	60.03.003 102-106, ex 109 902-906, ex 909	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or cro- cheted, <u>other than</u> ladies stockings of continuous synthetic fibres	1.7.78-30.6.79	F.O.B. SKr. 3,200,000 Value	<i>- Roll-back</i>
	60.04.212-216 252-256 602-606 702-706 802-806 902-906	Knitted underwear, other than shirts (ex group II) (including underwear T-shirts)			

(a) Group No.	(b) Swedish Tariff Classification No.	(c) Description	(d) Period	(e) Unit	(f) Level
	60.05.102, 105, 202, 205 ex 803-804, ex 812 ex 892, ex 895-6 802, 806	Outerwear, knitted or cro- cheted, <u>other than sweaters,</u> pullovers, slipovers, jumpers, cardigans etc. (group V), overcoats and jackets (ex group VI), costumes, dresses and skirts (ex group IX) and blouses (ex group X)			
	61.01.ex 003, ex 008 304-306, 414-416, 705-706, ex 709 904-906	Men's and boys' woven outer garments <u>other than over-</u> coats and jackets (ex group VI) and trousers other than shorts (group VIII)			
	61.02.ex 008 802-806 902-906 ex 992-996	Women's girls' and infants' woven outer garments <u>other</u> <u>than overcoats and jackets</u> (ex group VI), trousers other than shorts (group VIII), costumes, dresses, and skirts (ex group IX) and blouses (ex group X)			
	61.03.202-206, ex 209 61.04.ex 102-109	Men's and boys', women's and girls' nightwear, not knitted or crocheted			
	62.01.ex 101-400, 500 600, ex 900	Travelling rugs and blankets			
	62.02.110, ex 190 ex 792-793	Bed linen			



ORIGINAL

No. _____

DEPARTMENT OF FOREIGN TRADE

Ministry of Commerce
Thailand

EXPORT CERTIFICATE
(Special form for textiles)

At the request of Messrs _____

(address) _____

to carry out a survey of the following products :

BTN or Textile Category Code	Quantity	Description, Marks & Numbers of Packages	Value (F.O.B. Bangkok)

We hereby certify that the above-mentioned products are of the country of exportation
(Thailand)

To be exported to Messrs _____

(address) _____

Issued on _____

ONE MONTH

(Goods must be exported within ~~one month~~ of the date of issue.)

Department of Foreign Trade



APPROVED AND
DEBITED AGAINST
RESTRAINT LEVEL
FOR EXPORT TO
SWEDEN

Clothing and other made up textile articles (ex CCC chapters 60-62) included in Commodity list No 18

<u>Description</u>	<u>Swedish Statistical Classification No. (CCC)</u>
Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic textile fibres	60.03.003-109 902-909
Undergarments, knitted or crocheted	60.04. all
Outer garments, knitted or crocheted	60.05.102-802, ex 803-804, 806, ex 809, 812-826, ex 892, ex 895,896
Outer garments, not knitted or crocheted	61.01. all 61.02. all
Shirts and night-garments, men's and boys' wear	61.03.102-209
Night-garments, women's and girls' wear	61.04.ex 102-109
Travelling rugs and blankets	62.01. all
Bed linen, towels and similar articles	62.02.110, 190, 311-399, ex 792-793