

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/338

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 Sri Lanka

Note by the Chairman

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

¹For previous agreement see COM.TEX/SB/269.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et Sri Lanka

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

¹Pour l'accord précédent, voir le document COM.TEX/SB/269.

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 Sri Lanka 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 Sri Lanka 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 Sri Lanka, 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 Sri Lanka, separate restraint levels have been established for groups II, VIII and X, whereas groups I, III-VII, IX and XI - 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

I

AGREEMENT BETWEEN THE GOVERNMENT OF
SRI LANKA AND THE GOVERNMENT OF SWEDEN
REGARDING EXPORTS OF CERTAIN TEXTILE
PRODUCTS FROM SRI LANKA TO SWEDEN

Article 1

The following 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 period specified in Annex I.

Article 3

The Government of Sri Lanka will limit exports from Sri Lanka to Sweden of the textile products listed in Annex I to the levels set out in that Annex. The date of issue of shipping documents is considered to be the date of exportation.

Article 4

The Government of Sweden will admit imports, through a system of import licenses, of the textile products of Sri Lanka 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 Ministry of Textile Industries, be consecutively 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

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 Sri Lanka as soon as possible.

Article 6

Both parties regard it as essential that exports from Sri Lanka 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 to traditional patterns of trade. Accordingly, the Government of Sri Lanka undertakes to provide a procedure to achieve this.

Article 7

The Government of Sri Lanka will forward each quarter to the Government of Sweden, via the Embassy of Sri Lanka in Sweden, monthly statistics on a cumulative basis of the quantities of the groups II, VIII and X and of the weight 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 Sweden within a period of two months from the quarter under reference.

Article 8

The Government of Sweden and the Government of Sri Lanka agree to consult each other, at the request of either party, if any problem should arise from the implementation of this Agreement. The Government of Sweden and the Government of Sri Lanka agree furthermore to enter into consultations, before the end of the period of agreement on the conditions of a new Agreement.

If consultations do not result, within a reasonable period of time, in a mutually satisfactory solution and this would result in serious damage to its domestic producers of like or directly competitive products, the Government of Sweden may apply limitations to the extent and for such a time as may be found necessary.

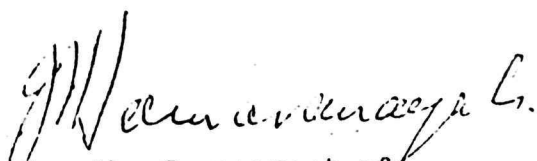
Article 9

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

Article 10

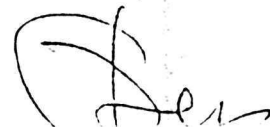
This Agreement has been drawn up in two copies in the English language, each of these being equally authentic.

Done in Colombo on 14th July, 1978.


For the Government of

Sri Lanka

For the Government of
Sweden



Exports of certain Textiles from Sri Lanka
to Sweden of wool, of cotton or of man-made
textile fibres (including clothing of impreg-
nated, coated, covered or laminated woven or
knitted fabric falling within heading No.59.08,
59.11 or 59.12 CCC)

Group No.	Swedish Tariff Classification No.	Description	Unit of Quantity	Level for period 1. 8. 78 - 31. 7. 79
II	60.04. 102 - 106 61.03. 102 - 106 ex 109	Shirts	Pieces	440.000
VIII	60.05. 802, ex 803-4 806, ex 895 61.01. ex 003, ex 008 504 - 506 61.02. ex 008, 602-606 ex 992 - 996	Trousers, <u>other than</u> shorts	Pieces	180.000
X	60.05. ex 803 - 4 822, 825, 826 61.02. ex 008, 502-506 ex 509 ex 992 - 996	Blouses	Pieces	450.000
<u>Restgroup</u>				
I, III - VII, IX, XI-XIV	60.03. 102 - 106 ex 109 902 - 906 ex 909	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or cro- cheted, <u>other</u> <u>than ladies'</u> stockings of continuous synthetic fibres	Metric tons	60
	60.04. 212 - 216 252 - 256 602 - 606 702 - 706 802 - 806 902 - 906	Knitted under- wear, <u>other than</u> shirts (ex group II)		

MINISTRY OF TEXTILE INDUSTRIES OF SRI LANKA
(EXPORT PROMOTION DIVISION)

EXPORT CERTIFICATE

1. Exporting country _____
2. Export Certificate No. _____
3. Exporter's name and address _____

We certify that the above exporter has been authorised to export the following goods which have been debited against the restraint level for export to Sweden during the agreement period 1978 - 08 - 01 to 1979 - 07 - 31.

1. Destination: _____
2. Order/L/C No: _____
3. Export Licence No: _____
4. Description of goods: _____

5. BTN No _____
6. Quantity (pieces/tons) _____

7. Value (FOB): _____
8. Date of shipment (approx.) _____
9. Importer's name and address: _____

(Export Promotion Division)
Ministry of Textile Industries

(Copy forwarded to)
The Principal Collector of Customs,
COLOMBO.

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. (CC</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