

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/339

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 Pakistan

Note by the Chairman

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

¹For previous agreement see COM.TEX/SB/123, 205 and 242.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et le Pakistan

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

¹Pour l'accord précédent, voir les documents COM.TEX/SB/123, 205 et 242.

Geneva, 27 September, 1978

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

Dear Mr. Ambassador,

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I am notifying to the Textiles Surveillance Body a new agreement concerning trade between Pakistan 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 Pakistan to Sweden and is being notified, in its relevant parts, 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 Pakistan, 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 Pakistan, separate restraint levels have been established for groups IV, V, X, XIII and XIV, whereas groups I - III, VI - IX, XI and XII 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 produc-

tion, 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 PAKISTAN AND SWEDEN REGARDING
EXPORTS OF TEXTILE PRODUCTS FROM PAKISTAN TO SWEDENArticle 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 with effect from March 1, 1978 as regards restraint groups IV, V, XIII, XIV, and the "rest group" consisting of groups I - III, VI - IX, XI and XII, and from July 1, 1978 as regards restraint group X. The Agreement shall be applicable until February 28, 1979.

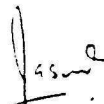
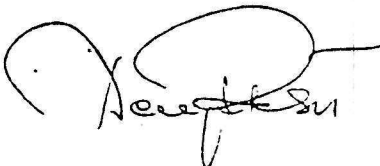
Article 3

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.

Article 4

If in the period March 1, 1977 to February 28, 1978 exports from Pakistan to Sweden of the items covered by the Agreement between the Swedish Government and the Government of Pakistan of February 28, 1977, are less than 120% of the levels specified in column (d) of Annex I thereto, Pakistan may export additional amounts of such items equivalent to such shortfalls during the

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period March 1, 1978 - February 28, 1979, provided that such exports do not exceed 10 per cent of the levels specified in Annex I of the said Agreement.

Carry over of quantities of group I items of the said Agreement is to be distributed on the basis of 20% to group IV and 80% to group V in Annex I to this Agreement.

Article 5


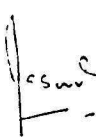
The Government of Sweden will admit imports of the textile products of Pakistani origin, listed in Annex I, provided that such imports are covered by an Export Certificate, as per specimen in Annex II. Such a document shall be issued by the Export Promotion Bureau, Government of Pakistan, and shall bear an endorsement that the consignments concerned have been debited to the agreed levels for exports to Sweden for the relevant period.

The date of issue of shipping documents shall be considered to be date of delivery (exportation).

Article 6

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.

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Article 7

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 "rest 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 8

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 9

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

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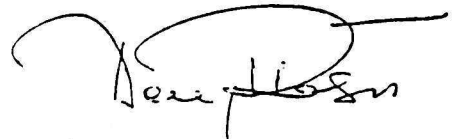
Article 10

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

Done at Islamabad on 18th February, 1978.



For the Government of
Pakistan



For the Government of
Sweden

ANNEX I

(a) Group No.	(b) Swedish Tariff Classification No.	(c) Description	(d) Unit	(e) Level for period 1-3-78 to 28-2-79
IV	60.04.70-,80-,90-	Knitted underwear, other than shirts, nightwear and tights (including underwear T-shirts)	Pieces	Aggregate 1,166,000 Level for Groups IV & V
V	60.05.30-	Knitted sweaters, pull-overs, slipovers, jumpers and cardigans etc. (including outerwear T-shirts)	Pieces	Sub level for i) Group IV 242,528 ii) Group V 970,112
X	60.05, ex 803-4 ex 809, 822, 823, 826 61.02 ex-003 50- ex 99-	Blouses (knitted or woven)	Pieces	154,100 (for period 1-7-78 to 28-2-79)
XIII	62.02.110,130	Bed linen	Kilograms	345,000
XIV	62.02 31-,39-	Towels and similar articles	Kilograms	250,000
<u>Rest Group</u>				
I-III, VI-IX, XI & XII	60.03.003-109 902-909	Stockings, under stockings, socks, ankle socks, sockettes, and the like, knitted or crocheted, <u>other than ladies' stockings of continuous synthetic fibres</u>	F.O.B. value	3.0 million Swedish Crowns
	60.04.102-609	Shirts, nightwear and tights, knitted or crocheted		
	60.05.102-203, 602-609, 802, ex 803-304 806, ex 809, 812 ex 892, ex 895-896	Outerwear, knitted or crocheted, <u>other than sweaters, pullovers, slipovers, jumpers, cardigans, etc. (group V) and blouses (ex group X)</u>		
	61.01.all	Men's and boys' woven outer garments		
	61.02. ex 008 112-409 602-999	Women's, girls' and infants' woven outer garments, <u>other than blouses (ex group X)</u>		
	61.03.102-209	Men's and boys' shirts and nightwear, not knitted or crocheted		
	61.04. ex 102-109	Women's and girls' nightwear, not knitted or crocheted		
	62.01.all	Travelling rugs and blankets		

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GOVERNMENT OF PAKISTAN
EXPORT PROMOTION BUREAU

EXPORT CERTIFICATE FOR TEXTILES

1. Exporting country _____
2. Export Certificate No _____
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 1978/79:

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

4. Category : _____
5. Net weight
(in sq.yds/kilograms or metric tons) _____

6. Value : _____

7. Name of ship or flight No: _____
8. Date of shipment : _____
9. Importer's name and address: _____

Export Promotion Bureau
Government of Pakistan

Copy forwarded to :

The Collector of Customs,
Customs House,
Karachi.

Export Promotion Bureau
Government of Pakistan



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