

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/342

8 November 1978

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Agreement between Sweden and Korea

Note by the Chairman

The attached notification received from the Swedish Mission concerns a new agreement covering certain textile products concluded between Sweden and Korea¹. Also attached is the short reasoned statement.

¹For previous agreement and amendments see COM.TEX/SB/133, 221 and 276.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Suède et la Corée

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

¹Pour l'accord précédent et ses modifications, voir les documents COM.TEX/SB/133, 221 et 276.

SWEDISH DELEGATION

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Dir. Ext. Res. Info.	
Training Prog.	

Geneva, 31 October 1978

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Ambassador P Wurth
 Chairman
 Textiles Surveillance Body, GATT
 Centre William Rappard
 154, rue de Lausanne
 1211 GENEVE 21

Dear Mr Ambassador,

I am notifying to the Textiles Surveillance Body a new agreement concerning trade between the Republic of Korea 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 the Republic of Korea 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 the Republic of Korea, 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 the Republic of Korea separate restraint levels have been established for the above groups I - X, XIII and XIV, whereas groups XI and XII have been merged into a common rest group, which should make a fair amount of flexibility possible. A specific group XV has been created, as can be seen from the agreement. It can also be noted that most of the specific groups have a wide product coverage, which should work in the same direction. Most textiles under CCC chapters 50 - 59 are not 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,



Erik Cornell
Permanent Representative a i

Annexes As stated

ROYAL MINISTRY
FOR
FOREIGN AFFAIRS

I

The Ministry for Foreign Affairs presents its compliments to the Embassy of the Republic of Korea and, with reference to the Agreement between the Government of the Republic of Korea and the Government of Sweden regarding exports of certain textile products from the Republic of Korea to Sweden, initialled in Seoul on January 27, 1978, has the honour to inform the Embassy that the following is the understanding of the Government of Sweden.

Article 1

The following Agreement has been reached with reference to the Arrangement Regarding International Trade in Textiles, particularly articles 1:2 and 4, and the provisions of GATT document COM.TEX/W/47.

Article 2

This Agreement shall apply with effect from March 1, 1978 and shall be applicable until February 28, 1979.

Article 3

The Government of the Republic of Korea will limit exports to Sweden of the textile products listed in Annex I and Add. to this Agreement to the levels set out in Annex I.

Article 4

The Government of Sweden will admit imports of the textile products of Korean origin listed in Annex I, provided that such imports are covered by a "Recommendation" as per specimen in Annex II issued by the proper Korean authorities. Such a document shall bear an endorsement by proper

officials that the consignments concerned have been debited to the agreed levels for exports to Sweden for the relevant period. The date of shipment indicated on the shipping documents shall be considered to be the date of delivery (exportation).

Article 5

The restraint levels for any group specified in Annex I may, after technical consultation between the Government of Sweden and the Government of Korea, be exceeded by a carryover of not more than 10 % of the levels for the period July 1, 1977 - February 28, 1978 in the case of shortfalls and, after similar consultations, by a carry forward of not more than 5 % from any level that might be agreed for a following twelve month period. The carryover shall not exceed the amount of shortfall in the group and shall be used in the same group in which the shortfall occurred. Amounts delivered in advance shall be deducted from the level for the corresponding products provided for the following twelve month period. The combination of carryover and carry forward shall not exceed 10 % of the levels in Annex I to this Agreement.

Article 6

Exports of any group specified in Annex I may after technical consultations between the Government of Sweden and the Government of the Republic of Korea be exceeded by 1 per cent provided that a corresponding reduction is applied in another group. For purposes of calculating swing, conversion factors as listed in Annex III shall be applied.

Article 7

If the information available to the Swedish authorities shows that the quantitative limit for the category of products specified in a "Recommendation" 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 Swedish authorities shall inform the authorities of the Republic of Korea.

Article 8

Both parties regard it as essential that exports to Sweden of goods listed in Annex I are evenly spaced throughout the period of agreement, taking into account traditional patterns of trade as well as normal seasonal factors.

3.

Article 9

The Government of the Republic of Korea will forward to the Government of Sweden, via the Embassy of Sweden in Seoul, monthly statistics on a cumulative basis of the quantities or values of the groups listed in Annex I, which have been duly authorized for export to Sweden and debited to the agreed levels in that Annex.

Article 10

The Government of the Republic of Korea and the Government of Sweden agree to consult each other, at the request of either, when any unforeseen problem arises from the implementation of this Agreement. The Government of the Republic of Korea 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 11

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

The Ministry has further the honour to inform the Embassy that this note and the Embassy's reply thereto confirming the foregoing shall constitute an agreement between the Government of the Republic of Korea and the Government of Sweden regarding exports of certain textile products from the Republic of Korea to Sweden.

The Ministry for Foreign Affairs avails itself of this opportunity to renew to the Embassy of the Republic of Korea the assurances of its highest consideration.

Stockholm, February 28, 1978.



The Embassy of the Republic of Korea
STOCKHOLM

ANNEX I

Group No.	Swedish Tariff Classification No.	Description	Levels for period 1. 3. 78 - 28. 2. 79
I.	60.03.003, 10-, 90-	Stockings, under stockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres	⁴⁷⁶⁰ 4,000,000 pairs
II	60.04.10- 61.03.10- (ex 61.04.20-)	Shirts	618,500 pieces
III	60.04.21-, 25- 61.03.20- 61.04.10-	Night-wear	^{164,000} 150,000 pieces <i>1. advance 9%</i>
IV	60.04.70-, 80-, 90-	Knitted underwear, other than shirts, night-wear and tights (including underwear T-shirts)	^{467,000} 467,000 pieces
V	60.05.30-	Knitted sweaters, pull-overs, slip-overs, jumpers, cardigans etc. (including outerwear T-shirts)	4,900,000 pieces
VI	(ex) 60.05.812 61.01.10-, 45- 61.02.11-, 15- (ex 60.05.803, 804, 809, 892, 895, 896) (ex 61.01.003, 008) (ex 61.02.008, ex 61.02.99-)	Overcoats and jackets	^{698,000} 640,000 pieces
VII	61.01.30-, 41- (ex 60.05.803, 804, 809, 812, 892, 895, 896) (ex 61.01.003, 008) (ex 61.02.008, 90-)	Suits, men's and boys' wear; lounge coats and blazers	^{49,000} 80,000 pieces

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VIII	60.05.802, 806 61.01.50-, 61.02.60- (ex 60.05.803, 804, 809, 895) (ex 61.01.003, 008) (ex 61.02.008, 99-)	Trousers, other than shorts	644,000	604,000 pieces
IX	60.05.60- 61.02.20-, 30-, 40- (ex 61.02.008, 99-)	Costumes, dresses and skirts	179,000	250,000 pieces
X	60.05.822, 825, 826 61.02.50- (ex 60.05.803, 804, 809) (ex 61.02.008, 99-)	Blouses	554,000 - include pajamas	408,000 pieces
XIII	62.02.11-, 19-	Bed linen		100 metric tons
XIV	62.02.31-, 39-	Towels and similar articles	119 tons	119 metric tons
XV	51.01.110, 120, 191, 199, 210, 220, 291, 299, 401, 409, 001 700, 800, 900	Yarn of man made fibres (continuous), synthetic and regenerated textile fibres (not sewing thread)		
	56.01.120-190	Man made fibres (discontinuous)		
	61.05, 61.06	Handkerchiefs, shawls, scarves etc.		900 metric tons
	<i>Ala</i> Miscellaneous group (described in Annex I Add.)		219 tons	255 metric tons

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ANNEX I Add.

List of textile goods covered by the miscellaneous group:

<u>Description</u>	<u>Swedish Statistical Classification No</u>
Knitted panty hoses and tights	60.04.602-609
Knitted outer garments, <u>other than</u> sweaters, pullovers etc (group V), overcoats and jackets (ex group VI), suits; lounge coats and blazers (ex group VII), trousers (ex group VIII), costumes, dresses and skirts (ex group IX) and blouses (ex group X)	60.05.10-, 20- ex 803 ex 804 ex 809 ex 892 ex 895 ex 896
Mens' and boys' woven outer garments, <u>other than</u> overcoats and jackets (ex group VI), suits, lounge coats and blazers (ex group VII) and trousers (ex group VIII)	61.01. ex 003 ex 008 705-709 904-909
Womens', girls' and infants' woven outer garments, other than overcoats and jackets (ex group VI), lounge coats (ex group VII), trousers (ex group VIII), costumes, dresses and skirts (ex group IX) and blouses (ex group X)	61.02. ex 008 802-809 902-909 ex 992-999
<i>Pa</i> Travelling rugs and blankets	62.01.all

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KOREAN GARMENTS EXPORTERS ASSOCIATION

10-1, 2-KA, HOEHYUN-DONG, CHUNG-KU,
SEOUL, KOREA.RECOMMENDATION

Recommendation No. : _____ Date : _____

We hereby recommend that the following goods, which will be charged against the agreed restraint levels (1978. 3. 1. ~ 1979. 2. 28.), be exported from Korea to Sweden.

Exporter : _____

Importer : _____

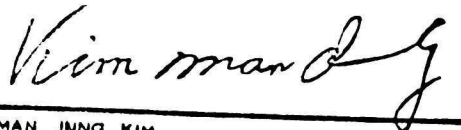
BTN NO. : _____

Description of goods : _____

Quantity : _____

Amount : US\$ _____ /FOB.C&F.CIF.

Recommended by

MAN JUNG KIM
CHAIRMAN
KOREAN GARMENTS EXPORTERS ASSOCIATION

KOREAN SWEATER EXPORTERS ASSOCIATION

10-1, 2-KA, HOEHYUN-DONG, CHUNG-KU,
SEOUL, KOREA.

RECOMMENDATION

Recommendation No. : _____ Date : _____

We hereby recommend that the following goods, which will be charged against the agreed restraint levels (1978. 3. 1. ~ 1979. 2. 28.), be exported from Korea to Sweden.

Exporter : _____

Importer : _____

BTN NO.: _____

Description of goods : _____

Quantity : _____

Amount : US\$ / FOB.C&F.CIF.

SAMPLE

Recommended by



JUN KYU CHOI
CHAIRMAN
KOREAN SWEATER EXPORTERS ASSOCIATION

KOREA COTTON TEXTILES EXPORT ASSOCIATION

10-1, 2-KA, HOEHYUN-DONG, CHUNG-KU,
SEOUL, KOREA.

RECOMMENDATION

Recommendation No. : _____ Date : _____

We hereby recommend that the following goods, which will be charged against the agreed restraint levels (1978. 3. 1. ~ 1979. 2. 28.), be exported from Korea to Sweden.

Exporter : _____

Importer : _____

SAMPLE

BTN NO. : _____

Description of goods : _____

Quantity : _____

Amount : US\$ _____ /FOB.C&F.CIF.

Recommended by



KAK CHOONG. KIM
CHAIRMAN
KOREA COTTON TEXTILES EXPORT ASSOCIATION

KOREAN KNITTED GOODS EXPORTERS ASSOCIATION

10-1, 2-KA, HOEHYUN-DONG, CHUNG-KU,
SEOUL, KOREA.

RECOMMENDATION

Recommendation No. : _____ Date : _____

We hereby recommend that the following goods, which will be charged against the agreed restraint levels (1978. 3. 1. ~ 1979. 2. 28.), be exported from Korea to Sweden.

Exporter : _____

Importer : _____

BTN NO. : _____

Description of goods : _____

Quantity : _____

Amount : US\$ _____ /FOB.C&F.CIF.

SAMPLE

Recommended by



WOO-CHOONG KIM
CHAIRMAN
KOREAN KNITTED GOODS EXPORTERS ASSOCIATION

KOREA YARN AND TEXTILE EXPORT ASSOCIATION

10-1, 2-KA, HOEHYUN-DONG, CHUNG-KU,
SEOUL, KOREA.

RECOMMENDATION

Recommendation No. : _____ Date : _____

We hereby recommend that the following goods, which will be charged against the agreed restraint levels (1978. 3. 1. ~ 1979. 2. 28.), be exported from Korea to Sweden.

Exporter : _____

Importer : _____

SAMPLE

BTN NO. : _____

Description of goods : _____

Quantity : _____

Amount : US \$ _____ /FOB.C&F.CIF.

Recommended by

KOREA YARN AND TEXTILE EXPORT ASSOCIATION

PRESIDENT

Jang Mo Sohn

CONVERSION FACTORS

Group I	24 pairs/kg
Group II	4.5 pieces/kg
Group III	3.5 pieces/kg
Group IV	15 pieces/kg
Group V	4.5 pieces/kg
Group VI	1.4 pieces/kg
Group VII	1.4 pieces/kg
Group VIII	2.0 pieces/kg
Group IX	2.0 pieces/kg
Group X	6.0 pieces/kg
Group XV	Swing out from Group XV only to the miscellaneous group (described in Annex I Add.)
Miscellaneous group (described in Annex I Add.)	Swing out from the miscellaneous group only to Group XV.

EMBASSY OF THE REPUBLIC OF KOREA

KSD/78-18

The Embassy of the Republic of Korea presents its compliments to the Ministry for Foreign Affairs and has the honour to acknowledge receipt of the latter's note dated 28 February, 1978, regarding exports of certain textile products from the Republic of Korea to Sweden.

The Embassy has further the honour to inform the Ministry that the understanding set forth in the said note is acceptable to the Government of the Republic of Korea and to confirm that the said note and this reply thereto will constitute an agreement between the Government of the Republic of Korea and the Government of Sweden.

The Embassy of the Republic of Korea avails itself of this opportunity to renew to the Ministry for Foreign Affairs the assurances of its highest consideration.

Stockholm, February 28, 1978

The Royal Ministry for Foreign Affairs
STOCKHOLM



(This is not
an annex to
the agreement)

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