

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/346

28 November 1978

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Agreement between Finland and India

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

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord entre la Finlande et l'Inde

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

TS/140-4

PERMANENT MISSION OF FINLAND
IN GENEVA

No. 2685

ANSWERED	DOC. ISSUED	FOLIO	
	TS/140-4	20	
REQ 15 NOV 1978			
For:	Action	Comment	Inf.
TRADE POLICY DT:			X
Gen. Div.			
Agri. Div.			
Special Pr.:			
TRADE DEVELOP. DT:			
Sp. Asst. Tr. Negs			
Dev. Div.			
Intel. Div.			
CHAIR. TS	X		
OFFICE OF U-G:			
Consultant (ADD)			
Conf. Div.			
Training Prog.			

Geneva, November 14, 1978

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Wurth

Dear Mr. Ambassador,

I am notifying to the Textile Surveillance Body an agreement concerning trade in textiles between India and Finland.

As can be seen in Annex I of the enclosed agreement the coverage of the present agreement is limited to only three categories of restraint products, namely:

1. Women's and girls' woven blouses of cotton and man-made fibres
2. Men's and boys' woven shirts of cotton and man-made fibres
3. Bed linen containing not less than 50 per cent by weight of cotton.

The low-price imports into Finland of the products concerned had continued to increase during the time preceding the presentation of the request for negotiations. In shirts the total imports in 1976 were 355.000 pieces, and during the first seven months of 1977 already 496.000 pcs. Corresponding import figures from India were 38.000 pcs and 115.000 pcs. In blouses a corresponding development had taken place. Total imports in 1976 were about 1 mill. pieces, and during January-July 1977 850.000 pcs. The figures in the imports from India were 177.000 pcs and 245.000 pcs correspondingly.

Ambassador P. Wurth
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154, rue de Lausanne
Geneva

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In bed linen, where India's share of imports was 43,5 % and market share 21,8 %, the imports from India were in 1976 136 tons and during January-July 91 tons.

This development which coincided with the situation of slackening demand in Finland was threatening to cause serious damage to domestic producers and had as a consequence a deterioration in the employment situation in these particular sectors in Finland where unemployment in overall terms already had reached an all-time record level.

The agreement has been reached on mutually acceptable terms for the purpose of eliminating real risks of market disruption in Finland, while ensuring an orderly development of textile exports from India to Finland 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.

Yours sincerely,



Erik Hagfors
Counsellor

Encls

MEMORANDUM OF UNDERSTANDING

With reference to the consultations held in Helsinki on 5 and 6 January 1978, regarding exports of certain textile products from India into Finland, the Government of Finland and the Government of India, having regard to the Arrangement regarding international trade in textiles, have agreed on the following arrangements:

1. The Government of India have agreed to limit exports of the textile products specified in Annex I to the limits set out in that Annex during the period of 1 January 1978 to 31 December 1981.

2. The Government of Finland shall for the purpose of these arrangements admit imports of the textile products of Indian origin set out in Annex I to the agreed limits, provided that such imports into Finland are covered by export certificates, as per specimen in Annex II issued by the Indian organization(s) to be designated by the Government of India. Such export certificates imply that the consignments concerned have been debited against the agreed limits for exports to Finland.

Shipments effected before 31 December 1977 shall not be debited against the limits agreed for exports to Finland.

Goods shipped during January 1978 shall be admitted even if not accompanied by such certificates. These goods shall be debited against the limits for 1978.

If the information available to the Finnish authorities through the import surveillance system shows that the quantitative limit of a product specified in Annex I has already been reached or

the unused portion of that limit is insufficient to cover the goods specified in the export certificate(s) the Finnish authorities may, subject to the provisions of Article 3, refuse to admit the imports of such product for any quantity in excess of the quantitative limit set out in Annex I. In such a case the Finnish authorities shall immediately inform the authorities of India.

3. a) In any agreement year advance use of a portion of the quantitative limit established for the following agreement year is authorized for each product listed in Annex I up to 6 per cent of the limit for the current agreement year.

b) Carry-over to the corresponding quantitative limit for the following agreement year of amounts not used during any agreement year is authorized up to 11 per cent of the limit for each product for the current agreement year.

c) The increase in any product limit on account of cumulative application of provisions of paragraphs a) and b) above during an agreement year shall not exceed 11 per cent.

4. The Government of Finland and the Government of India agree to consult together, at the request of either party, on any matter arising from the implementation of these arrangements.

If the Government of India considers that, as a result of the restraint imposed by these arrangements, India is being placed in an inequitable position vis-a-vis a third country, the Government of India may request the Government of Finland to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

Should any problems arise in connection with trade in textiles between the two countries either party may request for consultations. Both sides agree to enter into such consultations promptly and in a cooperative spirit with a view to arriving at a mutually acceptable solution to such problems.

5. The Government of India or the organisation to be designated by it will forward to the Government of Finland monthly statistics on a cumulative basis of the quantities of the textile products for which certificates for export to Finland have been issued. The Government of Finland will forward to the Government of India monthly statistics on a cumulative basis of imports from India of the textile products set out in Annex I.

6. The Government of Finland and the Government of India have agreed to review the operation of this Memorandum of Understanding not later than by the end of February, 1980 and may then by common accord take any such action as they deem appropriate to modify it.

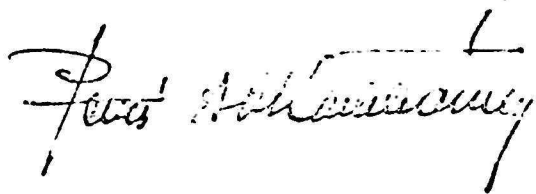
7. In the event that the Government of Finland accedes to the Arrangement regarding international trade in textiles this Memorandum of Understanding shall be governed by the provisions thereof.

8. The Annexes to this Memorandum of Understanding shall form an integral part thereof.

Done in Helsinki the 9th of May, 1973

For the Government of Finland

For the Government of India



Annex I

(a) Finnish tariff classification No.	(b) Description	(c) Unit of quantity	(d) Restraint limits			
			1.1.78-31.12.78	1.1.79-31.12.79	1.1.80-31.12.80	1.1.81-31.12.81
61.02.502 505 506	Women's and girls' woven blouses of cotton and man- made fibres	piece	325.000	331.500	338.130	344.893
61.03.102 103 105 106 ex 109	Men's and boys woven shirts of cotton and man- made fibres	piece	145.000	146.450	147.915	149.394
62.02.115 116 117 119	Bed linen con- taining not less than 50 per cent by weight of cotton	kg	140.000	141.400	142.814	144.242

Annex II

EXPORT CERTIFICATE

Certificate No. NDR/ valid for ship
to Finland up to.....

M/S.....
(Name and address of the exporter in Finland)
are hereby authorised to export.....

.....
(Quantities and description of goods)
details of which are given below, to M/S.....

.....
(Name and address of importer in Finland)

vide Shipping Bill No.....dated.....

Issued at..... On

Signature of the
Authorising Officer

Seal