

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/559  
22 July 1980

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement between Sweden and Sri Lanka

Note by the Chairman

The attached communication received from the delegation of Sweden concerns the conclusion of a new bilateral agreement between Sweden and Sri Lanka.<sup>1</sup>

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<sup>1</sup>For previous agreement. see COM.TEX/SB/374.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4

Accord bilatéral entre la Suède et Sri Lanka

Note du Président

La délégation de la Suède a fait parvenir au secrétariat la communication ci-jointe relative à la conclusion d'un nouvel accord bilatéral entre la Suède et Sri Lanka.<sup>1</sup>

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<sup>1</sup>Pour l'accord précédent, voir le document COM.TEX/SB/374.

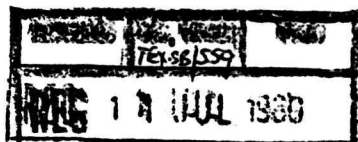
Geneva, July 8, 1980

For	Allocated amount	Actual amount	Balance
OFFICE OF DG			X
Cabinet of DG.			
Ext. Rel'Info. Div.			
Inter-Agency Aff.			
Training Prog.			
OPER. DEPT. A			
Development Div.			
Non-Tar. M. Div.			
Tech. Coop. Div.			
Special Projects			
OPER. DEPT. B			
Agriculture Div.			
R/Statistics Div.			
Tariff Div.			
Tech. Bar. T. Div.			
CHAIRMAN TSB	X		
DEPT. CONF. AFF. ADM			
Conference Div.			

*AB*  
*new*

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 in textiles 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 April 28, 1978.

The more comprehensive approach in this, as well as in other Swedish textile agreements, 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.

This agreement is based on a categorization into the following groups, comprising the most sensitive textile products within CCCN(BTN) chapters 60-62:

- I Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted, other than ladies' stockings of continuous synthetic fibres
- II Shirts
- III Night garments
- IV Underwear, knitted or crocheted, other than shirts, night garments and tights

- V Sweaters, pullovers, slipovers, jumpers and cardigans etc, knitted or crocheted
- VI Overcoats and jackets
- VII Suits, lounge coats and blazers
- VIII Trousers other than shorts
- IX Costumes, dresses and skirts
- X Blouses
- XI Clothing included in Commodity List No. 28, other than elsewhere specified

(Note: Commodity List 28 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 the above groups II, VIII and X, whereas the remaining items 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. The absence of swing between the restraint groups is a reflection of a mutual recognition of the minimum viable production principle. No textiles under CCCN chapters 50-59 are subject to restraint in the present agreement.

The agreement with Sri Lanka was originally meant to be applied for the period specified in Annex I to the agreement. It has, however, been extended by a period of two months, (provisional prolongation).

The difficult situation of the Swedish textile industry has become further aggravated during the last years. Imports of garments have increased substantially. A further decrease of domestic production has taken place. As in previous years, a number of factories have had to close down. 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,



Hans V. Ewerlöf  
Permanent Representative

Annexes

As stated

SWEDISH BOARD OF COMMERCE  
1979-09-12

Annex I  
(This is not  
a part of  
the agreement)

Garments and made up textile articles included in Commodity list No 28

SWEDISH CCC No	Description
60.03.003-109, 902-909	Stockings, under stockings, socks, ankle-socks, sockettes and the like <u>other than</u> ladies' stockings of continuous synthetic fibres, knitted or crocheted not elastic nor rubberised
60.04.all	Under garments, knitted or crocheted, not elastic nor rubberised
60.05.all	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised
61.01.all	Men's and boys' outer garments
61.02.all	Women's, girls' and infants' outer garments
61.03.all	Men's and boys' under garments
61.04.all	Women's, girls' and infants' under garments
61.09.102-209	Corsets, corset-belts, suspenders, garters and brassières (including such articles of knitted or crocheted fabric)
62.01.all	Travelling rugs and blankets
62.02.all	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles
62.04.210-290	Sails

Annex II  
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AGREEMENT BETWEEN THE GOVERNMENT OF SWEDEN  
AND THE GOVERNMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF SRI LANKA REGARDING  
EXPORTS OF CERTAIN TEXTILE PRODUCTS FROM  
SRI LANKA TO SWEDEN

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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

- (a) This Agreement shall apply to export from Sri Lanka to Sweden of textile products described in Annex I hereof of cotton, wool or man-made fibres, or blend thereof, in which any or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool).
- 2/-

(b) Notwithstanding the provisions of this Article this Agreement shall also apply to the products described in Annex I hereof, which are manufactured from impregnated fabrics as defined in Annex II of this Agreement.

ARTICLE 5

The Government of Sweden will admit imports 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 III. 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 group levels for exports to Sweden for the relevant period.

ARTICLE 6

(a) If in the period 1 August 1978 to 31 July 1979 the group levels specified in Annex I to the Agreement of 14th July 1978 are not fully utilized the Government of Sri Lanka may, after consultation with the Government of Sweden, during the period 1 August 1979 to 31 July 1980 approve the export of additional amounts (carry over) equivalent to such shortfalls provided

that such exports -

- (i) are in the same groups where the shortfalls occurred;
- (ii) do not exceed 5 per cent of the levels of these groups specified in the Agreement of 14th July 1978.

ARTICLE 7

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 8

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 9

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 10

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 11

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

ARTICLE 12

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

Done in Colombo on 25<sup>th</sup> of July 1979.

*Am. M.*

*J. A. Anura Kumara*

For the Government of the  
Democratic Socialist Republic  
of Sri Lanka

*Anders Nordström*

For the Government of  
Sweden

*AM*

## EXPORTS OF CERTAIN TEXTILES FROM SRI LANKA TO SWEDEN

Group No (a)	Ex Swedish Tariff Classification No (b)	Description (c)	Unit of quantity (d)	Level for 1.8.79 31.7.80 (e)
ii	60.04.10- 61.03.10-	Shirts	Pieces	440,000
Viii	60.05.80-,895 61.01.003,008, 50- 61.02.008, 60-, 99-	Trousers <u>other than</u> shorts	Pieces	182,000
X	60.05.803-4, 809, 82- 61.02.008, 50-, 99-	Blouses	Pieces	450,000

2/-.

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OK

Group No (a)	Ex Swedish Tariff Classification No (b)	Description (c)	Unit of Quantity (d)	Level for 1.8.79 31.7.80 (e)
Restgroup ( I, III-VII, ) (IX, XI-XIV. )	60.03.003, 10-, 90-	Stockings, understockings, ) socks; ankle socks, socketts ) es and the like, knitted or ) crocheted <u>other than</u> ) ladies' stockings of contin- ) uous synthetic fibres )		
	60.04.21-, 25-, 60-, 70-, 80-, 90-	Knitted underwear <u>other</u> ) <u>than</u> shirts (ex group II) )		
	60.05.10-, 20-, 30-, 60-, 803-4, 809, 812, 89-	Outerwear, knitted or ) crocheted <u>other than</u> ) trousers <u>other than</u> shorts ) (ex group VIII) and blouses ) (ex group X) )	Metric tons	60
	61.01.003, 008, 10-, 30-, 41-, 45-, 70-, 90-	Men's and boys' woven outer ) garments <u>other than</u> trousers ) <u>other than</u> shorts (ex group ) VIII) )		
	61.02.008, 11-, 15-, 20-, 30-, 40-, 80-, 90-, 99-	Women's, girls' and infants' ) woven outer garments <u>other</u> ) <u>than</u> trousers <u>other than</u> ) shorts (ex group VIII) and ) blouses (ex group X) )		
	61.03.20-, 61.04.10-	Men's, boys', women's, girls' ) and infants' nightwear not ) knitted or crocheted )		
	62.01.101-900	Travelling rugs and blankets )		
	62.02.11-, 19-, 792-3	Bed linen )		
	62.02.31-, 39-, 792-3	Towels and similar articles )		

DEFINITION OF "IMPREGNATED FABRICS"  
FOR THE PURPOSE OF ARTICLE 4

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Fabrics of cotton, wool or man-made fibres or any blend containing one or more of those fibres in which either wool represents 17 per cent or more by weight or any or all of those fibres in combination represent 50 per cent or more by weight of the unfinished fabric shall be defined as "impregnated fabrics" where those fabrics have been impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials whatever the nature of the plastic material (compact, foam, sponge or expanded).

2. The definition does not cover -

- (a) Fabrics which, after impregnation, coating, covering or laminating, cannot, without fracturing, be bent manually around a cylinder of a diameter of 7 mm at a temperature between 15° C and 30° C.
- (b) Fabrics either completely embedded in artificial plastic material or coated or covered on both sides with such material.

*MAK*

MINISTRY OF TEXTILE INDUSTRIES OF SRI LANKA

( EXPORT PROMOTION DIVISION )

EXPORT CERTIFICATE

1. Exporting country \_\_\_\_\_
2. Export Certificate No. C-001 \_\_\_\_\_
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 1979 - 08 - 01 to 1980 - 07 - 31.

1. Destination \_\_\_\_\_
2. Order/L/C No. \_\_\_\_\_
3. Export Licence No. \_\_\_\_\_
4. Description of goods \_\_\_\_\_  
\_\_\_\_\_
5. BTN No \_\_\_\_\_ Group 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.