

**GENERAL AGREEMENT
ON TARIFFS AND
TRADE**

**ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE**

CONFIDENTIAL
TEX.SB/590
25 November 1980

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.^{1/}

^{1/} For previous agreement see COM.TEX/SB/589: for the TSB's observations, see COM.TEX/SB/602, paragraphs 6 to 10.

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.^{1/}

^{1/} Pour l'accord précédent, voir le document COM.TEX/SB/589; pour les observations de l'OST, voir le document COM.TEX/SB/602, paragraphes 6 à 10.

Geneva, November 12, 1980

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For	Action	Comment	Inf.
OFFICE OF DG			
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			
DEPT. COMM. AFF/ADM			
Conference Div.			

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

1211 GENEVE 21

ANSWERED 16/11/80
 REG 13 NOV 1980

Dear Mr. Wurth,

././ Please find enclosed a notification to the Textiles Surveillance Body of a new agreement concerning trade in textiles between Sri Lanka and Sweden. The agreement covers the period 1 August 1980 to 31 July 1982.

This agreement has been reached for the purpose of eliminating real risks of market disruption in Sweden, while ensuring an orderly development of textiles exports from Sri Lanka to Sweden and is being notified with reference to Article 4 of 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

at

- 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 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,

A handwritten signature in cursive script, appearing to read "Hans V. Ewerlöf". The signature is written in dark ink and is positioned above the typed name.

Hans V. Ewerlöf
Permanent Representative

1 encl.

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 ladies'</u> 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

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

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 periods 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 the 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).
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- (b) The provisions of 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 August 1, 1979 to July 31, 1980 the group levels specified in column (e) of Annex I to the Agreement of July 25, 1979 are not fully utilized the Government of Sri Lanka may, after consultation with the Government of Sweden, during the period August 1, 1980 to July 31, 1981 approve the export of additional amounts (carryover) 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 column (e) of Annex I to the Agreement of July 25, 1979.

- (b) If in the period August 1, 1980 to July 31, 1981, the group levels specified in column (e) of Annex I to this Agreement are not fully utilized the Government of Sri Lanka may, after consultation with the Government of Sweden, during the period August 1, 1981 to July 31, 1982 approve the export of additional amounts (carryover) 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 column (e) of Annex I to this Agreement.
- (c) During the period August 1, 1980 to July 31, 1981 the Government of Sri Lanka may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels specified in column (e) of Annex I to this Agreement up to 5 per cent of those levels (carry forward). Where specific group levels are increased by carry forward the Government of Sri Lanka shall inform the Government of Sweden of the carry forward quantities and debit these to the corresponding group levels in column (f) of Annex I to this Agreement..
- (d) During the period August 1, 1981 to July 31, 1982 the Government of Sri Lanka may, after consultation with the Government of Sweden, approve the export of amounts in excess of the group levels specified in column (f) of Annex I

to this Agreement up to 5 per cent of those levels (carry forward). Where specific group levels are increased by carry forward the Government of Sri Lanka shall inform the Government of Sweden of the carry forward quantities and debit these to any corresponding group level that may be agreed upon for a subsequent restraint period.

- (e) During each restraint period specified in Annex I, the additional export quantities resulting from carryover and carry forward taken together shall, for each group, not exceed 5 per cent of the respective agreed levels.

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

This Agreement is concluded for a period of two years. Either Government may however terminate the Agreement with effect from August 1, 1981. Such termination shall be notified not later than three months before the expiry of the first agreement year.

ARTICLE 12

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

ARTICLE 13

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

Done in Colombo on 29th September, 1980.

L. J. Mariadasa

For the Government of
Sri Lanka

[Signature]

For the Government of
Sweden

A N N E X I

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 1.8.80 - 31.7.81 (e)	Level for 1.8.81 - 31.7.82 (f)
II	60.04.10 - 61.03.10 -	shirts	Pieces	445,000	450,000
VIII	60.05.80 -, 83 - 61.01.003,005,50 - 61.02.005,60-,99 -	Trousers <u>other than</u> shorts	Pieces	184,000	187,000
X	60.05.80-,82- 61.02.006,50-99-	Blouses	Pieces	455,000	460,000

Group No	Ex Swedish Tariff Classification No	Description	Unit of quantity	Level for 1.8.80 - 31.7.81	Level for 1.8.81 - 31.7.82
(a)	(b)	(c)	(d)	(e)	(f)
Rest Group					
(I,III-VII,) (IX,XI-XIV)	60.03.00-,10-,90-	Stockings, understockings, socks, ankle socks, sockettes and the like, knitted or crocheted <u>other than ladies'</u> stockings of continuous synthetic fibres			
	60.04.21-,25-,60-,70-,80-,90-	Underwear, knitted or crocheted <u>other than shirts</u> (ex group II)			
	60.05.10-,20-,30-,60-,80-,81-,87-,89-	Outerwear, knitted or crocheted <u>other than trousers</u> other than shorts (ex group VIII) and blouses (ex group X)	Metric tons	60	61
	61.01.003-4,006,10-,30-,41-,45-,70-,90-	Men's and boys' woven outer garments <u>other than trousers</u> other than shorts (ex group VIII)			
	61.02.004,006,11-,15-,20-,30-,40-,80-,90-,99-	Women's, girls' and infants' woven outer garments <u>other than trousers</u> other than 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. all 62.02.11-,19-,792-3 62.02.31-,39-,792-3	Travelling rugs and blankets Bed linen Towels and similar articles			

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Definition of "Impregnated Fabrics"
for the purposes of Article 4

1. 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 lamination, 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.
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MINISTRY OF TEXTILE INDUSTRIES OF SRI LANKA
(EXPORT PROMOTION DIVISION)

EXPORT CERTIFICATE

1. Country of Origin _____
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 _____

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.

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