

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 554 final.

Brussels, 14 November 1975.

PROPOSAL FOR A REGULATION OF THE COUNCIL

concerning the import arrangements for certain textile products originating in Hong Kong.

RECOMMENDATION FOR A REGULATION OF THE COUNCIL

concluding an Agreement between the European Economic Community and Hong Kong on trade in textiles.

(Submitted by the Commission to the Council.)

COM (75) 554 final.

PROPOSAL FOR A REGULATION OF THE COUNCIL

**concerning the import arrangements for certain textile
products originating in Hong Kong**

Explanatory Memorandum

1. By decision of 11 February 1975, the Council authorised the Commission to open negotiations with Hong Kong for the conclusion of an Agreement on trade in textiles.

2. In accordance with the above Council Decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Hong Kong in March, May and July 1975.

Following these negotiations a draft Agreement was drawn up and initialled by the Heads of delegations on 13 August 1975. The Commission has seized the Council of a recommendation for a Regulation regarding the conclusion of that Agreement⁽¹⁾.

3. As the Commission has already indicated in its above mentioned recommendation regarding the conclusion of the Agreement, the Community and Hong Kong had, during the negotiations, disclosed their intentions to apply the provisions of the Agreement autonomously from 18 July 1975 in anticipation of the entry into force of the Agreement so as to ensure the achievements of its objectives and, in particular, to obviate the risk of extraordinary exports prior to the entry into force of the Agreement.

The present proposal for a Regulation is intended to establish the provisions required for an immediate, autonomous implementation of the negotiated Agreement.

4. The draft Agreement provides, in particular, for a self-restraint, by the Hong Kong authorities, within agreed quantitative limits, of exports of certain textile products to the Community and for a control by the Community to ensure that the agreed limits are observed.

In order to effect this control the present draft Regulation provides for the establishment of quantitative import quotas.

(1)

5. The initialled Agreement naturally concerns only products originating in and dispatched from Hong Kong. The Hong Kong authorities thus apply the self-restraint only in respect of exports having the Community as direct destination. It follows that products of the categories covered by the Agreement and originating in Hong Kong may be exported freely to the Community via other countries. The Community may refuse such indirect imports since the Agreement only obliges it to let in products originating in and dispatched from Hong Kong, and accompanied by the export licence provided for in the Agreement. As such indirect imports are contrary to the purpose of the Agreement it is necessary that the import arrangement established by the Community should apply to all products originating in Hong Kong whatever the location from which they are dispatched.

6. As Community quotas are involved, to be administered in accordance with the procedure set out in Regulation (EEC) No. 1023/70 and in particular Article 11 thereof, the Council must establish the criteria for the allocation of the quotas.

The allocation criteria in question are those which guided the preparatory work in the Council with a view to adoption of the decisions of the opening of bilateral negotiations under the Arrangement regarding International Trade in Textiles. The allocation will consequently be founded on these criteria and in particular on the results of the work already done ⁽¹⁾.

7. The Agreement negotiated stipulates that the Community authorities shall automatically accept without delay imports subject to a ceiling upon production of an export licence issued by the Hong Kong authorities certifying that the quantities have been set off against the ceilings. This stipulation means as regards the quota restrictions, that the authorities in the Member States are obliged to grant import licences, automatically and without delay, on submission of an application accompanied by an export licence, provided that the agreed limits are observed.

(1) The allocation will be the subject of a separate Regulation to be adopted by the Commission likewise on the basis of Regulation (EEC) No. 1023/70.

8. Considering the urgency of the problem raised by the possibility of indirect imports, a problem that can be resolved only by the establishment of import quotas such as is provided for in the present draft Regulation, the Commission proposes that the Council should adopt, as quickly as possible, this Regulation.

PROPOSAL FOR A REGULATION OF THE COUNCIL

concerning the import arrangements for certain textile
products originating in Hong Kong.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No. 1023/70⁽¹⁾ of 25 May 1970
establishing a common procedure for administering quantitative quotas, and
in particular Article 2 thereof;

Having regard to the proposal from the Commission;

Whereas, in the context of the Arrangement Regarding International Trade
in Textiles, the European Economic Community and Hong Kong have negotiated
an Agreement on trade in textile products; and whereas the Commission has
submitted to the Council a Recommendation for a Regulation concluding
such Agreement;

Whereas during the negotiations, the Community and Hong Kong declared
their intention of applying the provisions of this Agreement by anticipation
pending the completion of the procedures necessary for its entry into
force ;

Whereas, consequently, import arrangements should be established for
the products concerned that permit the implementation of the negotiated
Agreement, and these arrangements should enter into force immediately;

Whereas the Agreement requires the Community to permit
imports of certain textiles within quantitative limits, the observance
of which Hong Kong undertakes to ensure by voluntary restraint on its
exports to the Community; whereas, in order to ensure that the
quantitative limits are observed, the Agreement provides for control
by the Community;

Whereas to this end Community quantitative quotas should be introduced
and the volume of such quotas established for 1975, 1976 and 1977, and
also the criteria for their allocation;

(1) O.J. No. L 124, 8 June 1970

Whereas it is necessary to ensure that the objectives of the Agreement should not be evaded by deflection of trade.

Whereas, because of the considerable disparities between the conditions to which imports of the products in question into the Member States are currently subject and the particular sensitivity of the Community's textile industry, uniformity of these import conditions can be achieved only progressively; whereas to this end it should be adopted as a criterion for the allocation of the Community quantitative quotas that the volumes admitted under current importation conditions be adapted progressively to the supply requirements of the markets;

Whereas for certain other textiles the Agreement makes provision for a consultation procedure permitting the adoption of protective measures in the event of a real risk of market disruption; whereas under this procedure Hong Kong has undertaken to introduce voluntary restraint on its exports to certain Member States; and whereas in order to ensure the observance of these quantitative limits the Agreement provides for control by the Community;

Whereas provision should accordingly be made for maintaining or provisionally introducing quantitative restrictions on imports of the products in question into the Member States concerned, and for the subsequent replacement of the various measures by uniform liberalisation measures for the Community as a whole;

Whereas provision should be made to ensure that, where products are brought into the customs territory of the Community under inward processing or temporary admission arrangements and re-exported outside that territory in their original condition or after processing, such products are not charged against the Community quantitative quotas or against the other quantitative restrictions as referred to above concerning certain Member States;

Whereas, when establishing in respect of 1975 the levels of quotas and quantitative regional restrictions, account must be taken on the one hand of the quantities imported before 18 July 1975, that being the date from which the Hong Kong authorities have implemented de facto the voluntary restraint measures provided for in the Agreement, and on the other of the quantities imported after that date but prior to the entry into force of this Regulation;

HAS ADOPTED THIS REGULATION :

Article 1

1. Imports into the Community of the textiles listed in Annex A originating in Hong Kong shall be subject to Community quantitative quotas.

2. The volume of the quotas for 1975, 1976 and 1977 shall be as shown in the list referred to in paragraph 1.

However, the volume of quotas for 1975 shall be reduced by the volume of goods imported between 18 July 1975 and the date of entry into force of this Regulation.

3. The quotas shall be administered, in accordance with the procedure laid down in Regulation (EEC) No. 1023/70 and in particular Article 11 thereof, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit amounts to be carried over or forward back from one year to another.

However, the allocation shall be established on the basis of the volume of imports admitted under the conditions currently applied in the Member States and shall provide for annual rates of increase that are appreciably higher in the case of the Member States in which the import volumes are relatively the lowest, in order to bring them progressively into line with the supply requirements of the markets.

4. The relevant authorities in the Member States concerned shall within the quota limits issue import authorisations automatically and immediately, on submission of the importer's application together with a certified copy of an export licence granted by the Hong Kong authorities and meeting the requirements specified in Annex C.

5. Products brought into the customs territory of the Community under inward processing or temporary admission arrangements and re-exported outside that territory in their original condition or after working shall not be charged against the quotas provided for in paragraph 1.

Article 2

Subject as provided in Article 3, imports into the Community of the textiles listed in Annex B originating in Hong Kong shall not be subject to quantitative restrictions.

Article 3

1. In the Member States indicated in the list given in Annex B imports of the textiles referred to in Article 2 shall be limited in 1975, 1976 and 1977 to the volumes indicated in that list.

However, the volumes fixed for 1975 shall be reduced by the volume of goods imported between 18 July 1975 and the date of entry into force of the Agreement.

2. The relevant authorities in the Member States concerned shall within the limits indicated in Annex B issue import authorisations automatically and immediately, on submission of the importer's application together with a certified copy of an export licence granted by the Hong Kong authorities and meeting the requirements specified in Annex C.

3. Products brought into the customs territory of the Community under inward processing or temporary admission arrangements and re-exported outside that territory in their original condition or after working shall not be charged against the restricted volumes provided for in paragraph 1.

4. The volumes of the quantitative restrictions provided for in paragraph 1 may be adjusted in accordance with the procedure laid down in Article 11 of Regulation (EEC) No. 1023/70.

Article 6

1. This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

2. This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

ANNEX A : COMMUNITY QUANTITATIVE QUOTAS

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Volume of quotas			
				Units	1975	1976	1977
1	ex 55.09	55.09-01;02;11; 12;13;14;15;16; 17;19;21;29;31; 33;35;37;38;39; 41;49;68;ex71; 72;73;74;76;77; 78	Other woven fabrics of cotton: - unbleached or bleached	equivalent 1,000 Kg. (a)	10,822	25,264	27,032
	56.07	56.07-ex01,ex03; 04;11;17;24;32	Woven fabrics of man-made fibres (discontinuous or waste): ex A. of synthetic textile fibres - unbleached or bleached				
2	ex 55.09	55.09-03;04;05; 51;52;53;54;55; 56;57;59;61;63; 64;65;66;67;69; ex71;81;82;83; 84;86;87;92;93; 97	Other woven fabrics of cotton: - other than unbleached and bleached	equivalent 1,000 Kg. (a)	4,517	10,545	11,283
	56.07	56.07-ex01;ex03; 05;07;08;13;14; 16;18;21;23;26; 27;28;33;34;36	Woven fabrics of man-made fibres (discontinuous or waste): ex A. of synthetic textile fibres : - other than unbleached and bleached				

(a) Equivalent weight means the weight obtained on dividing the total area of the fabric in m² by the average area of the fabric in m² per kg. For this purpose the average area per Kg. is to be taken as follows:
- woven fabrics of cotton 5m² per Kg.
- woven fabrics of synthetic textile fibres (discontinuous or waste) : 6m² per Kg.

ANNEX A: COMMUNITY QUANTITATIVE QUOTAS

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Units	Volume of quotas		
					1975	1976	1977
3	ex 60.04	60.04-13,ex24; ex29;ex35;41; ex45;ex59;ex70; ex80	Undergarments, knitted or crocheted, not elastic or rubberised : - Shirts, blouses, undervests, T-shirts, singlets and the like	1,000 units (b)	10,686	23,897	24,294
4	60.05	60.05-ex01; ex (21 to 39)	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised : ex A. Outer garments and clothing accessories: - Jerseys and pull overs, slip overs, twinsets, cardigans, bed jackets and jumpers with the exception of those which are part of a combination-set (c)	1,000 pieces	14,525	32,482	32,294
5	60.05	60.05-02 to 09 11;13;15 41 to 49 51 to 59 ex 01;ex(21 to 39) ex (61 to 69);71 to 79;ex(81 to 85)	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised : A. Outer garments and clothing accessories: Ex II. other : - Babies' garments - Bathing costumes and trunks - Dresses - Skirts - Combination sets (including costumes) (o)	1,000 Kg. (d)	1,389	3,245	3,475

(b) Shirts, undervests and T-shirts are reckoned as one unit each; singlets are reckoned as one half of a unit.

(o) A knitted combination set consists of two or three pieces, including a top garment and a knitted lower garment, which are contracted for, packed, consigned and sold together.

ANNEX A : COMMUNITY QUANTITATIVE QUOTAS

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Volume of quotas			
				Units	1975	1976	1977
6	ex 61.01 ex 61.02	61.01-ex11; ex 45; ex 49 61.02-ex11; ex(43 to 49)	Men's and boys' outer garments : - Raincoats of the overcoat type Women's, girls' and infants' outer garments : - other than babies' garments : - Raincoats of the overcoat type	1,000 pieces	1,193	2,669	2,736
7	ex 61.01	61.01-51 to 59 71 to 79	Men's and boys' outer garments : - Suits - Jackets, blazers and the like	1,000 units (e)	4,874	11,538	12,519
8	ex 61.01 61.02	61.01-61 to 69 61.02-ex(91 to 99)	Men's and boys' outer garments : - Trousers, breeches and the like Women's, girls' and infants' outer garments : ex B. other than babies' garments: - Trousers, jeans, shorts and the like except divided skirts	1,000 pairs	23,961	53,586	54,926
9	61.02	61.02-41 to 49	Women's, girls' and infants' outer garments : ex B. other than babies' garments : - Coats and jackets	1,000 pieces	1,981	4,689	5,088

(e) One suit shall be reckoned as two units

ANNEX A : COMMUNITY QUANTITATIVE QUOTAS

Category	C.C.T Heading No.	NIMEXE Code	Description of goods	Volume of quotas			
				Units	1975	1976	1977
10	61.02	61.02-61 to 69 71 to 79	Women's, girls' and infants' outer garments: ex B. other than babies' garments : - Dresses - Skirts, including divided skirts	1,000 pieces	5,127	12,138	13,170
11	61.02	61.02-81 to 89	Women's, girls' and infants' outer garments : ex B. other than babies' garments : - Shirts and blouses	1,000 pieces	10,890	24,354	24,963
12	61.03	61.03-11;15; 19	Men's and boys' under garments, including collars, shirt fronts and cuffs : - Shirts	1,000 pieces	28,401	63,515	65,103

ANNEX A : COMMUNITY QUANTITATIVE QUOTAS

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Volume of quotas			
				Units	1975	1976	1977
13	ex 61.03 ex 61.04	61.03-ex31, ex 35, ex 39 61.04-ex10; ex 30; ex 90	Men's and boys' under garments, including collars, shirt fronts and cuffs : - Pyjamas and other night garments Women's, girls' and infants' under garments : - Pyjamas, nightdresses and other night garments	1,000 pieces	5,243	12,412	13,467
14	62.02	62.02-11;17 41 to 65 71 to 77	Bedlinen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles : ex B. other than net curtains : - Bed linen - Table linen - Toilet linen and kitchen linen	1,000 Kg.	2,610	6,093	6,519

ANNEX B : QUANTITATIVE LIMITS ESTABLISHED UNDER ARTICLE 3

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Member State	Volume of quotas			
					Units	1975	1976	1977
15	ex 60.02	60.02-	Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised :	Benelux France Italy	1,000 pairs	1,036	2,396	2,540
		40	- Gloves impregnated or coated with artificial plastic materials other :			90	209	222
		60	- of synthetic textile fibres			234	541	573
		70	- of cotton					
			<u>Note:</u> For Benelux, gloves of the Nimexe position 60.02.40 are not covered by this restriction					
16	ex 60.04	60.04-11;15 ex24;26;27; ex29;31 to 34 ex35;ex45;52; 54;56;ex59; ex 70;80	Under garments, knitted or crocheted, not elastic nor rubberised : - other than shirts, undervests, T-shirts, singlets and the like and men's and boys' drawers and briefs	F.R.G. U.K.	1,000 kg.	161 336	364 763	379 793
17	ex 61.01 61.02		Men's and boys' outer garments : - Waterproof garments and raincoats other than raincoats of the overcoat type Women's, girls' and infants' outer garments : ex B. other than babies' garments : - Waterproof garments and raincoats of the overcoat type	U.K.	1,000 pieces	698	1,613	1,710

(1) Imports into Ireland of the products set out in this annex remain temporarily subject to the import rules and formalities applicable at the date of entry into effect of this Regulation until they have been included in the programme for the elimination of quantitative restrictions provided for in Article 2(2) of the Geneva Arrangement.

ANNEX B : QUANTITATIVE LIMITS ESTABLISHED UNDER ARTICLE 3.

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Member State	Units	Volume of quotas		
						1975	1976	1977
18	ex 61.01 61.02	61.01-21;23 61.02-21;23	Men's and boys' outer garments : - Work clothing Women's, girls' and infants' outer garments : ex B. other than babies' garments - Work clothing	U.K.	1,000 pieces	978	2,240	2,352
19	ex 61.01 61.02	61.01-31;35; 39 61.02-31 to 38	Men's and boys' outer garments : - Articles of apparel used for sports Women's, girls' and infants' outer garments: ex B. other than babies' garments - Articles of apparel used for sports	U.K.	1,000 pieces	186	429	455

ANNEX B: QUANTITATIVE LIMITS ESTABLISHED UNDER ARTICLE 3

Category	C.C.T. Heading No.	NIMEXE Code	Description of goods	Member State	Units	Volume of quotas		
						1975	1976	1977
20	ex 61.01 ex 61.02		<p>Men's and boys' outer garments</p> <ul style="list-style-type: none"> - other than: <ul style="list-style-type: none"> - Waterproof garments - Work clothing - Articles of apparel used for sports - Suits - Trousers, breeches and the like - Jackets, blazers and the like <p>Women's, girls' and infants' outer garments :</p> <ul style="list-style-type: none"> - other than: <ul style="list-style-type: none"> - Babies' garments - Waterproof garments - Work clothing - Articles of apparel used for sports - Coats and jackets - Dresses - Skirts - Shirts and blouses - Trousers, jeans and the like 	U.K.	1,000 Kg.	1,237	2,681	3,033
21	ex 61.03 ex 61.04		<p>Men's and boys' under garments, including collars, shirt fronts and cuffs :</p> <ul style="list-style-type: none"> - other than shirts, pyjamas and other night garments <p>Women's, girls' and infants' under garments :</p> <ul style="list-style-type: none"> - other than pyjamas, nightdresses and other nightwear 	U.K.	1,000 pieces	1,943	4,492	4,762

Annex C

The export licences issued by the Hong Kong authorities in respect of the products subject to restraint under this Regulation shall specify and contain :

1. destination;
2. serial number;
3. importer's name and address;
4. exporter's name and address;
5. quantity in the units as designated in Annexes 1 and 2 hereto and, where the quantity is expressed other than in weight, the equivalent weight calculated in accordance with the table of equivalencies set out hereunder;
6. Category to which it has been imputed and description of product;
7. Certification by Hong Kong that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or is for import processing and subsequent re-export outside the Community.

Annex CTable of equivalences

Category	B.T.N. Heading	Description	Ratio of equivalences
3	ex 60.04	Shirts, T-shirts and undervests, knitted or crocheted The ceiling is established in units whereby 1 shirt, 1 T-shirt and 1 undervest shall be reckoned as one unit, whereas 1 singlet shall be reckoned as $\frac{1}{2}$ unit.	6,4 units/kg.
4	ex 60.05	Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted	5,18 pieces/ Kg.
6	ex 61.01 ex 61.02	Raincoats of the overcoat type	1,29 pieces/ Kg.
7	ex 61.01	Men's and boys' suits, jackets, blazers and the like	1,40 pieces/ Kg.
8	ex 61.01 ex 61.02	Men's, boys', women's, girls' and infants', trousers, jeans, breeches and the like	2,47 pieces/ Kg.
9	ex 61.02	Women's, girls' and infants' coats and jackets	1,25 pieces/ Kg.
10	ex 61.02	Women's, girls' and infants' dresses and skirts	2,79 pieces/ Kg.
11	ex 61.02	Women's, girls' and infants' shirts and blouses	5,55 pieces/ Kg.
12	ex 61.03	Men's and boys' shirts	4,60 pieces/ Kg.
13	ex 61.03 ex 61.04	Pyjamas, nightdresses and other night garments	3,22 pieces/ Kg. ./..

The ceiling is established in pieces, whereby 1 jacket shall be reckoned as one piece and suit as 2 pieces

ANNEX C

Category	B.T.N. Heading	Description	Ratio of Equivalencies
15	ex 60.02	Gloves	11,5 pairs/ Kg.
17	ex 61.01 ex 61.02	Waterproof garments and raincoats other than raincoats of the overcoat type	1,29 pieces/ Kg.
18	ex 61.01 ex 61.02	Work clothing	1,40 pieces/ Kg.
19	ex 61.01 ex 61.02	Articles of apparel used for sports	2,00 pieces/ Kg.
21	ex 61.03 ex 61.04	Other woven under garments :	6,67 pieces/ Kg.

RECOMMENDATION FOR A REGULATION OF THE COUNCIL

concluding an Agreement between the European
Economic Community and Hong Kong on trade in
textiles.

EXPLANATORY MEMORANDUM

1. By a decision of 11 February 1975, the Council authorized the Commission to open negotiations with Hong Kong for the conclusion of an Agreement on trade in textiles. This agreement, negotiated under Article 4 of the Arrangement regarding International Trade in Textiles, will replace a unilateral voluntary restraint arrangement adopted by Hong Kong following the expiry of the agreement concluded in 1971 on the basis of the earlier arrangement regarding international trade in cotton textiles.

2. In accordance with the above Council Decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Hong Kong in March, May and July 1975.

Following these negotiations a draft agreement was drawn up. The draft makes provision for :

- voluntary restraint, at agreed levels, on exports to the Community of certain categories of textile products and articles of clothing intended for consumption with the Community ;
- the adoption of a surveillance and consultation procedure applicable to certain other categories of products and permitting, inter alia, the establishment on agreed terms of voluntary restraint measures for the products in question ;
- the corresponding undertaking by the Community not to invoke the safeguard provisions of the Multifibre Arrangement for the categories of products covered by the agreement so long as the agreed ceilings are observed.

The heads of the delegations found the draft Agreement to be in accordance with the results of the negotiations and initialled the text on 13 August 1975.

3. The Commission considers that this draft agreement constitutes a result that is acceptable to the Community. It proposes that the Council conclude this Agreement by adopting the draft regulation annexed hereto.

4. In order to ensure the achievement of the objectives of the Agreement and to prevent, in particular, the risk of extraordinary exports before its entry into force, the Community and Hong Kong have, during the negotiations, declared their intention to apply the provisions of the Agreement autonomously from 18 July 1975 in anticipation of its entry into force.

For this reason the measures necessary for the Community's implementation of the provisions of the Agreement are included in a separate draft regulation of which the Commission has seized the Council.

RECOMMANDATION FOR A REGULATION OF THE COUNCIL
concluding an Agreement between
the European Economic Community and Hong Kong
on trade in textiles

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 113 thereof;

Having regard to the recommendation from the Commission;

Whereas the Agreement on trade in textiles negotiated between the European
Economic Community and Hong Kong should be concluded;

Whereas the import arrangement for certain textile products originating in
Hong Kong laid down by the Regulation (EEC) no of the Council
permits the application of the provisions of this Agreement,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement between the European Economic Community and Hong Kong
on trade in textiles, the text of which is given in the Annex, is hereby
concluded on behalf of the Community.

Article 2

The President of the Council shall notify the other Contracting Party
of the accomplishment by the Community of the procedures required for the
entry into force of the Agreement.

.../...

Article 3

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

Done at Brussels

For the Council
The President

AGREEMENT
BETWEEN THE
EUROPEAN ECONOMIC COMMUNITY
AND
HONG KONG
ON TRADE IN TEXTILES

Text as initialled on
13th August 1975.

PREAMBLE

The Council of the European Communities
of the one part,

The Government of Hong Kong
of the other part,

Desiring to ensure the orderly and equitable development of trade
in textiles between the European Economic Community, hereinafter
called "the Community" and Hong Kong,

Having regard to the provisions of the Arrangement regarding
International Trade in Textiles (hereinafter referred to as
the Geneva Arrangement) and especially its Article 4,

Have decided, in a spirit of mutual co-operation and in conformity
with the said Geneva Arrangement, to conclude this Agreement and to
this end have designated as their Plenipotentiaries :

THE COUNCIL OF THE EUROPEAN COMMUNITIES

THE GOVERNMENT OF HONG KONG

Who have agreed as follows :

Article 1

1. Both parties recognise and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textiles shall be governed by the provisions of the Geneva Arrangement.

2. This Agreement shall apply to trade in those categories of textiles products, originating in and despatched from Hong Kong, which are listed in Annexes I and II hereto and to those referred to in Article 1 hereof.

3. Hong Kong agrees to establish quantitative limits on exports to the Community in accordance with the schedule set out in Annex I hereto. Quantities of the quota shares set out in Annex I not taken up by a member State of the Community may be re-allocated to another member State within the limits decided by the Community in accordance with the procedures in force in the Community. The Community undertakes to respond within 4 weeks of its receipt to any request made by Hong Kong for such re-allocation. It is understood that any re-allocation so effected would not need to be confined within any limits set in flexibility provisions established elsewhere in this Agreement.

Article 2

The Community undertakes, in respect of the categories of textiles products to which this Agreement applies, and subject to the satisfactory operation of this Agreement, not to introduce new quantitative restrictions and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement provided that exports to the Community of such textiles products originating in and despatched from Hong Kong do not exceed the quantitative limits established under the provisions of this Agreement.

Article 3

1. Imports into the Community of those textiles products to which this Agreement applies which are for immediate re-export or for inward processing and subsequent re-export outside the Community shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within the Community.

2. In any case where Community authorities ascertain that imports described in paragraph 1 above have been retained for consumption within the Community, the latter will notify Hong Kong on a quarterly basis of the amounts involved. Hong Kong shall in such cases and at the request of the Community, charge such amounts against the quantitative limits in question for the current Agreement year or for the next following Agreement year.

3. In any case where the competent authorities within the Community ascertain under an administrative system of control in force that imports of textiles products to which this Agreement applies have been charged against quantitative limits established under this Agreement but subsequently re-exported outside the Community, the competent authority concerned will inform the Hong Kong authorities of the quantities involved and authorise imports of the same quantities which shall not be charged to the quantitative limits under the Agreement.

Article 1

1. Both parties agree to enter promptly into consultation with each other at the request of either party on any matter concerning their trade in textiles and in particular on any problem arising from the application of this Agreement. Such consultations shall be held in conformity with the provisions of the Geneva Arrangement and shall be approached by both parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

2. In view of the desire of the Community and Hong Kong to avoid, on the one hand, real risks of market disruption in the Community and, on the other hand, disruption to the textiles trade of Hong Kong, and having full regard to the need for equitable treatment of participating countries in the Geneva Arrangement, the following specific consultation procedures shall apply to the products set out in Annex II hereto.

3. Hong Kong acknowledges that, in accordance with the Community's statement accompanying its acceptance of the Geneva Arrangement, the procedures referred to in this Article may be invoked by the Community at the level of the member States.

4. In respect of the products set out in Annex II Hong Kong will issue export authorisations and provide fortnightly returns to the Commission, showing, by product, and by member States, the quantities covered by export authorisations issued to Hong Kong exporters in order to provide the Commission with advance information on the development of trade by product and by regions of the Community.

5. The Community may request consultations with a view to reaching agreement on an appropriate level of restraint for any product set out in Annex II hereto, whenever, in the view of the Community, conditions in any of its markets are such that a limitation on further trade in any such product may be necessary to eliminate real risks of market disruption.

6. The request for such consultation shall be accompanied, within a reasonable period of time, by a statement of the market conditions in the Community which, in the opinion of the Community, make necessary the request for consultation. The statement shall include data designed to demonstrate the existence of real risks of market disruption (as defined in Annex A of the Geneva Arrangement).
7. Until such time as a mutually satisfactory conclusion has been arrived at by means of such consultations, Hong Kong undertakes, if so requested by the Community :
 - (i) to cease the issue of further export authorisations from the date on which the Community's request for consultations was made;
 - (ii) not thereafter to resume the issue of export authorisations for as long as may be necessary to ensure that exports to the Community recorded for the product in question do not exceed, at an annual rate, the exports recorded in the 12 months ending 2 months before the month in which the Community's request for consultations was made.
8. Export authorisations issued prior to the receipt of the request for consultations referred to above may be honoured by the issue of export licences by Hong Kong, and the Community shall admit imports of all goods in respect of which export authorisations have already been issued at the date on which the Community requested consultations.
9. Hong Kong and the Community shall consult as soon as possible within thirty days of the request for such consultations and make their best effort to complete such consultations within sixty days of the request for consultations.
10. In the event that the Community and Hong Kong are unable to reach agreement during such consultations either of the parties may elect to bring the matter before the Textiles Surveillance Body in accordance with Article 11(4) of the Geneva Arrangement. Either party choosing to adopt such course of action shall immediately notify the other of its intention.

11. In the implementation of this provision Hong Kong undertakes to advise the Community immediately upon receipt of any applications for export authorisations in exceptionally large amounts or unusual concentration of applications for export authorisations in a particular product. In judging what constitutes exceptionally large or unusual concentrations of applications, Hong Kong will have regard to recent levels of trade and will ensure that the quantities covered by the issue of export authorisations in question would not be such as to cause a sharp and substantial increase of imports of the products in question into the Community.

12. The Community and Hong Kong agree to consult at the request of either party in order to review the need for the maintenance or modification of any limit established in respect of a particular product arising from these consultation arrangements.

13. If an excessive product concentration of trade takes place in any category for which Community ceilings are provided under this Agreement, or to which this Article otherwise applies, which in the opinion of the Community, creates real risks of market disruption in respect of that product, the Community may request consultations with Hong Kong under the same conditions as those set out in paragraph 7 above, save that, the term export authorisations used therein, shall be replaced for the purposes of this paragraph by export licenses.

14. If, in the opinion of the Community, imports into the Community of products which, apart from their fibre composition, are like products to products covered by this Agreement, and are in direct competition with such like products, create risks of market disruption, the Community may request consultations with Hong Kong under the same conditions as those specified in paragraph 7 above.

Article 5

- 1 (a) Within any one Agreement year, unused portions of quantitative limits established under this Agreement may be transferred to another quantitative limit so established, under the conditions set out below.
 - (b) Transfers may only be effected under this Agreement as follows :
 - (i) The ceiling for any specific category may be increased by the transfer from any other category or categories of a maximum percentage amount calculated in accordance with the table of equivalencies listed in Annex IV hereto.
 - (ii) The maximum percentage by which any specific ceiling may be exceeded shall be :
 - (a) 7% of the ceiling in respect of categories other than categories 3, 4, 6, 8, 11 and 12 set out in Annex I hereto.
 - (b) 7% of the ceiling in respect of categories 3, 4, 6, 8, 11 and 12 set out in Annex I where the transfer is effected by a corresponding reduction in any from among the said categories 3, 4, 6, 8, 11 and 12.
 - (c) 5% of the ceiling in respect of categories 3, 4, 6, 8, 11 and 12 where the transfer is from categories other than categories 3, 4, 6, 8, 11 and 12.
2. Portions of any quantitative limit established under this Agreement which are not used during any Agreement year, may be carried over and added to the corresponding quantitative limit in the following Agreement year within the limit set out in paragraph 4 below.
 3. Advance delivery may be authorised from the quantitative limit established for the same product for the following Agreement year within the limit set out in paragraph 4 below. Amounts delivered in advance shall be deducted from the quantitative limit for the product in question for the following year.

4. In any one Agreement year carry over and carry forward may be utilised to a limit of 10% of which carryforward shall not represent more than 5%.
5. The preceding flexibility provisions shall not, in any given year, result in a quantitative limit for any category being exceeded by more than 15% of the quantitative limit for that category for that Agreement year.
6. The use of the provisions for carry over and carry forward set out above shall be preceded by a written notification to the Community by Hong Kong.
7. Hong Kong shall set out in its periodic statistical reports the maximum export levels for each category subject to a specific ceiling and the rate of utilisation of quota against such levels.

Article 6

1. Hong Kong shall endeavour to ensure that exports of all textiles products for which quantitative limits may be established under this Agreement are spaced out as evenly as possible over each of the Agreement years, due account being taken, in particular, of seasonal factors.

2. In particular, Hong Kong will use its best endeavours to ensure that exports from Hong Kong of products to which this Agreement applies will not, in the calendar year 1975, exceed the limits established by virtue of this Agreement for 1975. Should any excess occur which, in the opinion of the Community, gives rise to serious difficulties, the Community and Hong Kong will consult with a view to arriving at solutions to resolve the difficulties. Hong Kong will give sympathetic consideration to any proposals by the Community for such solutions.

Article 7

The two Parties agree to exchange all useful information concerning their mutual trade in textiles in order to ensure the successful implementation of this Agreement.

Article 8

1. The Parties agree that the quantitative limits established under this Agreement shall be managed under a system of double control, the details of which are set out in Annex III to this Agreement.

2. Hong Kong agrees to furnish the Community with precise statistical information, on a fortnightly basis (or other intervals as may be agreed), of all export licences issued by Hong Kong for all categories of textiles exports to the Community to which this Agreement applies.

3. The Community will likewise forward to Hong Kong on a quarterly basis, precise statistical information of imports of such products into the Community.

Article 9

1. Both Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and Hong Kong are maintained.

2. Should the Community inform Hong Kong that the application of this Agreement has given rise to difficulties regarding the maintenance of existing commercial relations between importers in the Community and their suppliers in Hong Kong the Parties agree to consult together in accordance with the procedures set out in Article 4, paragraph 1 above.

Article 10

Without prejudice to the other provisions of this Agreement, Hong Kong agrees that quantitative restrictions with regard to imports into Ireland of the following textile products from Hong Kong may be maintained until 30.6.77 at the latest.

<u>BTN Heading</u>	<u>Product description</u>
55.05	Cotton yarn, not put up for retail sale
55.06	Cotton yarn, put up for retail sale
55.07	Cotton gauze

Article 11

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territory of Hong Kong.

Article 12

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for the purpose. It shall remain in force until 31 December 1977.
2. This Agreement shall enter into force, in the manner defined in paragraph 1 of this Article, with effect from 18 July 1975.
3. Either Party may at any time propose modifications to this Agreement or denounce it provided that notice is given at least 120 days before the expiry of any twelve-month period; in the latter event the Agreement will come to an end at the expiry of the said twelve-month period.
4. Annexes and Protocols to this Agreement shall form an integral part thereof.

Article 13

This Agreement shall be drawn up in two copies in the German, French, Italian, Dutch, Danish and English languages, each of these texts being equally authentic.

Notes on Annex I

The attached version of Annex I to the Community-Hong Kong Textiles Agreement shows the Nimaxe positions in square brackets. These Nimaxe positions do not appear in the version of Annex I as initialled on 13th August, 1975; they are shown for guidance of the competent Community authorities in connection with de facto implementation of the Agreement, and may be subject to modification.

Schedule of quantitative limits established under Article 1 § 3 of this Agreement

Category N°		Control Unit	Member State	Quantitative limit		
				1975	1976	1977
1	Woven fabrics of cotton (other than gauze, terry towelling and similar terry fabrics, narrow fabrics of a width not exceeding 30 cm, pile fabrics and chenille fabrics, tulle and other net fabrics) : - Unbleached - Bleached [Nimexe : 55.09-01,02,11 to 49, 68, 72 to 78.] Woven fabrics of man-made fibres (discontinuous or waste) : Of synthetic textile fibres : - Unbleached or bleached [Nimexe : 56.07-ex 01, ex 03, 04, 11, 17, 24, 32.]	} equivalent } 1000kg (a)	FRG	1 813	2 352	2 924
			F	400	600	900
			I	1 800	2 198	2 625
			BNL	1 700	2 056	2 373
			UK	17 291(b)	17 377(b)	17 464(b)
			IRL	450	452	461
			DK	157	229	285
			EEC	23 611(b)	25 264(b)	27 032(b)
Within the limits specified for category N° 1, sublimits as set out below are established, with respect only to the United Kingdom, for the products falling within subcategory N° 1 A.						

(a) Equivalent weight means the weight obtained on dividing the total area of the fabric in m² by the average area of the fabric in m² per kg. For this purpose the average area per kg is to be taken as follows :

- For woven fabrics of cotton : 5 m² per kg.
- For woven fabrics of synthetic textile fibres, discontinuous or waste : 6 m² per kg.
- For woven fabrics of synthetic textile fibres, continuous : 8 m² per kg.

(b) The limits specified under this category for the share attributed to the United Kingdom also cover exports of the products of BTN Heading N° 51.04 Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading N° 51.01 or 51.02 : ex A. Woven fabrics of synthetic textile fibres - Unbleached or bleached.

Category N°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
1 A	<p>Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip : Of synthetic textile fibres : - Unbleached or bleached</p> <p>[Nimexe : 51.04 - ex 03, ex 05, ex 07, ex 11, 13, 21, 26.]</p> <p>Woven fabrics of man-made fibres (discontinuous or waste) : Of synthetic textile fibres : - Unbleached or bleached</p> <p>[Nimexe : 56.07-ex 01, ex 03, 04, 11, 17, 24, 32.]</p>	equivalent 1000 kg (a)	UK	7 298	7 334	7 371

(a) Equivalent weight means the weight obtained on dividing the total area of the fabric in m^2 by the average area of the fabric in m^2 per kg. For this purpose the average area per kg is to be taken as follows :

- For woven fabrics of cotton : 5 m^2 per kg
- For woven fabrics of synthetic textile fibres (discontinuous or waste) : 6 m^2 per kg
- For woven fabrics of synthetic textile fibres (continuous) : 8 m^2 per kg

Category N°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
2	Woven fabrics of cotton (other than gauze, terry towelling and similar terry fabrics, narrow fabrics of a width not exceeding 30 cm, pile fabrics and chenille fabrics, tulle and other net fabrics): - Other than unbleached or bleached [Nimexe : 55.09-03 to 05, 51 to 67, 69, 71 81 to 97.] Woven fabrics of man-made fibres (discontinuous or waste) : Of synthetic textile fibres : - Other than unbleached or bleached [Nimexe : 56.07-ex 01, ex 03,07,08,13 to 16, 18 to 23, 26 to 28, 33 to 36.]	} equi- valent 1000 kg (a)				
			FRG	600	868	1.123
			F	400	578	746
			I	150	225	338
			BNL	370	470	596
			UK	8.105 (b)	8.146 (b)	8.187 (b)
			IRL	150	155	160
			DK	80	103	133
		EEC	9.855 (b)	10.545 (b)	11.283 (b)	
Within the limits specified for category n° 2, sublimits as set out below are established, with respect only to the United Kingdom, for the products falling within subcategory n° 2 A.						

(a) Equivalent weight means the weight obtained on dividing the total area of the fabric in m² by the average area of the fabric in m² per kg. For this purpose the average area per kg is to be taken as follows :

- For woven fabrics of cotton : 5 m² per kg
- For woven fabrics of synthetic textile fibres (discontinuous or waste) : 6 m² per kg
- For woven fabrics of synthetic textile fibres (continuous) : 8 m² per kg

(b) The limits specified under this category for the share attributed to the United Kingdom also cover exports of the products of BTN Heading N° 51.04 Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading n° 51.01 or 51.02 : ex A. Woven fabrics of synthetic textile fibres - Other than unbleached or bleached.

Category N°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
2 A	<p>Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip :</p> <p>Of synthetic textile fibres :</p> <p>- Other than unbleached or bleached</p> <p>[Nimexe : 51.04-03 to 07, ex 11, 15 to 18, 23 to 34, 42 to 48.]</p> <p>Woven fabrics of man-made fibres (discontinuous or waste) :</p> <p>Of synthetic textile fibres :</p> <p>- Other than unbleached or bleached</p> <p>[Nimexe : 56.07-ex 01, ex 03, 07, 08, 13 to 16, 18 to 23, 26 to 28, 33 to 36.]</p>	equiva- lent: 1000 kg (a)	UK	4 140	4 160	4 182

(a) Equivalent weight means the weight obtained on dividing the total area of the fabric in m^2 by the average area of the fabric in m^2 per kg. For this purpose the average area per kg is to be taken as follows :

- For woven fabrics of cotton : $5 m^2$ per kg
- For woven fabrics of synthetic textile fibres (discontinuous or waste) : $6 m^2$ per kg
- For woven fabrics of synthetic textile fibres (continuous) : $8 m^2$ per kg

Category N°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
3	Undergarments, knitted or crocheted, not elastic or rubberised : - Shirts, T-shirts, undervests, singlets and the like [Nimexe : 60.04- ex 11, 13, ex 24, ex 29, ex 35, 41, ex 45, ex 59, ex 70, ex 80.]	1000 units(a)	FRG	9 189	9 336	9 502
			F	65	221	324
			I	203	283	393
			BNL	1 479	1 591	1 717
			UK	11 527	11 585	11 643
			IRL	88	97	107
			DK	763	784	808
			EEC	23 314	23 897	24 494
			4	Outer garments and other articles, knitted or crocheted, not elastic or rubberised : - Jersey, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers [Nimexe : 60.05-01, 21 to 39.]	1000 pieces	FRG	10 405	10 619	10 864
F	130	300				414
I	367	489				642
BNL	2 241	2 402				2 574
UK	17 585	17 673				17 761
IRL	23	31				41
DK	939	968				998
EEC	31 690	32 482				33 294
5	Outer garments and other articles, knitted or crocheted, not elastic or rubberised : - Infant's garments - Bathing costumes and trunks - Dresses and frocks - Skirts - Combination sets (d) [Nimexe : 60.05-02 to 15, 41 to 69, ex 71, ex 72, ex 73, ex 74, ex 75, ex 78, ex 79.]	1000 kg (b)				FRG	735	840	914
			F	33	50	75
			I	27	41	62
			BNL	352	386	410
			UK	1 821 (c)	1 850 (c)	1 924 (c)
			IRL	2	3	5
			DK	61	75	85
			EEC	3 031 (c)	3 245 (c)	3 475 (c)

- (a) One shirt, one T-shirt and one undershirt shall be reckoned as one unit. One singlet shall be reckoned as one half of a unit.
- (b) This weight is to be taken as that of the textile components of the garments.
- (c) The limits established under this category in respect of the United Kingdom also cover exports of all other outer garments and clothing accessories classified under BTN Heading n° 60.05 than those specified under category 5 and category 4.
- (d) A knitted combination set consists of two or three pieces, including a knitted top garment and a knitted lower garment which are contracted for, packed, consigned and sold together.

Category n°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
6	Men's and boys' outer garments : - Raincoats of the overcoat type [Nimexe : 61.01-ex 11, ex 41, ex 45, ex 49] Women's, girl's and infants outer garments : - Raincoats of the overcoat type [Nimexe : ]	) } 1000 pieces	FRG	1 068	1 077	1 089
			F	15	25	34
			I	194	209	224
			BNL	720	724	728
			UK	549	572	595
			IRL	1	1	2
			DK	57	61	64
			EEC	2 604	2 669	2 736
			7	Men's and boy's outer garments (other than knitted or crocheted) : - Suits - Jackets, blazers and the like [Nimexe : 61.01-51 to 59, 71 to 79]) } 1000 pieces (a)	FRG	6 106	6 137	6 168
F	47	251				376
I	291	437				656
BNL	1 163	1 327				1 502
UK	2 378	2 725				3 146
IRL	5	14				21
DK	644	647				650
EEC	10 634	11 538				12 519

(a) One suit shall be reckoned as two pieces.

Category n°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
8	Men's and boy's outer garments (other than knitted or crocheted) : - Trousers, jeans, breeches and the like [Nimexe : 61.01-61 to 69.] Women's, girl's and infant's outer garments (other than knitted or crocheted) : - Trousers, jeans, breeches and the like; except divided skirts. [Nimexe : ]	) 1000 pieces	FRG	21 010	21 342	21 717
			F	187	496	725
			I	713	982	1 313
			BNL	2 023	2 239	2 467
			UK	25 953	26 083	26 213
			IRL	12	27	39
			DK	2 381	2 417	2 452
			EEC	52 279	53 586	54 926
9	Women's, girl's and infant's outer garments (other than knitted or crocheted) - Coats and jackets [Nimexe : 61.02-41 to 49.]	) 1000 pieces	FRG	2 824	2 838	2 852
			F	52	78	117
			I	42	63	95
			BNL	207	306	416
			UK	1 083	1 260	1 436
			IRL	3	5	8
			DK	111	139	164
			EEC	4 322	4 689	5 088

Category No	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
10	Women's, girl's and infant's outer garments: (other than knitted or crocheted) - Dresses - Skirts, including divided skirts [Nimexe : 61.02-61 to 79.]	1000 pieces	FRG	5 584	5 843	6 092
			F	136	204	306
			I	226	339	509
			BNL	883	1 093	1 297
			UK	4 167	4 408	4 642
			IRL	7	11	17
			DK	184	240	307
			EEC	11 187	12 138	13 170
11	Women's, girl's and infant's outer garments (other than knitted or crocheted) : - Shirts and blouses [Nimexe : 61.02-81 to 89.]	1000 pieces	FRG	16 069	16 149	16 230
			F	88	225	321
			I	159	183	261
			BNL	1 504	1 623	1 746
			UK	5 546	5 742	5 936
			IRL	5	12	17
			DK	389	420	452
			EEC	23 760	24 354	24 963
12	Men's and boy's under garments (other than knitted or crocheted) including collars, shirts fronts and cuffs : - Shirts [Nimexe : 61.03-11 to 19.]	1000 pieces	FRG	28 189	28 526	28 917
			F	169	588	850
			I	963	1 270	1 681
			BNL	3 051	3 327	3 642
			UK	27 460	27 597	27 735
			IRL	9	32	46
			DK	2 125	2 175	2 232
			EEC	61 966	63 515	65 103

Category N°	Description	Control Unit	Member State	Quantitative limit		
				1975	1976	1977
13	Men's and boy's under garments (other than knitted or crocheted), including collars shirt fronts and cuffs :	1000 pieces	FRG	6 878	6 912	6 947
			F	83	270	405
	- Pyjamas and other night garments		I	18	219	328
	[Nimexe : 61.03-31 to 39.]		BNL	648	853	1 147
	Women's, girl's and infant's under garments (other than knitted or crocheted) :		UK	3 600	3 871	4 256
	- Pyjamas, nightdresses and other night garments		IRL	4	15	22
	[Nimexe : 61.04-ex 10, ex 30, ex 90.]		DK	209	272	362
			EEC	11 440	12 412	13 467
14	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles :	1000 kg	FRG	1 124	1 314	1 537
			F	15	111	166
	- Bed linen		I	70	105	157
	- Table linen		BNL	123	163	212
	- Toilet linen and kitchen linen		UK	4 260	4 281	4 302
	[Nimexe : 62.01-11 to 77.]		IRL	3	4	6
			DK	99	115	139
			EEC	5 694	6 093	6 519

ANNEX II

Products subject to special consultation
 procedures under the provisions of Article 4

<u>BTN Heading</u>	<u>Product description</u>
60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised : A. Gloves impregnated or coated with artificial plastic materials ex B. Other : - Of synthetic textile fibres - Of cotton
ex 60.04	Under garments, knitted or crocheted, not elastic nor rubberised, other than : - Shirts, T-shirts, undervests, singlets and the like
ex 60.05	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised, other than : - Jerseys, pull-overs, slip-overs, twinsets, cardigans, bedjackets, jumpers - Infants' garments - Bathing costumes and trunks - Dresses and frocks - Skirts - Trousers - Combination sets (a)
ex 61.01	Men's and boys' outer garments : - Waterproof garments and raincoats other than raincoats of the overcoat type
ex 61.02	Women's, girls' and infants' outergarments : - Waterproof garments and raincoats other than raincoats of the overcoat type

(a) A knitted combination set consists of two or three pieces, including a knitted top garment and a knitted lower garment, which are contracted for, packed, consigned and sold together.

<u>BTN Heading</u>	<u>Product description</u>
ex 61.01	Men's and boys' outer garments : - Work clothing
ex 61.02	Women's, girls' and infants' outer garments : ex B. Other: - Work clothing
ex 61.01	Men's and boys' outer garments : - Articles of apparel used for sports
ex 61.02	Women's, girls' and infants' outer garments : ex B. Other: - Articles of apparel used for sports
ex 61.01	Men's and boys' outer garments other than : - Waterproof garments - Work clothing - Articles of apparel used for sports - Suits - Trousers, breeches and the like - Jackets, blazers and the like
ex 61.02	Women's, girls' and infants' outer garments other than : - Waterproof garments - Work clothing - Articles of apparel used for sports - Coats and jackets - Dresses - Skirts - Shirts and blouses - Trousers, jeans and the like
ex 61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs, other than : - Shirts - Pyjamas and other night garments

Am.

Q.

BTN HeadingProduct description

ex 61.04

Women's, girls' and infants' under garments
other than :

- Pyjamas, nightdresses and other nightwear

ex 61.09

Corsets, corset-belts, suspender-belts, brassières,
braces, suspenders, garters and the like
(including such articles of knitted or crocheted
fabric), whether or not elastic :

- Brassières

62.02

Bed linen, table linen, toilet linen and
kitchen linen; curtains and other furnishing
articles :

A. Net curtains

ex B. Other :

- Curtains and other furnishing articles

ANNEX III

Agreed details of double-checking system

As agreed between the Parties in Article 8 of this Agreement, the administration of exports from Hong Kong and imports into the EEC of those textile products to which this Agreement applies will be based on a system of double checking. The details of this system have been agreed between the Parties and are set out below.

The competent authorities within the Community will, automatically and without delay, accept imports of the textile products referred to above on submission of the importer's application together with a certified copy of the export licence. The competent authorities within the Community shall be entitled to require the presentation of a certificate of Hong Kong origin and a certified copy of an export licence in respect of those textile products originating in Hong Kong and set out in Annex I and (in any case where the provisions of Article 4 have been invoked) in Annex II. These export licences will be issued by Hong Kong up to the total amount of the agreed ceilings.

The export licences issued by Hong Kong in respect of the products subject to restraint under this Agreement shall specify and contain :

1. destination
2. serial number
3. importer's name and address
4. exporter's name and address
5. quantity in the units as designated in the Agreement and, where the quantity is expressed other than in weight, the equivalent weight calculated in accordance with the table of equivalencies set out in Annex IV.
6. Category and description of product.
7. Certification by Hong Kong that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or for inward processing and subsequent re-export outside the Community.

M.

D.

The competent authorities within the Community will not raise difficulties in the event of a discrepancy between the weight indicated in the export licence and the shipment or import weight provided it is within reasonable limits.

Hong Kong will forward to the competent authorities within the Community, via the representatives of the member States of the Community and directly to the Commission, the periodic returns, provided for in Article 8 of this Agreement, showing the details referred to in (1), (5) and (6) above, covered by the export licences issued against the quantitative limits for exports to the Community, as well as the allocation of these export licences amongst the member States of the Community for all categories of textiles exports to the Community or any of its member States to which this Agreement applies.

ANNEX IV

Table of equivalences

agreed for the purpose of the application of Art. 5 hereof

Category No	BTN Heading	Description	Ratio of Equivalence
ex 3	ex 60.04	Shirts, T-shirts and undervests, knitted or crocheted The ceiling is established in units whereby 1 shirt, 1 T-shirt and 1 undervest shall be reckoned as one unit, whereas 1 singlet shall be reckoned as 1/2 unit.	6,4 units/kg
4	ex 60.05	Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted	5,18 pieces/kg
6	ex 61.01 ex 61.02	Raincoats of the overcoat type	1,29 pieces/kg
7	ex 61.01	Men's and boys' suits, jackets, blazers and the like	1,40 pieces/kg *
8	ex 61.01 ex 61.02	Men's, boys', women's, girls' and infants' trousers, jeans, breeches and the like	2,47 pieces/kg
9	ex 61.02	Women's, girls' and infants' coats and jackets	1,25 pieces/kg
10	ex 61.02	Women's, girls' and infants' dresses and skirts	2,79 pieces/kg
11	ex 61.02	Women's, girls' and infants' shirts and blouses	5,55 pieces/kg
12	ex 61.03	Men's and boys' shirts	4,60 pieces/kg
13	ex 61.03 ex 61.04	Pyjamas, nightdresses and other night garments	3,22 pieces/kg

* The ceiling is established in pieces, whereby 1 jacket shall be reckoned as one piece and one suit as 2 pieces.

Category No	BTN Heading	Description	Ratio of Equivalence
15	ex 60.02	Gloves	11,5 pairs/kg
17	ex 61.01 ex 61.02	Waterproof garments and raincoats other than raincoats of the overcoat type	1,29 pieces/kg
18	ex 61.01 ex 61.02	Work clothing	1,40 pieces/kg
19	ex 61.01 ex 61.02	Articles of apparel used for sports	2,00 pieces/kg
21	ex 61.03 ex 61.04	Other woven under garments :	6,67 pieces/kg

Am

cl.

Protocol

to the Agreement between the European Economic Community
and Hong Kong on trade in textiles

1. Pursuant to Article 4 of this Agreement, consultations have been held between the Parties regarding exports from Hong Kong to the Community of the textile products listed below.
2. As agreed in the consultations mentioned above, Hong Kong shall limit exports of the products listed below to the regions of the Community market and to the quantitative limits indicated.

Category No	BTN Heading	Product Description	Region(s) covered	Control unit	Quantitative limits		
					1975	1976	1977
5	60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised : A. Gloves impregnated or coated with artificial plastic materials ex B. Other : - Of synthetic textile fibres - Of cotton	BNL * F I	1000 pairs	2 260 197 510	2 306 209 541	2 540 222 573
16	ex 60.04	Under garments, knitted or crocheted, not elastic nor rubberised, other than : - Shirts, T-shirts, undervests, singlets and the like - Men's and boys' drawers and briefs	FRG UK	1000 kg	350 733	364 763	379 793
17	ex 61.01 ex 61.02	Men's and boys' outer garments : - Waterproof garments and raincoats other than raincoats of the overcoat type Women's, girls' and infants' outer garments : - Waterproof garments and raincoats other than raincoats of the overcoat type	UK	1 000 pieces	1 522	1 613	1 710

* For Benelux, coverage excludes gloves of synthetic textile fibres

a) A knitted combination set consists of two or three pieces, including a knitted top garment and a knitted lower garment, which are constructed for, packed, consigned and sold together.

Category No	BTN Heading	Product description	Region(s) covered	Control unit	Quantitative limits		
					1975	1976	1977
18	ex 61.01	Men's and boys' outer garments : - Work clothing Women's, girls' and infants' outer garments : ex B. Other : - Work clothing	UK	1 000 pieces	2 133	2 240	2 352
19	ex 61.01 61.02	Men's and boys' outer garments : - Articles of apparel used for sports Women's, girls' and infants' outer garments ex B. Other : - Articles of apparel used for sports	UK	1 000 pieces	405	429	455
20	ex 61.01 ex 61.02	Men's and boys' outer garments other than : - Waterproof garments - Work clothing - Articles of apparel used for sports - Suits - Trousers, breeches and the like - Jackets, blazers and the like Women's, girls' and infants' outer garments other than : - Waterproof garments - Work clothing - Articles of apparel used for sports - Coats and jackets - Dresses - Skirts - Shirts and blouses - Trousers, jeans and the like	UK	1 000 kg	2 699	2 861	3 033
21	ex 61.02 ex 61.04	Men's and boys' under garments including collars, shirt fronts and cuffs, other than : - Shirts - Pyjamas and other nightgarments Women's, girls' and infants' under garments other than : - Pyjamas, nightdresses and other nightwear	UK	1 000 pieces	4 238	4 492	4 762

du

d.