

**No. 20180**

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**FINLAND  
and  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
(HONG KONG)**

**Memorandum of Understanding on the restriction and control of the imports of certain textile products from Hong Kong (with annexes). Signed at Hong Kong on 2 July 1980**

*Authentic text: English.*

*Registered by Finland on 23 July 1981.*

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**FINLANDE  
et  
ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
(HONG-KONG)**

**Mémorandum d'accord portant contingentement et contrôle de l'importation de certains produits textiles en provenance de Hong-Kong (avec annexes). Signé à Hong-Kong le 2 juillet 1980**

*Texte authentique : anglais.*

*Enregistré par la Finlande le 23 juillet 1981.*

# MEMORANDUM OF UNDERSTANDING<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF HONG KONG ON THE RESTRICTION AND CONTROL OF THE IMPORTS OF CERTAIN TEXTILE PRODUCTS FROM HONG KONG

## I. INTRODUCTION

This Memorandum of Understanding sets out the arrangements that have been agreed between the Government of Finland and the Government of Hong Kong regarding Hong Kong's exports of certain textile products to Finland.

## II. EXPORT RESTRAINT ARRANGEMENTS

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles<sup>2</sup> as extended by the Protocol dated 14 December 1977,<sup>3</sup> and in particular to Articles 1 and 4 of the Arrangement.

### *Coverage*

3. These arrangements shall apply to Hong Kong's exports to Finland of the textile products set out in Annex I to this Memorandum.

### *Restraint Period*

4. These arrangements shall apply for the periods 1 August 1980 to 31 July 1981 and 1 August 1981 to 31 July 1982.

Either party may at any time terminate these arrangements provided that at least ninety days notice is given, in which event the arrangements shall come to an end at the expiry of the ninety day period.

### *Restraint Limit*

5. The Government of Hong Kong shall restrict exports of the textile products set out in Annex I to the limits set out in column (e) and column (f) for the periods stated therein, save as provided for in paragraphs 7, 8, 9 and 10.

6. The Government of Finland shall for the purpose of these arrangements admit imports of the textile products of Hong Kong origin set out in Annex I only where such imports are covered by an export licence issued by the Trade Industry and Customs Department, Hong Kong, and endorsed to the effect that the consignments concerned have been debited to the agreed limits.

### *Swing*

7. For any textile product set out in Annex I, exports may exceed the limit in column (e) and column (f) of Annex I during the periods therein by five per cent, provided that a corresponding reduction is applied in any one or more of the other limits in column (e) and column (f) of Annex I during the periods stated therein.

<sup>1</sup> Came into force on 1 August 1980, in accordance with section III (17).

<sup>2</sup> United Nations, *Treaty Series*, vol. 930, p. 166.

<sup>3</sup> *Ibid.*, vol. 1078, p. 288.

For the purpose of calculating such corresponding reductions, the conversion factors listed in column (g) of Annex I to this Memorandum of Understanding shall apply.

*Carryover and Carryforward*

8. The Government of Hong Kong may, after consultation between the Government of Finland and the Government of Hong Kong, approve exports of textile products in excess of the limits set out in

- a) Column (e) of Annex I by an amount equal to the quantity by which shipments in the period 1 August 1979 to 31 July 1980 fall short of the limits set out in column (f) of Annex I to the Memorandum of Understanding signed by the Government of Finland and the Government of Hong Kong on 21 March 1978, or 11% of the annual limits set out in column (e) of Annex I to this Memorandum, whichever is the less (carryover) provided that such exports are in the same categories where the shortfalls occur;
- b) Column (f) of Annex I by an amount equal to the quantity by which shipment in the period 1 August 1980 to 31 July 1981 fall short of the limits set out in column (e) of Annex I to this Memorandum, as adjusted by the provisions in (a) above, or 11% of the limits set out in column (f), whichever is the less provided that such exports are in the same categories where the shortfalls occur.

9. The Government of Hong Kong may, after consultation between the Government of Finland and the Government of Hong Kong, approve the export of amounts in excess of the agreed annual limits in column (e) and column (f), as applicable, of Annex I by 6 per cent (carryforward). Where the agreed limits are increased by carryforward, corresponding deductions shall be made from any limits which may be agreed in respect of the same categories in the immediately following restraint period.

10. The carryover and carryforward taken together shall not exceed 11 per cent of the agreed annual limits in column (e) and column (f), as applicable, of Annex I to this Memorandum.

11. If exports of the textile products listed in Annex I to this Memorandum in the period 1 August 1981 to 31 July 1982 are less than the agreed limits in column (f) of Annex I as adjusted by the carryover provision in paragraph 8 above, the Government of Hong Kong may, after consultations between the Government of Hong Kong and the Government of Finland, approve the export of amounts in excess of any limits which may be agreed in respect of the same categories in the immediately following restraint period, equal to the actual shortfall or 11% of any limit which may be agreed for the immediately following restraint period, whichever is the less.

*Re-export*

12. The Government of Finland will inform the Government of Hong Kong when imports into Finland of the textile products that have been debited to the agreed limits are subsequently re-exported from Finland. The Government of Hong Kong may then credit the quantities involved to the appropriate limits.

*Exchange of Statistics*

13. The Government of Hong Kong will provide the Government of Finland with monthly statistics of the textile products listed in Annex I licensed for

export to Finland and debited to the limits set out in column (e) and column (f) of Annex I.

14. The Government of Finland will provide the Government of Hong Kong with quarterly statistics of total imports and of imports from Hong Kong and other significant suppliers of each of the textile products set out in Annex I.

### *Consultations*

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

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

### III. EXPORT AUTHORIZATION ARRANGEMENTS

17. These arrangements shall apply for the period 1 August 1980 to 31 July 1982.

18. The Government of Hong Kong shall require all exports to Finland of the products listed in Annex II to be covered by export authorizations (Attachment A) issued by the Trade Industry and Customs Department, Hong Kong. An export authorization shall be issued only on evidence of a firm contract for the supply of the goods involved and shall be valid for 3 months from the date of issue.

19. Export licences (Attachment B) to ship goods covered by an export authorization will be issued by the Government of Hong Kong on presentation of the relevant export authorization within the latter's validity period. An export licence shall be valid for 28 days from the date of issue. The Government of Hong Kong shall not issue export licences in respect of exports to Finland of the products listed in Annex II which are not covered by a valid export authorization.

20. The Government of Hong Kong shall provide the Government of Finland with half-monthly statistical returns showing the quantities covered by export authorizations issued to Hong Kong exporters in respect of the products listed in Annex II. The Government of Hong Kong agrees to notify the Government of Finland immediately upon receipt of any applications for export authorizations in exceptionally large amounts or unusual concentration of applications for export authorizations in the products. 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 authorizations in question would not be such as to cause a sharp and substantial increase of imports of the products in question into Finland.

21. The Government of Finland shall admit imports of the textile products of Hong Kong origin listed in Annex II where such imports satisfy all normal conditions of entry, and are accompanied by a copy of an export licence issued by the Trade Industry and Customs Department, Hong Kong.

22. The Government of Finland may request the Government of Hong Kong to suspend the issue of export authorization if, in the opinion of the Government

of Finland, a limitation on further trade in the products listed in Annex II may be necessary to eliminate real risks of market disruption. Such a request shall be accompanied by a request for consultations with due regard to the relevant provisions of the Arrangement Regarding International Trade in Textiles and the protocol for its extension and by a detailed factual statement within a reasonable period of time, including data designed to demonstrate the existence of real risks of market disruption (as defined in Annex A of the Arrangement Regarding International Trade in Textiles). The Government of Finland and the Government of Hong Kong shall enter into consultations as soon as possible following notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within 2 months from the date of notification.

23. Upon receipt of such a request for suspension and for consultations, the Government of Hong Kong shall suspend immediately the issue of export authorizations in respect of the relevant products. The Government of Hong Kong may, however, continue to issue export licences against valid export authorizations issued before such a suspension.

24. Where the issue of export authorizations is suspended, the Government of Finland shall consider giving its consent to the extension of validity of an existing export authorization for a period not exceeding 90 days, if it is satisfied that the failure to apply for an export licence within the validity period of the export authorization has been caused by circumstances beyond the control of the person to whom the export authorization was issued.

25. The Government of Finland and the Government of Hong Kong agree to consult, at the request [of] either party, on any matter arising from the implementation of these arrangements.

#### IV. GENERAL

26. The Annexes to this Memorandum shall be considered an integral part of it.

DONE in Hong Kong, 2 July 1980.

For the Government  
of Finland:  
ERKKI PAJARI

For the Government  
of Hong Kong:  
PETER TSAO

#### ANNEX I

(a) Category	(b) Finnish Statistical Classification No.	(c) Hong Kong Statistical Classification No.	(d) Description	(e) (f) Restraint Limit		(g) Conversion Factor (square yards equivalent per dozen)
				1 Aug. 1980 to 31 July 1981	1 Aug. 1981 to 31 July 1982	
I	ex 60.04.812	ex 846 286	Briefs, drawers, panties, undershorts and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, women's and girl's wear.	2 124 717	2 188 459	9 sq.yd./ doz.
	60.04.813	ex 846 287		pieces	pieces	
	60.04.815	ex 846 341				
	60.04.816	ex 846 342				
	60.04.817	ex 846 406 ex 846 407				

(a) <i>Category</i>	(b) <i>Finnish Statistical Classification No.</i>	(c) <i>Hong Kong Statistical Classification No.</i>	(d) <i>Description</i>	(e) <i>Restraint Limit</i>		(g) <i>Conversion Factor (square yards equivalent per dozen)</i>
				<i>1 Aug. 1980 to 31 July 1981</i>	<i>1 Aug. 1981 to 31 July 1982</i>	
2	ex 60.04.712	ex 846 282	Briefs, drawers, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, men's and boys' wear.	614 430 pieces	632 863 pieces	9 sq.yd/ doz.
	60.04.713	ex 846 283				
	60.04.715	ex 846 331				
	60.04.716	ex 846 332				
	60.04.717	ex 846 402 ex 846 403				
3	61.03.102	844 111	Shirts, not knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, men's and boys' wear.	327 836 pieces	337 671 pieces	26 sq.yd./ doz.
	61.03.103	844 112				
	61.03.105	844 121				
	61.03.106	844 122				
	ex 61.03.109	844 195 844 196				

## ANNEX II

(a) <i>Category</i>	(b) <i>Finnish Statistical Classification No.</i>	(c) <i>Hong Kong Statistical Classification No.</i>	(d) <i>Description</i>
E 1	ex 60.04.852	ex 846 292	Briefs, drawers, panties, undershorts, and the like, knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, infants' wear i.e. garments of sizes up to and including 110.
	60.04.853	ex 846 345	
	60.04.855	ex 846 412	
	60.04.856		
	60.04.857		
E 2	60.04.115	ex 845 121	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of cotton.
	60.04.155	ex 845 122	
	60.05.315	ex 845 123	
	60.05.355	ex 845 124	
	60.05.365	ex 845 125	
		ex 845 930	
		ex 845 937	
		846 211	
		846 212	
		ex 846 282	
		ex 846 283	
		ex 846 286	
	ex 846 287		
	ex 846 292		
E 3	60.04.112	ex 845 131	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of man-made fibres.
	60.04.113	ex 845 132	
	60.04.116	ex 845 133	
	60.04.117	ex 845 134	
	60.04.152	ex 845 135	
	60.04.153	ex 845 141	
	60.04.156	ex 845 142	
	60.04.157	ex 845 143	

(a)	(b) <i>Finnish Statistical Classification No.</i>	(c) <i>Hong Kong Statistical Classification No.</i>	(d)
Category			Description
	60.05.312	ex 845 144	
	60.05.313	ex 845 145	
	60.05.316	845 950	
	60.05.317	ex 845 957	
	60.05.352	845 970	
	60.05.353	ex 845 977	
	60.05.356	846 321	
	60.05.357	846 322	
	60.05.362	ex 846 331	
	60.05.363	ex 846 332	
	60.05.366	ex 846 341	
	60.05.367	ex 846 342	
		ex 846 345	
		ex 846 402	
		ex 846 403	
		ex 846 406	
		ex 846 407	
		ex 846 412	
		846 413	
		846 414	
E 4	60.04.114	ex 845 111	Jumpers, sweaters, cardigans, pullovers, blouses and shirts (including T-shirts, singlets and undershirts), knitted or crocheted, wholly or mainly by weight of wool.
	60.04.154	ex 845 112	
	60.05.314	ex 845 113	
	60.05.354	ex 845 114	
	60.05.364	ex 845 115	
		845 910	
		ex 845 917	
		ex 846 182	
		846 183	
		ex 846 186	
		ex 846 187	
		ex 846 192	
		846 193	
		846 194	
E 5	65.05.906	ex 848 435	Woven peaked caps, wholly or mainly by weight of cotton or of man-made fibres or of wool.
		ex 848 436	
		ex 848 437	
E 6	61.02.502	843 511	Blouses, not knitted or crocheted, wholly or mainly by weight of cotton or of man-made fibres, women's and girl's wear.
	61.02.505	843 512	
	61.02.506	843 521	
	ex 61.02.509	843 522	
E 7	ex 61.09.201	846 511	Brassieres, wholly or mainly by weight of cotton or of man-made fibres.
		ex 846 512	
E 8	ex 61.07.000	ex 847 130	Neckties, wholly or mainly by weight of man-made fibres.