

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification Under Articles 7 and 8

Bilateral Agreements Between the United States and Costa Rica

The Textiles Surveillance Body has received from the United States a notification of two new bilateral textile agreements with Costa Rica, which is a non-participant in the MFA. One agreement concerns trade in textile category 649; the other establishes a consultative mechanism concerning trade in other textile products.

The TSB is circulating this notification to participating countries for their information.

UNITED STATES AND COSTA RICA
SIGN BILATERAL TEXTILE AGREEMENTS

The United States and Costa Rica exchanged notes dated 22 September 1980 to effect two agreements relating to trade in cotton, wool, and man-made fibre textiles and textile products. One agreement concerns trade in textile category 649 (man-made fibre brassières and other body-supporting garments). The other agreement establishes a consultative mechanism concerning trade in other textile product categories. Texts of the notes follow:

AGREEMENT NO. 1
UNITED STATES NOTE

San Jose, 22 September 1980

Excellency,

I have the honour to refer to discussions between representatives of the Governments of the United States and the Republic of Costa Rica on 2-3 July 1980 and 13-14 August, concerning exports to the United States of cotton, wool, and man-made fibre textiles and textile products manufactured in the Republic of Costa Rica. As a result of these discussions I have the honour to propose on behalf of the Government of the United States, the following agreement relating to trade in cotton, wool, and man-made fibre textiles and textile products between the United States and the Republic of Costa Rica.

1. The term of the Agreement shall be the four-year period from 1 January 1980 through 31 December 1983. Each "Agreement Year" shall begin on 1 January and end on 31 December of the same year.
2. Commencing with the First Agreement Year, and during the subsequent term of the Agreement, the Government of the Republic of Costa Rica shall limit annual exports from Costa Rica to the United States of category 649 textile products to the specific limits set out in Annex A as such limits may be adjusted in accordance with paragraph 3. Exports are subject to the limits for the year in which exported. The limits set out in Annex A do not include any adjustments permitted under paragraph 3.

His Excellency
Dr. Bernd Niehaus,
Minister of Foreign Relations,
San Jose.

3. (a) In any Agreement Year, exports may exceed by a maximum of 11 per cent any limit set out in paragraph 2 by allocating to such limit for that Agreement Year an unused portion of the corresponding limit for the previous Agreement Year ("carry-over") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:
- (1) Carry-over may be utilized as available up to 11 per cent of the receiving Agreement Year's limit provided, however, that no carry-over shall be available for application during the first Agreement Year;
 - (2) carryforward may be utilized up to 7 per cent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits; no carryforward shall be available for application during the 1983 Agreement Year;
 - (3) the combination of carry-over and carryforward shall not exceed 11 per cent of the receiving Agreement Year's applicable limit in any Agreement Year;
 - (4) carry-over of shortfall (as defined in sub-paragraph 3(b)) shall not be applied to any limits until the Governments of the United States and of the Republic of Costa Rica have agreed upon the amounts of shortfall involved.
- (b) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Costa Rica to the United States during an Agreement Year are below any specific limit as set out in paragraph 2. In the Agreement Year following the shortfall such exports from Costa Rica to the United States may be permitted to exceed the applicable limits, subject to conditions of sub-paragraph 3(a), by carry-over of shortfalls in the following manner:
- (1) The carry-over shall not exceed the amount of shortfall in any applicable limit;
 - (2) the shortfall shall be used in the category in which the shortfall occurred.
- (c) The total adjustment permissible under paragraph 3, for the first Agreement Year shall be 7 per cent consisting solely of carryforward.

4. The Government of the Republic of Costa Rica shall use its best efforts to space exports from Costa Rica to the United States within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors. Exports from Costa Rica in excess of authorized levels for each Agreement Year will, if allowed entry into the United States, be charged to the applicable level for the succeeding Agreement Year.
5. The Government of the United States shall each month supply the Government of the Republic of Costa Rica with monthly data on imports of category 649 textiles from Costa Rica, and the Government of the Republic of Costa Rica shall each month supply the Government of the United States with monthly data on exports of category 649 textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.
6. The Government of the United States and the Government of the Republic of Costa Rica agree to consult on any question arising in the implementation of this Agreement.
7. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.
8. If the Government of the Republic of Costa Rica considers that, as a result of a limitation specified in this Agreement, Costa Rica is being placed in an inequitable position vis-à-vis a third country, the Government of the Republic of Costa Rica may request consultations with the Government of the United States with a view to taking appropriate remedial action, such as reasonable modification of this Agreement, and the Government of the United States shall agree to hold such consultations.
9. The Government of the United States may assist the Government of the Republic of Costa Rica in implementing the limitation provisions of the Agreement by controlling its imports of the textiles covered by the Agreement.
10. Either Government may terminate the Agreement effective at the end of any Agreement Year by written notice to the other Government to be given at least ninety days prior to the end of such Agreement Year. Either Government may at any time propose revisions in the terms of the Agreement.

Accept, Excellency, the renewed assurance of my highest and most distinguished consideration.

ANNEX A

<u>BRIEF DESCRIPTION</u>	<u>FIRST AGREEMENT YEAR</u>	<u>SECOND AGREEMENT YEAR</u>	<u>THIRD AGREEMENT YEAR</u>	<u>FOURTH AGREEMENT YEAR</u>
	DOZ.	DOZ.	DOZ.	DOZ.
MMF Brassières	1,575,000	1,685,000	1,811,000	1,929,000
	SYE	SYE	SYE	SYE
	7,560,000	8,088,000	8,692,800	9,259,200

COSTA RICAN NOTE

San Jose, 22 September 1980

Mr. Ambassador:

I have the honour to reply to your Excellency's note No. 134 dated 22 September 1980, the text of which says:

(translation of United States note)

I am pleased to inform you of the agreement of the Government of Costa Rica with the above proposal. Therefore, Your Excellency's note and this note constitute an agreement between our two countries which will enter into force on this date.

I take advantage of this opportunity to renew to the Ambassador of the United States, the assurances of my highest and distinguished consideration.

(signed) Bernd Niehaus
Minister

To His Excellency
Mr. Francis McNeil,
Ambassador of the United States,
San Jose.

AGREEMENT NO. 2

UNITED STATES NOTE

San Jose, 22 September 1980

Excellency:

I have the honour to refer to discussions between representatives of the Governments of the United States and the Republic of Costa Rica on 2-3 July 1980 and 13-14 August 1980 concerning exports to the United States of cotton, wool, and man-made fibre textiles and textile products manufactured in the Republic of Costa Rica. As a result of these discussions, I have the honour to propose on behalf of the Government of the United States, the following agreement on a consultative mechanism relating to trade in cotton, wool, and man-made fibre textiles and textile products between the United States and the Republic of Costa Rica.

1. The term of the agreement on a consultative mechanism shall be the four-year period from 1 January 1980 through 31 December 1983. Each "Agreement Year" shall begin on 1 January and end on 31 December, of the same year.
2. (a) In the event that the Government of the United States believes that imports from Costa Rica classified in any category or categories in Annex A not covered by specific limits are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of the Republic of Costa Rica with a view to avoiding such market disruption. The Government of the United States shall provide the Government of the Republic of Costa Rica at the time of the request with the data which in the view of the Government of the United States shows: (1) the existence of market disruption, or the threat thereof, and (2) the rôle of exports from Costa Rica in that disruption.

(b) Within thirty days of receipt of the request for consultations, the Government of the Republic of Costa Rica agrees to set a date for consultations with the United States. Both governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within ninety days of the receipt of the request.

His Excellency
Dr. Bernd Niehaus,
Minister of Foreign Relations,
San Jose.

(c) During the ninety day period, the Government of the Republic of Costa Rica agrees to hold its shipments to the United States in the pertinent category or categories to a level no greater than 35 per cent of the amount entered in the first twelve of the most recent fourteen months preceding the date of request.

(d) (1) If no mutually satisfactory solution is reached in consultations, the Government of the United States may establish a specific limit for the category concerned, the level of which will not be less than the amount entered during the first twelve of the most recent fourteen months preceding the date of request plus 20 per cent in the case of cotton and man-made fibre categories or plus 6 per cent in the case of wool categories.

(2) Any specific limit established pursuant to this paragraph will increase in succeeding agreement years by 7 per cent per year in the case of cotton and man-made fibre categories and by 1 per cent per year in the case of wool categories.

3. The system of categories and rates of conversion into SYE listed in Annex A shall apply in implementing the agreement and any levels that might be established thereunder.

4. (a) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, or blends thereof, in which any or all of these 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) of the product, are subject to the agreement.

(b) For purposes of the agreement, textiles and textile products shall be classified as cotton, wool, or man-made fibre textiles if wholly or in chief value of either of these fibres.

(c) Any product covered by sub-paragraph (a) but not in chief value of cotton, wool, or man-made fibre shall be classified as: (i) cotton textiles if containing 50 per cent or more by weight of cotton or if the cotton component exceeds by weight the wool and the man-made fibre components; (ii) wool textiles if not cotton and the wool equals or exceeds 17 per cent by weight of all component fibres; (iii) man-made fibre textiles if neither of the foregoing applies.

5. The Government of the United States shall promptly supply the Government of the Republic of Costa Rica with monthly data on imports of textiles from Costa Rica, and the Government of the Republic of Costa Rica shall promptly supply the Government of the United States with monthly data on exports of textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other government.

6. The Government of the United States and the Government of the Republic of Costa Rica agree to consult on any question arising in the implementation of the Agreement.

7. Either government may terminate the Agreement effective at the end of any agreement year by written notice to the other government to be given at least ninety days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

ANNEX A

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>Yarn</u>			
- Cotton			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
- Wool			
400	Tops and yarn	2.0	Lb.
- Man-made fibre			
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. non-cellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun non-cellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
<u>Fabric</u>			
- Cotton			
310	Ginghams	1.0	SYD
311	Velveteens	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloths	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and sateens	1.0	SYD
318	Yarn-dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other fabrics, n.k.	1.0	SYD

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>- Wool</u>			
410	Woollen and worsted	1.0	SYD
411	Tapestries and upholstery	1.0	SYD
425	Knit	2.0	Lb.
429	Other fabrics	1.0	SYD
<u>- Man-made fibre</u>			
610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. non-cellulosic, n.k.	1.0	SYD
613	Spun non-cellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.
<u>Apparel</u>			
<u>- Cotton</u>			
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (incl. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washesuits, creepers	25.0	Dz.
338	Knit shirts, (incl. T-shirts, other and sweatshirts) M and B	7.2	Dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
339	Knit shirts and blouses (incl. T-shirts, other and sweatshirts) W, G and J	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, incl. bathrobes, and beach robes, lounging gowns, house coats, and dusters	51.0	Dz.
351	Pyjamas and other nightwear	52.0	Dz.
352	Underwear (incl. union suits)	11.0	Dz.
359	Other apparel	4.6	lbs.
- Wool			
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	36.0	Dz.
434	Other coats, M and B	54.0	Dz.
435	Coats, W, G and I	54.0	Dz.
436	Dresses	49.2	Dz.
438	Knit shirts and blouses,	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	18.0	Dz.
443	Suits, M and B	54.0	Dz.
444	Suits, W, G and I	54.0	Dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
445	Sweaters, M and B	14.88	Dz.
446	Sweaters, W, G and I	14.88	Dz.
447	Trousers, slacks and shorts (outer) M and B	18.0	Dz.
448	Trousers, slacks, and shorts (outer) W, G and I	18.0	Dz.
459	Other wool apparel	2.0	lb.
- Man-made fibre			
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, wash- suits, etc.	21.3	Dz.
638	Knit shirts, (incl. T-shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (incl. T-shirts) W, G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	54.0	Dz.
644	Suits, W, G and I	54.0	Dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
645	Sweaters, M and B	36.8	Dz.
646	Sweaters, W, G and I	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks, and shorts (outer), W, G and I	17.8	Dz.
649	Brassières, etc.	4.8	Dz.
650	Dressing gowns, incl. bath and beach robes	51.0	Dz.
651	Pyjamas and other night-wear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	lb.
<u>Made-ups and miscellaneous</u>			
- Cotton			
360	Pillowcases	13.2	Dz.
361	Sheets	74.4	Dz.
362	Bedspreads and quilts	82.8	Dz.
363	Terry and other pile towels	6.0	Dz.
369	Other cotton manufactures	4.6	lb.
- Wool			
461	Blankets and auto robes	1.3	lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	lb.
- Man-made fibre			
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	lb.
669	Other man-made manufactures	7.8	lb.

COSTA RICAN NOTE
(Unofficial Translation)

No. 120/PE-NA

San José, 22 September 1980

Mr. Ambassador,

I have the honour to reply to Your Excellency's note No. 133 dated 22 September, 1980, the text of which says:

(Translation of United States note)

I am pleased to inform you of the Agreement of the Government of Costa Rica with the above proposal. Therefore, Your Excellency's note and this note constitute an Agreement between our two countries which will enter into force on this date.

I take advantage of this opportunity to renew to the Ambassador of the United States of America, the assurances of my highest and distinguished consideration.

(signed) Bernd Niehaus
Minister

To His Excellency,
Mr. Francis McNeil,
Ambassador of the United
States of America,
San José.