

RESTRICTED

COM.TEX/SB/700
17 June 1981

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment to the Agreement between the United States and Hong Kong

The Textiles Surveillance Body has received a notification from the United States of a further amendment to its bilateral agreement with Hong Kong concluded under Article 4 of the Arrangement.^{1/}

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{2/}, has examined the relevant documentation^{3/} and is circulating the text of the notification to the participating countries.

^{1/} For details of the original agreement and previous amendments, see COM.TEX/SB/321, 393, 413, 438, 488, and 563.

^{2/} See COM.TEX/SB/35, Annex B.

^{3/} The observations made by the TSB on this amendment are contained in COM.TEX/SB/703, paragraphs 15 to 19.

UNITED STATES LETTER

March 13, 1981

Mr. Lawrence Mills
Acting Director
Trade, Industry and Customs
Ocean Centre, Canton Road
Kowloon, Hong Kong

Dear Sir:

I have the honor to refer to the Agreement concerning trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products between the Government of Hong Kong and the Government of the United States of America dated 8 August 1977, with annexes, and as amended from time to time (hereinafter called "the Agreement"). I further refer to consultations between the two Governments which took place in Hong Kong, 13-15 November 1980, and 24 February 1981.

As a result of the consultations, I propose on behalf of the Government of the United States of America that the Agreement be amended as follows:

(1) that Category 640 shall, as from 1 January 1981, cease to be subject to the Specific Limits set out in Annex A of the Agreement and shall instead become subject to Paragraph 9 of the Agreement.

(2) In respect of the 1981 Agreement Year only, Hong Kong undertakes as follows:

(A) Not to utilize carryover and carry-forward in respect of each of the following categories:

331
333/4/5
338/9
338/9 (1)
340
341
347/8
638/9
641

(B) Not to utilize carryover in respect of each of the following categories:

337
342
635

(C) Not to utilize carryforward in respect of each of the following categories:

345
648

(D) To limit utilization of swing to not more than 5 percent in respect of each of the following categories:

331
333/4/5
338/9
338/9 (1)
340
341
347/8
638/9
641

Sub-paragraphs (A), (B), (C) and (D) hereof shall not affect the flexibility provisions for Group II as provided for in the Agreement signed on 8 August 1977.

(3) In exercise of the provisions of Paragraph 8 of the Agreement, the unadjusted Specific Levels for Categories 317 and 336 shall be increased by 2,834,000 square yards equivalent and 13,894 dozen, respectively. These increases shall be effective for the 1981 Agreement Year only and shall not be taken into account for the purposes of utilization of flexibility.

(4) In relation to the merged Category 333/4/5, the 1981 Sub-limit for merged Category 333/4 shall be increased by five percentage points to 246,471 dozen. This adjustment shall not constitute any increase in the limit for Sub-category 335 or for the merged Category 333/4/5.

If the foregoing arrangement is acceptable to the Government of Hong Kong, this letter and your letter of acceptance shall constitute an amendment to the Agreement.

In addition to the foregoing proposed amendment to the Agreement and arising from the same consultations, it was further agreed that the arrangements for 1981 would not prejudice the position of either Government, vis-a-vis the negotiations being held in the GATT Textiles Committee on the future of the MFA.

Further, both Governments affirmed that Hong Kong's exports of cotton, wool and man-made fiber textiles and apparel to the United States of America should continue to be governed by a bilateral Agreement in 1982.

Finally, both Governments agreed to review the existing bilateral Agreement in the light of the results of the negotiations on the MFA.

Sincerely,

/s/ Thomas P. Shoesmith

Thomas P. Shoesmith
Consul General

HONG KONG LETTER

March 13, 1981

Mr. Thomas P. Shoesmith
Consul General
American Consulate General
Hong Kong

Dear Mr. Shoesmith:

I refer to your letter dated 13 March 1981 regarding an amendment to the Agreement concerning trade in Cotton, Wool and Man-Made Fibre Textiles and Textile Products between the Government of the United States of America and the Government of Hong Kong, of 8 August 1977, with Annexes, as amended. I wish to confirm that this letter and your letter constitute an amendment to the Agreement, such amendment being without prejudice to the position of either Government in the negotiations on the future of the MFA. Further, I wish to confirm the understanding about 1982.

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

Sincerely,

/s/ Lawrence Mills

Lawrence Mills