

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1031*

15 February 1985

Special Distribution

Textiles Surveillance Body

Original: English/
Spanish

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between the United States and Panama

The Textiles Surveillance Body has received from the United States a notification, under Articles 7 and 8 of the MFA, of a new bilateral agreement concluded with Panama, valid for the period 1 December 1983 to 30 November 1985.

This notification has been made in accordance with the request by the Textiles Committee that agreements concluded with countries, non-participants in the Arrangement should be notified.

The TSB is transmitting the notification to participating countries for their information.

* English and Spanish only/Anglais et espagnol seulement/Inglés y español solamente

August 7, 1984.

United States Note

Excellency:

I have the honor to refer to the discussions in Washington June 27-28, 1984 between representatives of the Government of the United States and the Government of the Republic of Panama concerning exports to the United States of wool textiles and textile products manufactured in Panama. As a result of these discussions, I propose on behalf of the Government of the United States the following agreement (hereinafter referred to as the "agreement") relating to trade in wool textiles and textile products between Panama and the United States.

1. The term of the agreement shall be from December 1, 1983 to November 30, 1985.
The first agreement period shall be from December 1, 1983 to November 30, 1984.
The second agreement period shall be from December 1, 1984 to November 30, 1985.

His Excellency

Cyden Ortega Duran,

Minister of Foreign Relations,

Panama, Republic of Panama.

2. The category of textiles and textile products covered by the agreement and the rate of conversion into square yards equivalent are set out in Annex A. The determination of whether a textile product is of wool shall be made in accordance with the terms of Paragraph 5.

3. During the term of the agreement, the Government of Panama shall limit annual exports from Panama to the United States of the textiles and textile products listed in Annex A, to the specific limit set forth in Annex B hereto, as such limit may be adjusted in accordance with Paragraph 4. The limit set out in Annex B is without such adjustments. Exports are subject to a limit for the period in which they are exported.

4. (A) In any agreement period, exports may exceed by a maximum of 11 percent any specific limit set out in Annex B by allocating to such limit for that agreement period an unused portion of the corresponding limit for the previous agreement period ("carryover") or a portion of the corresponding limit for the succeeding agreement period ("carryforward") subject to the following conditions:

(1) Carryover may be utilized as available (subject to sub-paragraph 4 (B) up to 11 percent of the receiving agreement period's applicable limit. No carryover shall be available during the first agreement year.

(2) Carryforward may be utilized up to seven percent of the receiving agreement period's applicable limit. Carryforward used shall be charged against the immediately following agreement period's corresponding limit. No carryforward shall be available during the last agreement year.

(B) For purposes of the agreement, a shortfall occurs when exports of textiles or textile products from Panama to the United States during an agreement period are below the applicable specific limit as set out in Annex B. In the agreement period following the shortfall, such exports from Panama to the United States may be permitted to exceed the limit applicable to that period, subject to the conditions of sub-paragraph 4(A),

by carryover of an amount not to exceed the actual shortfall in the previous period.

- (C) The Government of the United States may apply adjustments under this paragraph to any specific limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the agreement. Any unused carryforward will be re-credited to the following period's limit. This procedure will not prejudice the outcome of any consultations that may be held between the Governments of Panama and the United States concerning the amounts of available carryover and carryforward.

5. Textiles and textile products listed in Annex A hereto (being products which derive their chief characteristics from their textile components) of wool or blend of wool, cotton and/or man-made fiber materials, in which the wool component comprises the chief value of the fibers or 17 percent or more by weight of all fibers, are subject to the agreement.
6. (A) The Government of the United States may assist the Government of Panama in

implementing the limitation provisions of the agreement by controlling its imports of the textile products covered by the agreement.

(B) Exports from Panama in excess of the authorized limit in any agreement period may be denied entry into the United States. Any such shipments denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement period.

(C) Exports from Panama in excess of the authorized limit in any agreement period will, if allowed entry into the United States during that agreement period, be charged to the applicable limit in the succeeding agreement period.

7. The Government of the United States shall promptly supply the Government of Panama with monthly data on imports of textiles and textile products subject to this agreement; and the Government of Panama shall promptly supply the Government of the United States with monthly data on exports of such products to the United States. Each Government agrees to supply promptly any other pertinent, readily available

statistical data requested by the other Government.

8. The Government of the United States and the Government of Panama agree to consult on any question arising in the implementation of this agreement.
9. 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.
10. The Government of Panama shall use its best efforts to space exports from Panama to the United States of the textiles and textile products covered by this agreement evenly throughout each agreement period, taking into account normal seasonal factors.
11. The Government of Panama and the Government of the United States shall cooperate to avoid circumvention of this agreement.
12. The Government of the United States and the Government of Panama may any time propose revisions in the terms of this agreement. Each Government agrees to consult promptly with the other about such proposals with a view to making such revisions to this agreement or taking such other appropriate action as may be mutually agreed upon.

13. If the Government of Panama considers that, as a result of limitations specified in this agreement it is being placed in an inequitable position in relation to a third country, the Government of Panama may request consultations with the Government of the United States, with a view to taking appropriate remedial actions, such as reasonable modifications of this agreement.
14. Either Government may terminate the agreement effective at the end of any agreement period by written notice to the other Government to be given at least ninety days prior to the end of such agreement period.
15. If the foregoing proposal is acceptable to the Government of Panama, this note and your note of acceptance on behalf of the Government of Panama shall constitute an agreement between the Government of the United States and the Government of Panama effective from December 1, 1983.

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

William T. Pryce
Chargé d'Affaires ad interim

Enclosures: Annex A
Annex B

ANNEX A

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
445/446	Woolen Sweaters	14.88	Dozens

ANNEX B

<u>Category</u>	<u>Description</u>	<u>Units</u>	12/1/83 11/30/84	12/1/84 11/30/85
445/446	Woolen Sweaters	Dozen	44,000	44,440

21 August 1984

Sir,

I have pleasure in acknowledging receipt of your note dated 7 August 1984 (reference No. 059), reading as follows:

United States Note

In this connection, I have pleasure in informing you that the Government of the Republic of Panama accepts the above proposal.

Accordingly, your note and the present note constitute an agreement between the Government of the Republic of Panama and the Government of the United States, effective from 1 December 1983.