

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/315

26 April 1978

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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement Between the United States and India

The Textiles Surveillance Body has received a notification from the United States of a new agreement covering certain textile products concluded between the United States and India under Article 4 of the Arrangement.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{1/}, has examined the relevant documentation and is circulating the text of the notification to participating countries for their information.

^{1/} See COM.TEX/SB/35, Annex B.

UNITED STATES AND INDIA
SIGN TEXTILE AGREEMENT

The United States and India exchanged notes on 30 December 1977 to effect a new cotton, wool and man-made fibre textile agreement between the two countries. Texts of the notes follow:

United States Note

30 December 1977

Excellency,

I have the honour to refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on 20 December 1973. I have also the honour to refer to recent discussions between representatives of the Government of the United States and the Government of India concerning exports to the United States of cotton, wool and man-made fibre textiles and textile products manufactured in India. As a result of these discussions and in conformity with Article 4 of the Arrangement, 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 India:

1. The term of the Agreement shall be from 1 January 1978 through 31 December 1982.
2. Textiles and textile products covered by this Agreement will be classified in two groups, as follows:

<u>Group</u>	<u>Definition</u>
I	Yarns and fabrics of cotton, wool and man-made fibres. (Categories 300-320, 400-429, 600-627)
II	Apparel, made-up goods and miscellaneous textile products of cotton, wool and man-made fibres. (Categories 330-369, 431-469, 630-669)

3. Each "agreement year" shall be a calendar year, with the first agreement year commencing on 1 January 1978 and ending on 31 December 1978.

4. The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A will apply in implementing this Agreement.

5. Commencing with the first agreement year, and during the subsequent term of this Agreement, the Government of India shall limit annual exports from India to the United States of cotton, wool and man-made fibre textiles and textile products manufactured in India to the aggregate and group limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 7 and 8. The limits set out in Annex B do not include any adjustments permitted under paragraphs 7 and 8. The limits set out in Annex B include 7 per cent growth from the first year.

6. All categories are subject to consultation levels and to the aggregate and applicable group limits. Designated consultation levels will be:

Group I - Yarn and fabric

<u>Category</u>	<u>Consultation level</u>
313 Sheeting	50,000,000 SYE
315 Printcloth	12,500,000 SYE
317 Twills and sateens	24,000,000 SYE
319 Duck	17,500,000 SYE
320 Other fabric	45,000,000 SYE
Man-made fibre fabric	
610 Continuous cellulosic, woven	7,000,000 SYE

Group II - Apparel, made-up goods and miscellaneous textile products

<u>Category</u>	<u>Consultation level</u>	
	<u>Units</u>	<u>Square yards equivalent</u>
360 Pillowcases	8,181,818 pieces	
		9,000,000 SYE
361 Sheets	1,612,903 pieces	
		10,000,000 SYE
362 Bedspreads	333,333 pieces	
		2,300,000 SYE
363 Terry and other pile towels	20,000,000 pieces	
		10,000,000 SYE
369 Other manufactures	2,608,696 pounds	
		12,000,000 SYE
Man-made fibres	-	
666 Other furnishings	256,410 pounds	
		2,000,000 SYE

All other categories will be subject to consultation levels as follows:

- 1,000,000 SYE for non-apparel categories of cotton and man-made fibres,
- 700,000 SYE for apparel categories of cotton and man-made fibres,
- 100,000 SYE for all categories of wool.

In the event the Government of India wishes to export to the United States textile products in excess of the applicable consultation levels, the Government of India shall request the higher levels and the Government of the United States shall consider the request sympathetically and shall respond promptly. If, because of problems related to market disruption in the category subject to such request the United States is unable to comply fully, the United States will so inform the Government of India and will provide the Government of India with the data which form the basis of the position taken by the United States. If requested by the Government of India, the Government of the United States will consult promptly. Until a mutually satisfactory change in the consultation level of the category in question is established, shipments shall not exceed the existing consultation level.

7. During any agreement year, and within the aggregate limit for such agreement year, the group limits set out in Annex B applicable to such agreement year may be exceeded by not more than 15 per cent in the case of Group I and by not more than 10 per cent in the case of Group II. Adjustments made pursuant to this paragraph are calculated on the limits set forth in Annex B and are in addition to those pursuant to paragraph 8.

8(a) In any agreement year, exports may exceed by a maximum of 11 per cent the aggregate and group limits by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carry-over) or a portion of the applicable limit for the succeeding agreement year (carry-forward).

- I. Carry-over may be utilized as available up to 11 per cent of the receiving year's applicable limits;
- II. Carry-forward may be utilized up to 6 per cent of the receiving year's applicable limits and charged against the next year's applicable limits;
- III. The combination of carry-over and carry-forward may not exceed 11 per cent of the receiving year's applicable limits in any agreement year.

(b) For purposes of this Agreement a shortfall occurs when exports from India to the United States during an agreement year are below the aggregate limit. Carry-over in group limits may be used only to the extent of shortfall in each limit.

(c) Carry-over and carry-forward shall not be used to exceed any category consultation level.

(d) The limits referred to in sub-paragraphs (a) and (b) of this paragraph are without any adjustments. Carry-over and carry-forward shall be in addition to the adjustments permitted by paragraph 7 and shall be calculated on the limits in Annex B.

9(a) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool or man-made fibres, or blends thereof, in which any or all of those fibres 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 this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fibre textiles if wholly or in chief value of any of these fibres. Any products covered by sub-paragraph 9(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/or the man-made fibre component;

II. wool textiles if not cotton, and wool equals or exceeds 17 per cent by weight of all component fibres;

III. man-made fibre textiles if neither of the foregoing applies.

10. 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.

11(a) The Government of the United States shall promptly supply the Government of India with data on monthly imports of cotton, man-made fibre and wool textiles and textile products into the United States from India.

(b) The Government of India shall promptly supply the Government of the United States with data on monthly exports of cotton, man-made fibre and wool textiles and textile products from India to the United States.

(c) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

12. The Government of India shall use its best efforts to space exports from India to the United States within each category evenly throughout each agreement year, taking into consideration normal seasonal factors.

13. For the duration of this Agreement, the Government of the United States shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fibre textiles and textile products from India to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

14. The Government of India shall administer its export control system under this Agreement. The Government of the United States may assist the Government of India in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

15. The present administrative arrangement for a visa and certification system will be continued.

16. With reference to the provisions of Article 12, paragraph 3, of the Arrangement, handloom fabrics, hand-made handloom made-up articles and "India-items" are not subject to the limits of this Agreement. "India-items" are an agreed list of items that are uniquely and historically traditional Indian products and/or are cut, sewn or otherwise fabricated by hand in cottages, which are units of the cottage industry. The list of "India-items", with definitions in Annex C will serve as a basis for implementing this provision. Additional items may subsequently be added to this list by mutual agreement.

17. Exports of handloom apparel products shall not be subject to the limitations of this Agreement. The Government of India shall continue to visa these products according to the visa agreement of 19 February 1976. Either Government may request consultations in respect to the trade in such products whenever it considers such consultations necessary. Consultations will begin within thirty days of the request of such consultations. The

Government of the United States may request the Government of India to restrain exports of such handloom apparel products. Upon receiving such a request, the Government of India will restrain exports of such products to the requested level which shall not be lower than the highest level of such imports in any agreement year prior to the date of this Agreement.

18. With regard to total exports of certain types of apparel, the Government of India agrees it will not depart substantially in any agreement year from the pattern of exports in the 1975-76 agreement year. If the Government of India wishes to depart from the previous trade patterns for any individual apparel product, it may request consultations with the Government of the United States, but will not depart from the pattern of trade pending a mutually satisfactory conclusion of these consultations.

19. The Government of the United States and the Government of India agree to consult, upon the request of either Government, on any question arising in the implementation of this Agreement.

20. The two Governments agree to undertake a major review of this Agreement between the second and third agreement years.

21. Either the Government of the United States or the Government of India may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government 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.

22. Either Government may terminate this Agreement, effective at the end of an agreement year, by written notice to the other Government, to be given at least ninety days prior to the end of such agreement year.

If the foregoing proposal is acceptable to the Government of India, this note and your Excellency's note of confirmation on behalf of the Government of India shall constitute an Agreement between our two Governments.

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

For the Acting Secretary of State:

(signed) William Barraclough

ANNEX A

Category	Description		Conversion factor	Unit of measure
	<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	Sq.yd.
311		Velveteens	1.0	Sq.yd.
312		Corduroy	1.0	Sq.yd.
313		Sheeting	1.0	Sq.yd.
314		Broadcloth	1.0	Sq.yd.
315		Printcloths	1.0	Sq.yd.
316		Shirtings	1.0	Sq.yd.

Category	Description	Conversion factor	Unit of measure
317	Twills and sateens	1.0	Sq.yd.
318	Yarn-dyed	1.0	Sq.yd.
319	Duck	1.0	Sq.yd.
320	Other fabrics, n.k.	1.0	Sq.yd.
	Wool		
410	Woollens and worsted	1.0	Sq.yd.
411	Tapestries and upholstery	1.0	Sq.yd.
425	Knit	2.0	Lb.
429	Other fabrics	1.0	Sq.yd.
	Man-made fibre		
610	Cont. cellulosic, n.k.	1.0	Sq.yd.
611	Spun cellulosic, n.k.	1.0	Sq.yd.
612	Cont. non-cellulosic, n.k.	1.0	Sq.yd.
613	Spun non-cellulosic, n.k.	1.0	Sq.yd.
614	Other fabrics, n.k.	1.0	Sq.yd.
625	Knit	7.8	Lb.
626	File and tufted	1.0	Sq.yd.
627	Specialty	7.8	Lb.
	<u>APPAREL</u>		
	Cotton		
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	Dz.pr.
332	Hosiery	4.6	Dz.pr.

Category	Description	Conversion factor	Unit of measure
333	Cotton (cont'd) 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 (inc. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washesuits, creepers	25.0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other and sweatshirts) W, G and I	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	Brassières, etc.	4.8	Dz.
350	Dressing gowns, inc. bath- robes and beach robes, lounging gowns, housecoats and dusters	51.0	Dz.
351	Pyjamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.

Category	Description		Conversion factor	Unit of measure
	Wool			
431		Gloves	2.1	Dz.pr.
432		Hosiery	2.8	Dz.pr.
433		Suit-type coats, M and B	3.0	No.
434		Other coats, M and B	4.5	No.
435		Coats, W, G and I	4.5	No.
436		Dresses	4.1	No.
438		Knit shirts and blouses	15.0	Dz.
440		Shirts and blouses, n.k.	24.0	Dz.
442		Skirts	1.5	No.
443		Suits, M and B	4.5	No.
444		Suits, W, G and I	4.5	No.
445		Sweaters, M and B	36.8	Dz.
446		Sweaters, W, G and I	36.8	Dz.
447		Trousers, slacks and shorts (outer), M and B	1.5	No.
448		Trousers, slacks and shorts (outer) W, G and I	1.5	No.
459		Other wool apparel	2.0	Lb.
	Man-made fibre			
630		Handkerchiefs	1.7	Dz.
631		Gloves	3.5	Dz.pr.
632		Hosiery	4.6	Dz.pr.
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.

Category	Description	Conversion factor	Unit of measure	
636	Man-made fibre (cont'd)	Dresses	45.3	Dz.
637		Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638		Knit shirts, (inc. T-shirts), M and B	18.0	Dz.
639		Knit shirts and blouses (inc. 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	4.5	No.
644		Suits, W, G and I	4.5	No.
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, inc. bath and beach robes	51.0	Dz.
651		Pyjamas and other nightwear	52.0	Dz.
652		Underwear	16.0	Dz.
659		Other apparel	7.8	Lb.

Category	Description		Conversion factor	Unit of measure
	<u>MADE-UPS AND MISC</u>			
	Cotton			
360		Pillowcases	1.1	No.
361		Sheets	6.2	No.
362		Bedspreads and quilts	6.9	No.
363		Terry and other pile towels	0.5	No.
369		Other cotton manufactures	4.6	Lb.
	Wool			
464		Blankets and auto robes	1.3	Lb.
465		Floor covering	0.1	Sq.ft.
469		Other wool manufactures	2.0	Lb.
	Man-made fibre			
665		Floor coverings	0.1	Sq.ft.
666		Other furnishings	7.8	Lb.
669		Other man-made manufactures	7.8	Lb.

ANNEX B

	Limits (In square yards equivalent)		
	Aggregate	Group I	Group II
First Agreement Year	186,206,000	150,803,000	35,403,000
Second Agreement Year	199,240,420	161,359,210	37,881,210
Third Agreement Year	213,187,249	172,654,355	40,532,895
Fourth Agreement Year	228,110,357	184,740,160	43,370,197
Fifth Agreement Year	244,078,082	197,671,971	46,406,111

ANNEX C

INDIA-ITEMS

1. Kurtha A loose fitting tunic, almost straight, in short, medium and long sizes. Some typical examples of Kurtha are: Kathiawar mirrored Kurtha, wooden beaded Delhi Kurtha, Delhi embroidered Kurtha, Bandini Kurtha, Lucknow chikan Kurtha, Madras short Kurtha, Sanganer printed Kurtha, Phulkari Kurtha, etc.
2. Churidar Pyjama or Churidar Set A pair of trousers, loose at waist, with either draw string or hooks and tapering to a tight fit at ankle. It is traditionally a Moghul costume worn by Indian women since the 16th century along with a Kurtha and Dupatta (an oblong scarf).
3. Jawahar Jacket A loose fitting waist coat, with or without buttons, traditionally worn over Kurthas or Kameez by men and women.
4. Pherron A full length dress loose and longer than the Kurtha with long loose sleeves worn originally by Kashmiris. Intricate embroidery depicting floral designs is done around the neck of this costume.
5. Angharkha A traditional dress of Moghul times, open down the front with decorative string or ribbon used to tie at the sides or centre. (This also includes Angharkha or ribbed cotton worn in Rajasthan).
6. Bagal Bendini A garment similar to Angharkha, short or long, with a wrap-around effect and tied at the sides.
7. Ghagras/Lahngas Long, wide skirt with draw strings or hooks. A garment usually reaching to or below ankles.

8. Pavadai A long wide shirt similar to Ghagras, often in two-piece ensemble, as an accessory worn with Saree or Dupatta.
9. Choli A short blouse worn on festive occasions by the tribal people of Kuch and Rajasthan.
10. Lungi or Lungi Set A long garment worn as a wrap around the lower half of the body, with or without a Kurtha, or a loose fit blouse or a Choli.
11. Salwar/Gararra Loose fit trousers, legs may be straight or baggy at the thighs. This also includes Gararra which is a straight trouser up to the knee, and below the knee shaped like a Ghagra, with frills etc.
12. Dupatta A scarf usually about 4 ft. long, wrapped by women along with Kurtha and Churidar. This also includes other types of scarves worn in varied sizes, the characteristics being the same as above.
13. Obdhani An oblong cloth about 6 to 7 ft. long and 3 to 4 ft. wide with overall embroidery or a woven jacquard weave with traditional designs like himroo shawl or made-up of a fabric decorated with cotton/silk/zari or any other fibre yarn used to cover the body.
14. Chola An ankle length, loose fit, long Kurtha traditionally worn by religious priests.
15. Safa Headwear made up of printed or embroidered fabrics.
16. Aba An overgarment close fit at the upper part with a Ghagra type skirt touching the ankles.
17. Burka Overgarment worn by Muslim women which covers the head and extends to the ankles.
18. Jama A long Kurtha traditionally worn by a special class of people.

19. Patka A long traditional stole with Indian designs ornamented with art work of various types.
20. Tamba/Tambi Loose fit trousers usually worn in North India.
21. Thailis Totobags, purses, pouch bags and similar accessories to traditionally Indian dresses.
22. Toran A long embroidered strip of cloth elegantly embroidered with plain or applique work embroidery, used for decorating the entrance doors of Indian residences. This represents a wide variety of fine embroidered pieces connected with folk art, particularly from Kathiawar in Gujarat (West coast of India).
23. Phulkari Decorative, embroidered, rough-spun cotton fabric with close darning stitch employed with strands of untwisted silk to make the flower-like embroidery.
24. Thombai Cylindrical hanging with hand-made applique work of hand-printed/hand-painted/hand-embroidered fabrics. These are traditionally used in South Indian temples as decorative hangings from ceilings or in doorways for gala affairs.
25. Puri Chatta Flat, highly decorative umbrella with applique work.
26. Gabba Embroidered floor covering using waste rags. Usually embroidered or made in applique work on old woollen blanket or jute base with cotton backing peculiar to Kashmir region.
27. Shamiana Canopy or awning used as ceiling decoration.
28. Kalamkari Hand painted/printed with wax resist wall pieces depicting mythological characters.
29. Chakla Wall hangings with folk embroidery, with or without mirror work, framed and unframed. The stitches are interspersed and interplaced.

30. Batik wall pieces Wall hangings made of cotton fabrics hand painted with batik technique. The designs are usually mythological narrations.
31. Chahdani Posh A protective covering used normally in rural areas to keep tea or coffee pots warm.
32. Takia Gilaf A cushion cover in oblong, square, round or other shape using indigenous materials and motifs.
33. Ghandai/Gaddiposh A decorative floor covering, also used sometimes as cover on wooden Takhat (sort of divan).
34. Temple hangings Made of hand-woven, hand-painted/printed traditional textiles with Indian motifs.
35. Gulubandk Traditionally decorative piece of cloth worn around the neck, with Indian traditional art work.
36. Kamarbandh Traditional decorative item worn round the waist.
37. Mathapatti A decorative piece used to decorate the forehead in varying lengths and widths.
38. Bazuband A decorative piece worn round the arm.

India Note

30 December 1977

Excellency,

I have the honour to refer to your note dated 30 December 1977, regarding the arrangements relating to international trade in textiles done at Geneva on 20 December 1973, and the Agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between the United States and India for the period 1 January 1978 through 31 December 1982.

I am to confirm on behalf of the Government of India that the note mentioned above and the text of the annexures which are appended to this note correctly set out the terms of the Indo-United States Bilateral Textile Agreement for the period 1 January 1978 through 31 December 1982.

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

For the Ambassador of India:

(signed) J.N. Dixit
Minister of the Embassy

His Excellency
Honorable Mr. Cyrus R. Vance
Secretary of State,
Washington, D.C.