

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/913
19 December 1983

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and Sri Lanka

The Textiles Surveillance Body has received from the United States a notification of a new bilateral agreement with Sri Lanka, concluded under Article 4 of the MFA, valid for the period 1 May 1983 to 31 May 1988.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹ The previous bilateral agreement and subsequent modifications are contained in COM.TEX/SB/608, 707, 727, 787 and 798.

² See COM.TEX/SB/35, Annex B.

³ For the TSB's observations on this notification, see COM.TEX/SB/915.

June 10, 1983

UNITED STATES AND SRI LANKA
SIGN NEW BILATERAL TEXTILE AGREEMENT

The United States and Sri Lanka exchanged notes dated May 10, 1983 to establish a new bilateral textile agreement concerning Trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products. The texts of the notes follow:

UNITED STATES NOTE

Colombo, Sri Lanka
May 10, 1983

Mr. W. L. P. de Mel
Secretary
Ministry of Trade and Shipping
Colombo

Dear Sir,

I have the honor to refer to the arrangement regarding international trade in textiles, with annexes (hereinafter referred to as The Arrangement), done at Geneva on December 20, 1973, and extended by protocol on December 22, 1981. I

also have the honor to refer to discussions between representatives of the Government of the United States of America and the Government of Sri Lanka in Colombo February 14-19, 1983 and in Washington March 16-22, 1983, concerning exports to the United States of cotton, wool, and man-made fiber textiles and textile products manufactured in Sri Lanka.

As a result of these discussions, and in conformity with Article Four of The Arrangement, I have the honor to propose the following agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Government of Sri Lanka and the Government of the United States of America:

1. The term of this agreement shall be the five-year and one month period from May 1, 1983 through May 31, 1988. The first agreement period shall commence on May 1, 1983 and end of May 31, 1984. All subsequent agreement periods shall commence on June 1 and end on May 31.

2. (a) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this agreement.

(b) For purposes of this agreement the categories listed below are merged and treated as single categories and sub-categories as indicated below (with specific limits and sub-limits as indicated in Annex B):

<u>Categories Merged</u>	<u>Designation in The Agreement</u>	<u>Sub-Categories</u>
445, 446	445/446	None
645, 646	645/646	646

3. Commencing with the first agreement period, and during the subsequent term of this agreement, the Government of Sri Lanka shall limit annual exports from Sri Lanka to the United States of America of cotton, wool and man-made fiber textiles and textile products listed in Annex B to the limits and sub-limits set out in the same annex, as such limits may be adjusted in accordance with paragraphs 4 (swing) and 5 (carryover/carryforward). The limits set out in Annex B include growth, but do not include adjustments under any other provision of this agreement.

4. Any specific category limit and sub-limit may be exceeded in any agreement period by not more than 6% (5% for wool categories) of its (the receiving category's) square yards equivalent total, provided that the amount of the increase is compensated for by an equivalent decrease in one or more other specific limits. When informing the United States of adjustments under the provisions of this paragraph, Sri Lanka shall indicate the category or categories to be increased and the category or categories to be decreased by commensurate quantities.

5. (a) In any agreement period, in addition to any adjustment pursuant to paragraph 4, exports may exceed by a maximum of 11% any specific limit or sub-limit (as specified 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 of shortfall") or a portion of the corresponding limit for the succeeding agreement period ("carryforward") subject to the following conditions:

- (i) Carryover of shortfall may be used as available up to 11% of the receiving agreement period's applicable limit or sub-limit;
- (ii) The combination of carryover and carryforward shall not exceed 11% of the receiving agreement period's applicable limit or sub-limit in any agreement period;
- (iii) Carryforward may be used up to 6% of the receiving agreement period's applicable limit or sub-limit; the immediately following agreement period's corresponding limit or sub-limit will be adjusted downward by the amount of the carryforward used; no carryforward shall be available for application during the fifth agreement period;

(b) For purposes of this agreement, a shortfall occurs when exports of textiles or textile products from Sri Lanka to the United States of America during an agreement period (plus charges for overshipments of preceding agreement periods) are below any applicable sub-limit and specific limit set out in Annex B, as adjusted downward pursuant to paragraph 5 (a) (iii) or adjusted downward for overshipments or other mutually agreed upon amendments. In the agreement period following the shortfall, such exports from Sri Lanka to the United States of America may be permitted to exceed the applicable limits or sub-limits, subject to the conditions set forth above, by carryover of shortfall in the following manner:

- (i) The carryover shall not exceed the amount of shortfall in either the specific limit or any applicable sub-limit within the specific limit;
- (ii) In the case of shortfall in a category subject to a specific limit or sub-limit, the shortfall shall be used in the category in which the shortfall occurred.

(c) The limits referred to in sub-paragraphs 5 (a) and (b) are the specific limits and sub-limits as listed in Annex B, or as established under paragraph 6.

(d) The Government of the United States of America may apply adjustments under this paragraph to any specific limit or sub-limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the agreement. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover and carryforward, in that order. Any unused carryforward will be recredited to the following agreement period's limit. This procedure will not prejudice the outcome of any consultations that may be held between the two Governments concerning the amounts of available carryover and the carryforward used.

6. (a) In the event that the Government of the United States of America believes that imports from Sri Lanka classified in any category or categories 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 of America may request consultations with the Government of Sri Lanka with a view to easing or avoiding such market disruption. The Government of the United States of America will provide the Government of Sri Lanka at the time of the request with the data which in the view of the Government of the United States of America show:

- (i) The existence of market disruption, or the threat thereof, and
- (ii) the role of exports from Sri Lanka in that disruption.

(b) The Government of Sri Lanka agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both Governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless this period is extended by mutual agreement.

(c) During that 90-day period, the Government of Sri Lanka agrees to hold its exports to the United States in the category or categories subject to these consultations to a level no greater than 35% of the amount entered, as reported in U.S. general import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.

If no mutually satisfactory solution is reached during these consultations, the Government of the United States of America may establish a specific limit for the duration of this agreement for shipments in the category or categories concerned exported on and after the date on which the request for consultations was made. This limit will not be less than the amount of imports, as reported in U.S. general import statistics, entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20% for cotton and man-made fiber products, and 6% for wool products.

(e) If a specific limit is established during an agreement period, it will be prorated to correspond to the time period between the date of the request for consultations and the end of the existing agreement period. Any flexibility available during this period will be calculated on this prorated limit. Swing and carryforward will be available. Carryforward will not be available in the last agreement period. Carryover will not be available in the agreement period during which the specific limit is established. For the agreement period following that in which the specific limit is first established and for each succeeding agreement period, the specific limit will be increased by 6% annual growth for cotton and man-made fiber products, and by 1% for wool products.

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

8. The Government of the United States of America shall promptly supply the Government of Sri Lanka with available data on monthly imports of textiles from Sri Lanka, and the Government of Sri Lanka shall promptly supply the Government of the United States of America with available data on monthly 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.

9. (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 fibers, or blends thereof, in which any or all of these fibers in combination represent either the chief value of the fibers or 50% or more by weight (or 17% or more by weight of wool) of the product, are subject to this agreement.

(b) For purposes of this agreement, textiles and textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of either of these fibers. Any products covered by sub-paragraph 9 (a) but not in chief value of cotton, wool, or man-made fiber shall be classified as: (i) cotton textiles if containing 50% or more by weight of cotton, or if the cotton component exceeds by weight the wool and the man-made fiber component; (ii) wool textiles if not cotton, and the wool equals or exceeds 17% by weight of all component fibers; and (iii) man-made fiber textiles if neither of the foregoing applies.

10. The Government of the United States of America and the Government of Sri Lanka agree to consult on any problem or difficulty arising in the implementation of this agreement. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under this agreement, either Government may, after notification to the other Government, refer such problems to the textile surveillance body in accordance with Article 11 of The Arrangement.

11. 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.

12. If the Government of Sri Lanka considers that, as a result of a limitation specified in this agreement, Sri Lanka is being placed in an inequitable position vis-a-vis a third country, the Government of Sri Lanka may request consultations with the United States of America with a view to taking appropriate remedial action such as reasonable modification of this agreement.

13. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of The Arrangement to request restraint on the export of textiles and textile products covered by this agreement from Sri Lanka 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 the United States of America may assist the Government of Sri Lanka in implementing the limitation provisions of this agreement by controlling its imports of the textiles covered by this agreement.

15. (a) Exports from Sri Lanka in excess of authorized limits 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 be charged to the applicable limit in the succeeding agreement period.

(b) If, during an agreement period, exports from Sri Lanka are allowed entry into the United States in excess of authorized limits, the applicable limits in the succeeding agreement period will be adjusted downward by the amount of the excess shipments.

(c) Any action taken pursuant to sub-paragraphs 15 (a) and 15 (b) above, will not prejudice the rights of either side regarding consultations.

16. Exports of cotton, wool and man-made fiber textiles and textile products in shipments valued at 250 dollars or less shall not be charged to the limits of this agreement provided that they are properly certified.

17. The visa system established by letters dated March 12 and March 23, 1979, as amended, between the Government of the United States of America and the Government of Sri Lanka will remain in force subject to paragraph 11 of this agreement.

18. In conformity with Article 8 of The Arrangement, the Government of the United States of America and the Government of Sri Lanka shall cooperate to avoid circumvention of the agreement.

19. Either Government may at any time propose revisions in the terms of this agreement. Each 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.

20. Either Government may terminate this agreement effective at the end of any agreement period by written notice to the other Government to be given at least 90 days prior to the end of such agreement period.

If the foregoing conforms with the understanding of the Government of Sri Lanka, this note and Your Excellency's note of confirmation on behalf of the Government of Sri Lanka shall constitute an agreement between our two Governments.

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

A handwritten signature in cursive script, reading "John H. Reed". The signature is written in dark ink and is positioned to the right of the main text block.

ANNEX A
CONVERSION TABLE

<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 Fiber			
600	Textured	3.5	Lb
601	Continuous Cellulosic	5.2	Lb
602	Continuous Noncellulosic	11.6	Lb
603	Spun Cellulosic	3.4	Lb
604	Spun Noncellulosic	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

*M and B = Men's and Boys'
W, G and I = Women's, Girls' and Infants
N.K. = Not knit

...Wool

410	Woolens and Worsted	1.0	SYD
411	Tapestries and Upholstery	1.0	SYD
425	Knit	2.0	Lb
429	Other Fabrics	1.0	SYD

...Man-Made Fiber

610	Continuous Cellulosic, N.K.	1.0	SYD
611	Spun Cellulosic, N.K.	1.0	SYD
612	Continuous Noncellulosic, N.K.	1.0	SYD
613	Spun Noncellulosic, 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	Speciality	7.8	Lb

Apparel

...Cotton

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 (including uniforms)	45.3	Dz
337	Playsuits, Sun suits, Washsuits, Creepers, Rompers, etc.	25.0	Dz
338	Knit Shirts (including T-shirts, Other and Sweatshirts), M and B	7.2	Dz
339	Knit Shirts and Blouses (including T-shirts, Other and Sweatshirts), W, G and I	7.2	Dz
340	Shirts, N.K., M and B	24.0	Dz
341	Blouses, N.K., W, G and I	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, including Bathrobes, and Beach Robes, Lounging Gowns, House Coats, and Dusters	51.0	Dz
351	Pajamas and Other Nightwear	52.0	Dz
352	Underwear (including Union Suits)	11.0	Dz
353	Down and Feather-filled Coats, Jackets, and Vests, M and B	41.3	Dz
354	Down and Feather-filled Coats, Jackets, Vests, W, G and I	41.3	Dz
359	Other Apparel	4.6	Lb
...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
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 Fiber			
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, Sun suits, Washsuits, etc.	21.3	Dz
638	Knit Shirts (including T-shirts), M and B	18.0	Dz
639	Knit Shirts and Blouses (including T-shirts), W, G and I	15.0	Dz
640	Shirts, N.K., M and B	24.0	Dz
641	Blouses, N.K., W, G and I	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
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	Brassieres, etc.	4.8	Dz
650	Dressing Gowns, including Bathrobes and Beach Robes	51.0	Dz
651	Pajamas and Other Nightwear	52.0	Dz
652	Underwear	16.0	Dz
653	Down and Feather-filled Coats, Jackets, Vests, M and B	41.3	Dz
654	Down and Feather-filled Coats, Jackets, Vests, W, G and I	41.3	Dz
659	Other Apparel	7.8	Lb

Made-ups and Miscellaneous

...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 Coverings	0.1	SFt
469	Other Wool Manufactures	2.0	Lb

...Man-Made Fiber

665	Floor Coverings	0.1	SFt
666	Other Furnishings	7.3	Lb
669	Other Man-made Manufactures	7.8	Lb

ANNEX B

SPECIFIC LIMITS AND SUB-LIMITS

	<u>UNIT</u>	<u>5/01/83- 5/31/84 LIMIT</u>	<u>6/01/84- 5/31/85 LIMIT</u>	<u>6/01/85- 5/31/86 LIMIT</u>	<u>6/01/86- 5/31/87 LIMIT</u>	<u>6/01/87- 5/31/88 LIMIT</u>
331	Doz.	928,991	908,982	963,521	1,021,332	1,082,612
334	Doz.	181,085	177,184	187,815	199,084	211,029
335	Doz.	132,713	129,854	137,645	145,904	154,658
340	Doz.	477,519	467,234	495,268	524,984	556,483
341	Doz.	477,766	467,476	495,524	525,256	556,771
347	Doz.	357,971	350,261	371,277	393,553	417,167
348	Doz.	265,426	259,710	275,292	291,810	309,318
445/ 446	Doz.	97,863	91,238	92,151	93,072	94,003
631	DPr.	281,667	275,600	292,136	309,664	328,244
634	Doz	108,333	106,000	112,360	119,102	126,248
635	Doz.	178,750	174,900	185,394	196,518	208,309
640	Doz.	93,147	91,141	96,609	102,406	108,550
641	Doz.	477,766	467,476	495,524	525,256	556,771
645/ 646	Doz.	97,500	95,400	101,124	107,191	113,623
646)	Doz.	65,000	63,600	67,416	71,461	75,749
648	Doz.	162,500	159,000	168,540	178,652	189,372

SRI LANKA NOTE

Colombo,
10 May 1983.

H.E. John H. Reed,
Ambassador of the United States of America,
Colombo.

Your Excellency,

I have the honour to acknowledge the receipt
of the proposal contained in your note dated May 10, 1983
which is as follows:

United States Note

I confirm that the proposal set out in this note
is acceptable to the Government of Sri Lanka.

Accept, Excellency, the assurances of my highest
consideration.



(W.L.P. de Mel)
Secretary
Ministry of Trade and Shipping.

10 November 1983

Dear Mr. Chairman:


I am instructed by my government to inform the Textiles Surveillance Body of the establishment of additional restraints on imports of textile products from Korea for the 1983 agreement year. The restraints, which were agreed pursuant to paragraph 6 (D) of the U.S.-Korean bilateral textile agreement, set limits for the following categories and sub-categories for the 1983 agreement year as outlined below.

<u>Category</u>	<u>DCR*</u>	<u>83 Limit</u>	
313	6/7	35,000,000	SYS
314	6/3	2,500,000	SYS
315	5/2	21,359,219	SYS
317	6/3	15,396,773	SYS
319	9/7	7,494,206	SYS
320	4/28	34,621,852	SYS
336	5/11	40,000	DOZ
435	5/2	30,000	DOZ
442	5/2	43,000	DOZ
448	5/2	30,258	DOZ
613	6/21	21,267,141	SYS
631	6/10	210,000	DPR
636	5/11	200,000	DOZ
642	5/20	72,696	DOZ
644	5/2	80,000	DOZ
647	5/11	755,986	DOZ
669-P (polybags)	4/15	4,250,000	LBS
669-F (fishnets)	4/28	631,995	LBS
669-T (tents)	8/16	4,823,838	LBS

* Date on Which consultations were requested

While establishing limits pursuant to paragraph 6 does not technically amend the agreement, the effect has been to modify the agreement in the sense referred to in paragraph 4 of Article 4, and these new limits are so notified.

Sincerely,


Robert E. Shepherd
Minister-Counselor