GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/942*
4 July 1984

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 Thailand

The Textiles Surveillance Body has received from the United States a notification of a new bilateral agreement with Thailand, concluded under Article 4 of the MFA, valid for the period 1 January 1983 to 31 December 1987. This agreement supersedes the last six months of the previous agreement.

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

The previous bilateral agreement and subsequent modifications are contained in COM.TEX/SB/411, 412, 473, 496, 568, 667, 751 and 803.

See COM.TEX/SB/35, Annex 8.

³For the TSB's observations on this notification, see COM.TEX/SB/943.

^{*}Englishonly/anglais seulement/inglés solamente

September 1, 1983 No. 328

THE UNITED STATES
AND
THAILAND
SIGN NEW BILATERAL
TEXTILE AGREEMENT

The United States and Thailand exchanged notes dated July 27, 1983 and August 8, 1983 to establish a new bilateral textile Agreement relating to trade in cotton, wool and manmade fiber textiles and textile products between Thailand and the United States. The texts of the notes follow:

UNITED STATES NOTE

July 27, 1983

His Excellency ACM Siddhi Savetsila Minister of Foreign Affairs Bangkok, Thailand

Excellency:

I have the honor to refer to the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, as extended by the protocol adopted on December 22, 1981.

I also have the honor to refer to discussions between representatives of the Royal Thai Government and the Government of the United States of America in Chiang Mai from February 21 to February 25, 1983, and in Washington from May 16 through June 2, 1983 concerning exports of cotton, wool, and man-made fiber textiles and textile products manufactured in Thailand which are exported to the United States of America. As a result of these discussions, we propose on behalf of the Government of the United States of America, under Article 4 of, and in conformity with the Arrangement, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between Thailand and the United States.

- 1. (A) This Agreement shall enter into force upon exchange of diplomatic notes and the term of this Agreement shall be from January 1, 1983 through December 31, 1987. An "Agreement Year" shall be a 12-month period with the first Agreement Year commencing on January 1, 1983 and ending on December 31, 1983.
- (B) This Agreement will supercede the Agreement relating to trade in cotton, wool and man-made fiber textiles which entered into force on January 1, 1978, and its extention effected by exchange of notes dated September 2 and 14, 1982.

- 2. (A) Textiles and textile products covered by this Agreement shall be classified in two groups as follows: Group Definition
 - I Yarm, fabric, made-ups and miscellaneous textile products of cotton, wool and man-made fiber (categories 300-320, 400-429, 600-627, 360-369, 464-469 and 665-669).
 - II Apparel textile products of cotton, wool and man-made fiber (categories 330-359, 431-459 and 630-659).
- (8) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except that:
- (i) The pairs of categories below are merged and treated as single categories:

Categories Herged	Designation in Agreement
334, 335	334/335
338, 339	338/339
347, 348	347/348
445, 446	445/446
634, 635	634/635
645, 646	· 645/646
647, 648	647/648

(II) The following category has a sub-category:

Category Sub-Category

604 604-sub, TSUSA 310.5049 only

- 3. Commencing with the first Agreement Year, and during each succeeding Agreement Year, the Royal Thai Government shall limit annual exports from Thailand to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in Thailand to the apparel group limit, category specific limits and sub-limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 5, 6 and 19.
- 4. (A) In the event that the Government of the United States of America believes that imports from Thailand 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 Royal Thai Government with a view to easing or avoiding such market disruption. The Government of the United States of America will provide the Royal Thai Government at the time of the request with the data which in the view of the Government of the United States of America shows:
 - (1) The existence of market disruption, or the threat thereof, and
 - (2) The role of exports from Thailand in that disruption.

- (B) The Royal Thai Government 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 Royal Thai Government agrees to hold its exports to the United States in the cateogry or categories concerned to a Tevel no greater than 35 percent 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.
- (D) 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 in accordance with paragraph 4(E) 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, which were entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent for cotton and man-made fiber product categories, and 6 percent for wool product categories.

- (E) If a specific limit is established under paragraph 4(D) in the course of an agreement year, it will be prorated to correspond to the time period between the date of the request for consultations and the expiration date of the existing Agreement Year. Any flexibility available during this period will be calculated on this prorated limit. Carryover and carryforward will be available as set out in the relevant paragraph of the Agreement. Carryover will not be available in the first Agreement period following the request for consultations. Swing for non-apparel specific limits established under this paragraph will be available as set out in paragraph 5(B) of this Agreement. New apparel specific limits may be exceeded by 7 percent (swing) for cotton and man-made fiber categories and 5 percent (swing) for wool categories, subject to the apparel group limit. For the second and each succeeding Agreement Year, specific limits established under paragraph 4(D) will be increased by 7 percent annual growth for cotton and man-made fiber products, and by 1 percent for wool products.
- 5. (A) The apparel group limit and apparel specific limits set out in Annex B, include swing, so that no additional swing is available. Apparel specific limits established under paragraph 4 of this Agreement will have swing as set out in paragraph 4(E).

- (B) Any non-apparel specific limit or sub-limit set out in Annex B and any non-apparel specific limit established pursuant to paragraph 4 of this Agreement may be exceeded by no more than 7 percent (swing), except as provided in paragraph 5(C), provided that the amount of the increase is compensated for by an equal square yard equivalent decrease in another specific limit within the same group.
- (C) During the first Agreement period categories 313, 314, 315 and/or 320 may be exceeded by 10 percent (swing) provided that the amount of the increase is compensated for by an equal square yard equivalent decrease in categories 313, 314, 315 and/or 320.
- (D) The Royal That Government will notify the Government of the United States of America of its intention to use any available swing and, when applicable, of the category or categories to be decreased accordingly.
- 6. (A) In addition to adjustments under paragraph 5, in any Agreement Year, exports may exceed by a maximum of 11 percent, the apparel group limit and any category specific limit or sub-limit (as specified in Annex B) by allocating to such limit for that agreement year an unused portion ("shortfall") of the corresponding limit for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward"), subject to the following conditions:

- (I) Carryover may be used as available up to ll percent of the receiving Agreement Year's applicable group or specific limit;
- (II) The combination of carryover and carryforward shall not exceed 11 percent of the receiving Agreement Year's applicable group or specific limit in any Agreement Year;
- (III) Carryforward may be used up to 6 percent of the receiving Agreement Year's applicable group or specific limit. The immediately following Agreement Year's corresponding limit will be adjusted downward by the amount of carryforward used. No carryforward shall be available in the last Agreement Year.
- (B) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Thailand to the United States of America during an Agreement Year (plus charges for overshipments made in preceding years) are below any applicable non-apparel specific limit or sub-limit or below any applicable apparel specific limit and the apparel group limit set out in Annex B, as decreased pursuant to paragraph 5 or adjusted downward for overshipments or other mutually agreed upon amendments. In the Agreement Year following the shortfall, such exports from Thailand to the United States of America may be permitted to exceed the applicable group, or specific limits, subject to 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 apparel group limit or any applicable specific limit or sub-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.
- 7. (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 fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent 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 fiber textiles if wholly or in chief value of any of these fibers. Any products covered by sub-paragraph 7 (A) but not in chief value of cotton, wool or man-made fiber shall be classified as:
 - (I) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;

- (II) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and
- (III) Man-made fiber textiles if neither of the foregoing applies.
- 8. Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising in the implementation of this Agreement, including differences in points of procedure or operation.
- 9. (A) The Government of the United States of America shall promptly supply the Royal Thai Government with data on monthly imports of cotton, wool and man-made fiber textiles and textile products into the United States of America from Thailand.
- (B) The Royal Thai Government shall promptly supply the Government of the United States of America with data on monthly exports of cotton, wool and man-made fiber textiles and textile products from Thailand to the United States of America.
- (C) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.
- 10. The Royal Thai Government shall use its best efforts to space exports from Thailand to the United

States of America within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

- Il. If the Royal Thai Government considers that as a result of limitations specified in the Agreement, Thailand is being placed in an inequitable position vis-a-vis a third country, the Royal Thai Government may request consultations with the Government of the United States of America with the view of taking appropriate remedial action such as a reasonable modification of this Agreement.
- 12. 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 cotton, wool and man-made fiber textiles and textile products covered by this Agreement from Thailand to the United States of America. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.
- 13. The Royal Thai Government shall administer its export control system under this Agreement. The Government of the United States of America may assist the Royal Thai Government in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

- 14. (A) In conformity with Article 12, paragraph (3) of the Arrangement, this Agreement shall not apply to exports of handloom fabrics of the cottage industry of Thailand, or handmade cottage industry products made of such handloom fabrics in Thailand, or to folklore handicraft textile products traditional to Thailand, provided that such products are properly certified under arrangements established between the two Governments pursuant to paragraph 8 of this Agreement and the August 16, 1976, September 7 and September 16, 1982 exchange of letters between the two Governments regarding certification of exempt items.
- (B) Exports of cotton, wool and man-made fiber textiles and textile products in shipments individually valued at less than 250 dollars shall not be charged to the limits of this Agreement, provided that such products are certified in conformity with the above mentioned arrangement.
- 15. The export visa arrangement established by the exchange of letters dated September 7 and September 16, 1982 will remain in effect for categories listed in Annex A to this Agreement.
- 16. The United States Government will notify the Royal Thai Government of any changes to the headnotes of the United States Tariff Schedules which affect

classification and, where applicable, redistribute to each limit the amount of trade affected by such change.

- 17. The Government of the United States of America and the Royal Thai Government agree to consult on any question arising in the implementation of this Agreement, and unless otherwise mutually agreed, such consultations shall be held within 30 days of the request.
- 18. The Government of the United States of America and the Royal Thai Government 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.
- 19. (A) Exports from Thailand in excess of authorized limits in any Agreement Year 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 group or specific limit in the succeeding Agreement Year.
- (B) If, during an Agreement Year, exports from Thailand are allowed entry into the United States of America in excess of authorized limits, the applicable group or specific limits in the succeeding Agreement Year will be adjusted downward by the amount of the excess shipments.

- (C) Any action taken pursuant to sub-paragraph 19 (A) and (B) above, will not prejudice the rights of either side regarding consultations.
- 20. In conformity with Article 8 of the Arrangement, Thailand and the United States of America shall cooperate to avoid circumvention of the Agreement.
- 21. 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 90 days prior to the end of such Agreement Year.

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

John Jack Heer

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

Enclosure:

Annex A and B

ANNEX A

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE	
	YARN			
	COTTON			
300 301	CARDED COMBED	4.6 4.6	LB. LB.	
	WOOL	×		
400	TOPS AND YARN	2.0	LB.	
	MAN-MADE FIBER	·		
600 601 602 603 604 605	TEXTURED CONT. CELLULOSIC CONT. NONCELLULOSIC SPUN CELLULOSIC SPUN NONCELLULOSIC OTHER YARNS	3.5 5.2 11.6 3.4 4.1 3.5	LB. LB. LB. LB.	
	FABRIC			
	COTTON			
310 311 312 313 314 315 316 317 318 319 320	GINGHAMS YELYETEENS CORDUROY SHEETING BROADCLOTH PRINTCLOTHS SHIRTINGS TWILLS AND SATEENS YARN-DYED DUCK OTHER FABRICS, N.K.	1.0 1.0 1.0 1.0 1.0 1.0 1.0	SYD SYD SYD SYD SYD SYD SYD SYD SYD	
410	WOOLENS AND WORSTED	1.0	SYD	
611 425	TAPESTRIES AND UPHOLSTERY KNIT	1.0 2.0	SYD LB.	

429	OTHER FABRICS MAN-MADE FIBER	1.0	SYD
610 611 612 613 614 625 626	OTHER FABRICS, N.K. KNIT PILE AND TUFTED	1.0 1.0 1.0 1.0 7.8 1.0 7.8	SYD SYD SYD SYD SYD LB. SYD LB.
	APPAREL		
	COTTON		
330 331 332	HANDKERCHIEFS GLOVES HOISERY	1.7 3.5 4.6	DZ. DPR DPR
333 334	SUIT-TYPE COATS, M AND B OTHER COATS, M AND B	36.2 41.3	DZ. DZ.
335	COATS, W, G AND I	41.3	DZ.
336	DRESSES (INC. UNIFORMS)	45.3	DZ.
337	PLAYSUITS, SUNSUITS,		
338	WASHSUITS, CREEPERS KNIT SHIRTS, (INC. T-SHIRTS, OTHER AND	25.0	DZ.
339	SWEATSHIRTS) M AND B KNIT SHIRTS AND BLOUSES (INC. T-SHIRTS, OTHER AND SWEATSHIRTS) W, G	7.2	DZ.
	AND I	7.2	DZ.
340	SHIRTS, N.K.	24.0 14.5	DZ. DZ.
341 342	BLOUSES, N.K. SKIRTS	17.8	DZ.
345	SWEATERS	36.8	DŽ.
347	TROUSERS, SLACKS, AND		
348	SHORTS (OUTER), M AND B TROUSERS, SLACKS AND SHORTS	17.8	DZ.
	(OUTER) W, G AND I	17.8	DZ.
349 350	BRASSIERES, ETC. DRESSING GOWNS, INC.	4.8	DZ.
	BATHROBES, AND BEACH ROBES, LOUNGING GOWNS		
	HOUSE-COATS, AND DUSTERS	51.0	DZ.
351	PAJAMAS AND OTHER NIGHTWEAR	52.0	DZ.

35 2 353	UNDERWEAR (INC. UNION SUITS) DOWN AND FEATHER-FILLED COATS, JACKETS AND VESTS,	11.0	DZ.
354	M AND B DOWN AND FEATHER-FILLED COATS, JACKETS AND VESTS,	41.3	DZ.
359	W, G ÅND I OTHER APPAREL	41.3	DZ. LB.
	WOOL		•
431	GLOVES	2.1	DP R
432	HOISERY	2.8	DPR
433		36.0	DZ.
434	OTHER COATS, M AND 8	54.0	DZ.
435 436	COATS, W, G AND I	54.0	DZ.
438	DRESSES KNIT SHIRTS AND BLOUSES	49.2 15.0	DZ. DZ.
440	SHIRTS AND BLOUSES, N.K.	24.0	0Z.
442	SKIRTS	18.0	DZ.
443	SUITS, M AND B	54.0	DZ.
444		54.0	DZ.
445	SKEATERS. M AND B	14.88	
446	SWEATERS, W, G AND I	14.88	DZ.
447	TROUSERS, SLACKS AND	30.0	
4.40	SHORTS (OUTER) M AND B	18.0	DZ.
448	TROUSERS, SLACKS AND SHORTS (OUTER) W, G AND I	ח פו	DZ.
459	OTHER WOOL APPAREL	2.0	LB.
	MAN-MADE FIBER		
630	W4WBWFB6W7FF6	1 7	0.7
630 631	HANDKERCHIEFS GLOYES	1.7 3.5	DZ. DPR
632	HOISERY	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,	_	
	WASHSUITS, ETC.	21.3	DZ.
638	KNIT SHIRTS, (INC. T-SHIRTS), M AND B	18.0	DZ.
639	KNIT SHIRTS AND BLOUSES	10.0	<i>u.</i> .
	(INC. T-SHIRTS), W, G AND I	15.0	DZ.
640		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.
645	SWEATERS, MAND B	36.8	DZ.
645	SWEATERS, W. G AND I	36.8	DZ.
647	TROUSERS, SLACKS, AND	17 0	
648	SHORTS (OUTER), M AND B TROUSERS, SLACKS AND	17.8	DZ.
040	SHORTS (OUTER), W, G AND I		DZ.
649	BRASSIERES, ETC.	4.8	DZ.
650	DRESSING GOWNS, INC.	4.0	: 02.
030	BATH AND BEACH ROBES	57.0	DZ.
651	PAJAMAS AND OTHER NIGHTWEAR	52.0	DZ.
652	UNDERWEAR	16.0	DZ.
653	DOWN AND FEATHER-FILLED		
	COATS, JACKETS AND		
	YESTS, M AND B	41.3	DZ.
654	DOWN AND FEATHER-FILLED		
	COATS, JACKETS AND		
	YESTS, W, G AND I	41.3	DZ.
659	OTHER APPAREL	7.8	LB.
	MADE-UPS AND MISC.		
	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.
	KOOL		
464	BLANKETS AND AUTO ROBES	1.3	LB.
465	FLOOR COVERING	0.1	SFT
469	OTHER WOOL MANUFACTURES	2.0	LB.
	MAN-MADE FIBER		
665	FLOOR COVERINGS	0.1	SFT
666	OTHER FURNISHINGS	7.8	LB.
669	OTHER MAN-MADE MANUFACTURES	7.8	LB.

ANNEX B
SPECIFIC LIMITS

CATEGORY	TINU	FIRST AGREEMENT YEAR	SECOND ASREEMENT YEAR
GROUP I: 313 314 315 317 319 320 613 604 604-SUB	SYD. SYD. SYD. SYD. SYD. SYD. SYD. LBS. LBS.	11,600,000 8,500,000 17,000,000 5,800,000 6,000,000 9,900,000 13,750,000 700,000 406,504	12,296,000 9,010,000 18,020,000 6,148,000 6,360,000 10,494,000 14,575,000 742,000 430,894
GROUP II:			
APPAREL G	ROUP		
LIMITE	SYE.	73,987,880	78,427,153
331 334/335 338/339 340 341 347/348 634/635 638 638 641 645/648 445/446	97 R. 90 Z. 90 Z. 90 Z. 90 Z. 90 Z. 90 Z. 90 Z. 90 Z.	438,743 57,462 622,382 109,768 115,892 196,067 401,285 130,467 1,335,056 173,297 79,002 447,452	465,068 60,910 659,725 116,354 122,846 207,831 425,362 138,295 1,375,108 183,695 83,742 474,299 15,150

ANNEX B CONTINUED SPECIFIC LIMITS

CATEGORY	דואט י	THIRD AGREEMENT		FOURT:			FTH NT YEAR
GROUP I: 313 314 315 317 319 320 613 604 604 - SUB	SYD. SYD. SYD. SYD. SYD. SYD. SYD. LBS.	13,033,76 9,550,60 19,101,20 6,516,88 6,741,60 11,123,64 15,449,50 786,52 456,74	00 00 80 00 40 00	13,815, 10,123,6 20,247,2 6,907,8 7,146,6 11,791,6 16,376,4 833,7 484,1	636 272 393 396 358 370	14,644 10,731 21,462 7,322 7,574 12,498 17,359 883 513	,054 ,108 ,366 ,862 ,522 ,058
GROUP II							
LIMIT: 331 334/335 338/339 340 341 347/348 634/635	DPR. DOZ. DOZ. DOZ. DOZ. DOZ.	83,132,78 492,97 64,56 699,30 123,33 130,21 220,30 450,88	2 4 8 5 6 1	88,120,7 522,5 68,4 741,2 130,7 138,0 233,5 477,9	50 38 67 35 29 19	785, 138, 146, 247, 506,	903 544 743 580 311 530 613
638 639 641 645/646 647/648 445/446	DOZ. DOZ. DOZ. DOZ. DOZ.	146,59 1,416,36 194,71 88,76 502,75 15,30	ן 7 7 7	155,3 1,458,8 206,4 94,0 532,9	52 00 93 22 .	564,	617 783 738

THAILAND NOTE

August 8, 1983 Bangkok, Thailand

His Excellency
John Gunther Dean
Ambassador Extraordinary and
Plenipotentiary of the
United States of America
Bangkok, Thailand

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note dated 27th July 1983 concerning the Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between Thailand and the United States of America which reads as follows:

UNITED STATES NOTE

In reply, I have the honour to inform Your Excellency that the foregoing conforms with the understanding of the Royal Thai Government and that Your Excellency's Note and this Note constitute an Agreement between the Royal Thai Government and the Government of the United States of America.

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

Sub. Lt.

(Prapas Limpabandhu)

Acting Minister of Foreign Affairs of Thailand