

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/959*

9 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 Macao

The Textiles Surveillance Body has received from the United States a notification of a new bilateral agreement with Macao, concluded under Article 4 of the MFA, valid for the period 1 January 1984 to 31 December 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

¹The previous bilateral agreement and a visa agreement are contained in COM.TEX/SB/558 and 761.

²See COM.TEX/SB/35, Annex B.

³For the TSB's observations on this notification, see COM.TEX/SB/962.

*English only/anglais seulement/inglés solamente

UNITED STATES AND MACAU
ESTABLISH NEW BILATERAL TEXTILE AGREEMENT

The United States and Macau exchanged notes dated December 28, 1983 and January 9, 1984 to establish a new Bilateral Textile Agreement. The text of the notes follows:

UNITED STATES NOTE

Hong Kong, December 28, 1983

The Consulate General of the United States of America presents its compliments to the Government of Macau and has 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 adopted on December 22, 1981.

The Consulate General also has the honor to refer to discussions between representatives of the Government of the United States of America and the Government of Macau October 24 and 25, 1983, concerning exports to the United States of cotton, wool and man-made fiber textiles and textile products manufactured in Macau. As a result of those discussions, and in conformity with article 4 of the Arrangement, the Consulate General has 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 the United States of America and the Government of Macau.

Textile Agreement

1. The term of the Agreement shall be the five-year period from January 1, 1984 through December 31, 1988. An "agreement year" shall be a calendar year, with the first agreement year commencing on January 1, 1984 and ending on December 31, 1984.

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A.
- (B) 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:
- (C) For the purpose 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 2(B) 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.
3. (A) Cotton and man-made fiber categories shall be classified in group I, and wool categories shall be classified in group II.
- (B) 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 the categories below are merged and treated as single categories:

<u>Categories Merged</u>	<u>Designation in Agreement</u>	<u>Sub-Categories</u>
333,334,335	333/4/5	(333/5)
347,348	347/8	None
445,446	445/6	None
633,634,635	633/4/5	None
638,639	638/9	None
645,646	645/6	None
647,648	647/8	None

For purposes of computing charges to the aggregate, group and specific limits and the sublimit for the categories and sub-categories cited above, rates of conversion for individual categories set out in Annex A shall be applied.

4. Commencing with the first agreement year, and during each succeeding agreement year, the Government of Macau shall limit annual exports from Macau to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in Macau to the limits specified in Annex B, as such limits may be adjusted in accordance with paragraphs 6,7, 8. and 12.
5. (A) Categories not subject to specific limits are subject to consultation levels and are subject to group and aggregate limits as stated in Annex B. Except as specified in Annex C, consultation levels for each agreement year shall be 1,000,000 square yards equivalent for cotton and man-made fiber non-apparel categories, 700,000 square yards equivalent for cotton and man-made fiber apparel categories and 100,000 square yards equivalent for all wool categories.

(B) In the event the Government of Macau wishes to permit exports to the United States of America in any category in excess of the applicable consultation level during any agreement year, the Government of Macau shall request consultations with the Government of the United States of America and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Macau shall limit exports to the United States in the category in question to the applicable consultation level.

6. 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 7 percent in the case of group I and by not more than 3 percent in the case of group II. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 8.
7. During any agreement year, and within the aggregate and applicable group limits for such agreement year, as they may be adjusted pursuant to paragraphs 6 and 8, any specific limit or sublimit set out in Annex B may be exceeded ("swing") by not more than:
 - 7 percent if included in Group I, and
 - 5 percent if included in Group II.
8. (A) In any agreement year, in addition to any adjustment pursuant to paragraphs 6 and 7, exports may exceed by a maximum of 11 percent (6 percent during the first agreement year) the aggregate limit, and any group or specific limit or sub-limit by allocating to such limits for that agreement year an unused portion of the corresponding limit for the previous agreement year ("carryover") or a portion of the corresponding limit for the succeeding agreement year ("carryforward"), all adjustments being calculated based on limits as set out in annex B, subject to the following conditions:
 - (I) Carryover may be used as available up to 11 percent of the receiving agreement year's applicable limit, provided, however, that no carryover shall be available for application during the first agreement year;
 - (II) The combination of carryover and carryforward shall not exceed 11 percent of the receiving agreement year's applicable limit;
 - (III) Carryforward may be used up to 6 percent of the receiving agreement year's applicable 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 Macau to the United States of America during an agreement year, plus charges for overshipments made in preceding years, are below the aggregate limit or any applicable specific limit or group limit set out in Annex B, as decreased pursuant to paragraphs 8 (A) (III), or 12(B), or pursuant to other mutually agreed upon amendments. In the agreement year following the shortfall, such exports from Macau to the United States of America may be permitted to exceed the applicable 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 the aggregate limit or any applicable group or specific limit or sub-limit;

(II) In the case of shortfall in a group or category subject to a specific limit or sub-limit, the shortfall shall be used in the group limit, specific limit or sublimit in which the shortfall occurred.

9. The Government of the United States of America may apply adjustments under paragraphs 7 and 8 to any limit set out in annex B 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, swing and carryforward, in that order. Any unused carryforward will be re-credited to the following agreement year'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.
10. (A) Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising in the implementation of this Agreement, including differences on points of procedure or operation.
- (B) The Government of the United States of America and the Government of Macau agree to consult upon the request of either government on any question arising in the implementation of this Agreement.

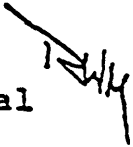
- (C) The Government of the United States of America and the Government of Macau may at any time propose revisions in the terms of this Agreement. Each government agrees to consult promptly with the other government about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.
11. The Government of Macau shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of Macau in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.
12. (A) Exports from Macau in excess of authorized limits in any agreement year may be denied entry into the United States. Any such shipments having been denied entry, may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement year.
- (B) If, during an agreement year, exports from Macau are allowed entry into the United States of America in excess of authorized limits, the applicable 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 12(A) and (B) above will not prejudice the rights of either side regarding consultations.
13. The Government of Macau shall use its best efforts to space exports from Macau to the United States of America within each category evenly throughout each agreement year, taking into consideration normal seasonal factors.
14. (A) The Government of the United States of America shall promptly supply the Government of Macau with data on monthly imports of cotton, wool and man-made fiber textiles and textile products into the United States of America from Macau.
- (B) The Government of Macau 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 Macau 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.

15. In conformity with article 8 of the Arrangement, the Governments of Macau and the United States of America shall cooperate to avoid circumvention of the Agreement.
16. If the Government of Macau considers that, as a result of limitations specified in the Agreement, Macau is being placed in an inequitable position vis-a-vis a third party, the Government of Macau may request consultations with the Government of the United States of America with the view of taking appropriate remedial action such as reasonable modification of this Agreement.
17. 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 Macau 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.
18. The visa system established by letters dated August 21, 1981 between the Governments of the United States of America and Macau will remain in force.
19. 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.

The Consulate General takes this opportunity to present assurances of its highest consideration to the Government of Macau.

American Consulate General
26 Garden Road
Hong Kong, December 28, 1983



ANNEX A

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>YARN:</u>			
<u>Cotton</u>			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
<u>Wool</u>			
400	Tops and Yarn	2.0	Lb.
<u>Man-Made Fiber</u>			
600	Textured	3.5	Lb.
601	Cont. Cellulosic	5.2	Lb.
602	Cont. 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>			
<u>Cotton</u>			
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
<u>Wool</u>			
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

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
	<u>Man-Made Fiber</u>		
610	Cont. Cellulosic, N.K.	1.0	SYd
611	Spun Cellulosic, N.K.	1.0	SYd
612	Cont. 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	Specialty	7.8	Lb.
	<u>APPAREL:</u>		
	<u>Cotton</u>		
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 (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 & Sweatshirts) W, G and I	7.3	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	Brassieres, etc.	4.8	Dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
350	Dressing Gowns, Inc. Bathrobes, and Beachrobes, Lounging Gowns House Coats, and Dusters	51.0	Dz.
351	Pajamas and Other Nightwear	52.0	Dz.
352	Underwear (Inc. 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 and 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.R.	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.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>Man-Made Fiber</u>			
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, Sunsuits, Washesuits, 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	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.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
650	Dressing Gowns, Inc. Bath 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 and Vests, M and B	41.3	Dz.
654	Down and Feather-filled Coats, Jackets and Vests, W, G and I	41.3	Dz.
659	Other Wool Apparel	7.8	Lb.
<u>MADE-UPS AND MISC.</u>			
<u>Cotton</u>			
360	Pillowcases	1.1	Nos.
361	Sheets	6.2	Nos.
362	Bedspreads and Quilts	6.9	Nos.
363	Terry and Other Pile Towels	0.5	Nos.
369	Other Cotton Manufactures	4.6	Lb.
<u>Wool</u>			
464	Blankets and Auto Robes	1.3	Lb.
465	Floor Covering	0.1	Sft
469	Other Wool Manufactures	2.0	Lb.
665	Floor Coverings	0.1	Sft
666	Other Furnishings	7.8	Lb.
669	Other Man-made Manufactures	7.8	Lb.

Annex B

Aggregate Group, Specific Limits and Sublimits

First Agreement Year - 1984

Aggregate Limit is 57,931,537 Sye

Group I Limit (Cotton and Man-made Fibers) is 56,019,894 Sye

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Limit</u>
333/4/5	Coats	Doz.	111,470
(333/335)		Doz.	57,349
338	Knit Shirts	Doz.	146,247
339	Knit Shirts and Blouses	Doz.	622,246
340	Woven Shirts	Doz.	140,187
341	Woven Blouses	Doz.	90,418
347/8	Trousers	Doz.	333,900
633/4/5	Coats	Doz.	233,804
638/9	Knit Shirts and Blouses	Sye	12,014,535
640	Woven Shirts	Doz.	50,778
641	Woven Shirts	Doz.	84,046
645/6	Sweaters	Doz.	126,445
647/8	Trousers	Doz.	255,080

Group II limit (Wool) is 1,561,934 Sye

445/6	Sweaters	Doz.	70,672
-------	----------	------	--------

Second Agreement Year - 1985

Aggregate Limit is 61,552,258 Sye

Group I Limit (Cotton and Man-made Fibers) is 59,521,137 Sye

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Limit</u>
333/4/5	Coats	Doz.	118,436
(333/335)		Doz.	60,933
338	Knit Shirts	Doz.	155,387
339	Knit Shirts and Blouses	Doz.	661,136
340	Woven Shirts	Doz.	148,948
341	Woven Blouses	Doz.	96,059
347/8	Trousers	Doz.	354,768
633/4/5	Coats	Doz.	248,416
638/9	Knit Shirts	Sye	12,765,443
640	Woven Shirts	Doz.	53,951
641	Woven Blouses	Doz.	89,298
645/6	Sweaters	Doz.	134,347
647/8	Trousers	Doz.	271,022

Group II Limit (Wool) is 1,577,553 Sye

445/6	Sweaters	Doz.	71,378
-------	----------	------	--------

Third Agreement Year - 1986

Aggregate Limit is 65,399,274 Sye

Group I Limit (Cotton and Man-made Fibers) is 63,241,208 Sye

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Limit</u>
333/4/5	Coats	Doz.	125,839
(333/335)		Doz.	64,741
338	Knit Shirts	Doz.	165,099
339	Knit Shirts and Blouses	Doz.	702,457
340	Woven Shirts	Doz.	158,257
341	Woven Blouses	Doz.	102,073
347/8	Trousers	Doz.	376,941
633/4/5	Coats	Doz.	263,942
638/9	Knit Shirts and Blouses	Sye.	13,563,283
640	Woven Shirts	Doz.	57,323
641	Wovwn Blouses	Doz.	94,880
645/6	Sweaters	Doz.	142,744
647/8	Trousers	Doz.	287,961

Group II Limit (Wool) is 1,593,328 Sye

445/6	Sweaters	Doz.	72,092
-------	----------	------	--------

Fourth Agreement Year - 1987

Aggregate Limit is 69,486,728 Sye.

Group I Limit (Cotton and Man-made Fibers) is 67,193,784 Sye.

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Limit</u>
333/4/5	Coats	Doz.	133,704
(333/335)		Doz.	68,787
338	Knit Shirts	Doz.	175,417
339	Knit Shirts and Blouses	Doz.	746,360
340	Woven Shirts	Doz.	168,149
341	Woven Blouses	Doz.	108,453
347/8	Trousers	Doz.	400,500
633/4/5	Coats	Doz.	280,439
638/9	Knit Shirts and Blouses	Sye.	14,410,988
640	Woven Shirts	Doz.	60,906
641	Woven Blouses	Doz.	100,810
645/6	Sweaters	Doz.	151,666
647/8	Trousers	Doz.	305,958

Group II Limit (Wool) is 1,609,262 Sye

445/6	Sweaters	Doz.	72,813
-------	----------	------	--------

Fifth Agreement Year - 1988

Aggregate limit is 73,829,649 Sye

Group I Limit (Cotton and Man-made Fibers) is 71,393,395 Sye.

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Limit</u>
333/4/5	Coats	Doz.	142,060
(333/335)		Doz.	73,087
338	Knit Shirts	Doz.	186,381
339	Knit Shirts and Blouses	Doz.	793,008
340	Woven Shirts	Doz.	178,658
341	Woven Blouses	Doz.	115,231
347/8	Trousers	Doz.	425,531
633/4/5	Coats	Doz.	297,966
638/9	Knit Shirts and Blouses	Sye.	15,311,675
640	Woven Shirts	Doz.	64,712
641	Woven Blouses	Doz.	107,110
645/6	Sweaters	Doz.	161,145
647/8	Trousers	Doz.	325,081

Group II Limit (Wool) is 1,625,354 Sye

445/6	Sweaters	Doz.	73,541
-------	----------	------	--------

Annex C

Designated Consultation Levels

<u>Category</u>	<u>Description</u>	<u>Units</u>	<u>Level</u>
652	Underwear	Doz.	149,583
659	Other Apparel	Lbs.	203,724

MACAU NOTE

January 9th, 1984.

The Consulate General of the
United States of America
Garden Road, Central
Hong Kong.

Attn: Mr. Richard W. Mueller
Chief, Economic Section

Dear Mr. Mueller,

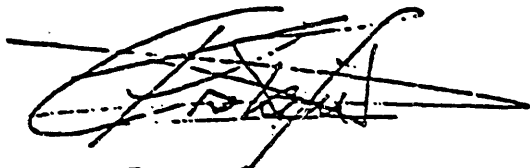
Thank you for your letter dated December 30, 1983 and the enclosure of the corrected page 8 of Annex A which was omitted from original Bilateral Agreement presented by your Mr. John Medeiros on December 29, 1983. This page 8 is now included in the contents of Annex A, making thereby an integral part of said Agreement.

The Government of Macau hereby accepts the terms and conditions set forth in the proposed text of the Bilateral Agreement on Textile Trade negotiated between representatives of our two governments on October 24 and 25, 1983, here in Macau.

This Agreement shall henceforth constitute the base on which trade on textiles and textiles products to the United States of America shall be conducted.

The Government of Macau avails itself of this opportunity to renew to the Consulate General of the United States of America the assurances of its highest consideration.

Very truly yours,



João António Morais da Costa Pinto
Secretary for Economic Coordination
Government of Macau.