

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1334*

20 December 1987

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and amendment of the bilateral agreement between the United States and Malaysia

The Textiles Surveillance Body received a notification from the United States of an extension and amendment of its agreement with Malaysia. The agreement was extended to 31 December 1991, and the modifications took effect from 1 January 1987. Product coverage has been extended to include apparel of silk blends and other vegetable fibres, and some new restraints were agreed.¹

The TSB, pursuant to its procedures regarding notifications made under Article 4,² has examined the relevant documentation and is forwarding the³ text of the notification to participating countries for their information.

¹The bilateral agreement and previous amendments are contained in COM.TEX/SB/1118, 1166, 1182, 1332 and 1333.

²See COM.TEX/SB/35, Annex B

³For the TSB's observation on this notification see COM.TEX/SB/1342.

* English only/Anglais seulement/Inglés solamente

THE UNITED STATES AND MALAYSIA SIGN
NEW BILATERAL TEXTILE AGREEMENT

The United States and Malaysia exchanged diplomatic notes in Kuala Lumpur dated August 3, 1987, to extend the Agreement between the Government of the United States of America and the Government of Malaysia, dated July 1 and July 11, 1985, regarding trade in cotton, wool and man-made fiber textiles and textile products manufactured in Malaysia and exported to the United States. Texts of the notes follow.

UNITED STATES NOTE

Kuala Lumpur, August 3, 1987

Sir:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973, and extended by the Protocol adopted on July 31, 1986. I also have the honor to refer to the Agreement on Textiles between the Government of the United States of America and the Government of Malaysia effected by exchange of notes on July 1 and July 11, 1985 (hereinafter referred to as the "Agreement"), and consultations held in Penang April 26-28, 1987 between representatives of our two governments.

Under Article 4 of, and in conformity with, the Arrangement and the consultations of April 26-28, 1987, on behalf of my government I propose extension of the Agreement as amended, with the following language.

Agreement Term

1. The term of this Agreement will be the period from January 1, 1985 through December 31, 1991. Each "agreement year" shall be a twelve-month period from January 1 of a given year to December 31 of the same year.

Coverage of Agreement

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A.

2. (B) Tops, yarns, piece goods, made-up articles, garments, and other textile products which derive their chief characteristics from the textile components as described below are subject to this Agreement. 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. Products covered by this sub-paragraph 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 components;

(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 not cotton or wool as described in (i) or (ii) above and containing 50 percent or more by weight of man-made fiber, or if man-made fiber in combination with cotton and/or wool in the

aggregate equal or exceed 50 percent by weight of the component fibers and the man-made fiber component exceeds the weight of the total wool and/or total cotton component.

2. (C) Apparel, being products which derive their chief characteristics from their textile components of:

(i) vegetable fiber or

(ii) Blends of vegetable fiber with cotton, wool and man-made fiber or

(iii) Blends of silk with cotton, wool, man-made fiber or vegetable fiber,

in which (i) or (ii) or (iii) above is either the chief value or 50 percent or more by weight, are subject to this Agreement.

For the purposes of the Agreement, such products shall be classified as silk blend and other vegetable fiber. Notwithstanding the above, apparel which contains 70 percent or more silk by weight in a silk blend is not subject to this Agreement.

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

3. (B) For purposes of computing limits and charges to limits the rates of conversion for individual categories set out in Annex A shall be applied.

3. (C) For purposes of this Agreement, the categories listed below are merged and treated as single categories and sub-categories as indicated:

<u>Categories Merged</u>	<u>Designation in Agreement</u>	<u>Sub-Categories</u>
300,301	300/301	None
310,318	310/318	None
310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320	310-320	310/318, 311, 312, 313, 314, 315, 316, 317-S (sateens), 317-O (other than sateens), 319, 320

<u>Categories Merged</u>	<u>Designation in Agreement</u>	<u>Sub-Categories</u>
333,334,335,835	333/334/335/835	333,334,335,835
337,637	337/637	None
338,339	338/339	None
340,640	340/640	None
341,641	341/641	341
342,642,842	342/642/842	None
347,348	347/348	None
351,651	351/651	None
445,446	445/446	None
634,635	634/635	635
638,639	638/639	None
645,646	645/646	None
647,648	647/648	647-K,648-K

4. Commencing on January 1, 1987, and during the subsequent term of this Agreement, the Government of Malaysia shall limit annual shipments of exports which are the products of Malaysia to the United States of America of cotton, wool, and man-made fiber textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton to the group and specific limits set out in Annex B, as such group and specific limits may be adjusted in accordance with paragraph 5.

Flexibility Adjustments

5. (A)(i) The group and specific limits set out in Annex B do not include any adjustments permitted under paragraph 5.

5. (A)(ii) During any agreement year, the specific limits set out in Annex B may be increased by not more than 5 percent (swing) provided that a corresponding reduction in square yards equivalent is made in one or more other specific limits in the same group or from the group II limit during the same agreement year.

5. (A)(iii) The group II limit may be increased by not more than 10 percent (swing), provided that a corresponding reduction in square yards equivalent is made in one or more specific limits in group I during the same agreement year.

5. (A)(iv) The Government of Malaysia shall indicate to the Government of the United States the specific limits or sub-limits it would like to increase and which it would like decreased.

5. (A)(v) Within the group II limit, as it may be adjusted pursuant to paragraph 5(A)(iii) and 5(B)(i), any specific limit within group II may be exceeded by not more than 5 percent swing, in addition to carryover and carryforward permitted pursuant to paragraph 5(B)(ii), provided that the group II limit as adjusted is not exceeded in any one agreement year.

5. (B)(i) The extent to which the group II limit set forth in Annex B may be exceeded in any agreement period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

5. (B)(ii) The extent to which any specific limit may be exceeded in any agreement period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

5. (B)(iii) No carryover shall be available for application in the first agreement year. No carryforward shall be available for application in the final agreement year.

5. (C) For the purposes of the Agreement, a shortfall in a specific limit or group II limit occurs when exports of textiles or textile products from Malaysia to the United States of America during any agreement year are below any specific limit or group II limit as set out in Annex B or, in the case of any limit decreased pursuant to Paragraph 5, when such exports are below the specific limit or group II limit as decreased.

5. (D) The Government of Malaysia will notify the Government of the United States when it wishes to use unused yardage (shortfall) available in categories for carryover, or for use by other categories for swing; subject to the provisions set out above. However, the Government of the United States may apply adjustments under this paragraph to any specific limit or the group II 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 re-credited to the following period's limit. In case of such adjustments, the Government of the United States would immediately notify the Government of Malaysia. This procedure will not prejudice the outcome of any consultations that may be held between our governments concerning the amounts of available carryover and carryforward.

Consultation Mechanism

6. (A) In the event that the Government of the United States of America believes that imports of textile and apparel products from Malaysia in categories listed in Annex A to this Agreement (textiles and textile products made of cotton, wool and man-made fiber and apparel made of silk blends and vegetable fibers other than cotton) and not covered by specific limits under this Agreement are, due to market disruption or the real risk 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 Malaysia with a view to eliminating market disruption or the real risk of market disruption. The Government of the United States of America will provide the Government of Malaysia, at the time of the request, with a statement of reasons for its request for consultations which, in the view of the Government of the United States, demonstrate:

(i) The existence of the real risk of market disruption; and

(ii) The role of exports from Malaysia in that disruption or risk of disruption.

6. (B) The Government of Malaysia agrees to consult with the Government of the United States of America within 30 days of the receipt of the request for consultations. Both sides 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 extended by mutual agreement.

6. (C) During the 90 day consultation period, the Government of Malaysia agrees to hold its shipments to the United States, whether direct or indirect, of cotton, wool or man-made fiber textiles or textile products or apparel made of silk blends and vegetable fibers other than cotton in the category or categories subject to these consultations to a level no greater than 35 percent of the amount entered, as reported in U.S. general import statistics, during the first 12 of the recent 14 months preceding the month in which the request for consultations was made.

6. (D) If no mutually satisfactory solution is reached during the 90 day consultation period, the Government of the United States of America may establish annual specific limits for shipments of cotton, wool, or man-made fiber products or apparel made of silk blends or vegetable fibers other than cotton in the product or categories concerned for the duration of this agreement. The amount will not be less than the amount, 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 percent for cotton, man-made and silk blends and vegetable fiber product categories, and 6 percent for wool product categories.

6. (E) The first term of any specific limit established under sub-paragraph 6(D) will be effective for the period beginning on the first day following the conclusion of the 90 day consultation period and ending on the last day of the agreement year in which the specific limit was established. If a specific limit is established, the specific limit and any available swing/carryforward will be prorated to correspond to the period of time remaining in the existing agreement year. Carryover will not be available in the first agreement year following the 90 day consultation period. For each remaining agreement year the specific limit established under sub-paragraph 6(D) will be increased 6.0 percent annual growth per year in the case of cotton, man-made and silk blend and other vegetable fiber categories and by 1 percent per year in the case of wool categories.

Overshipment Charges

7. (A) Products of Malaysia 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 limit in the succeeding agreement year.

7. (B) Products of Malaysia in excess of authorized limits in any agreement year will, if allowed entry into the United States during that agreement year, be charged to the applicable limit in the succeeding agreement year.

7. (C) Any action taken pursuant to sub-paragraph 7(A) and 7(B) above, will not prejudice the rights of either side regarding consultations.

Exports of Certified Hand-loomed Folklore Products

8. In accordance with Article 12, paragraph 3 of the Arrangement, and subject to the visa certification system, Malaysian exports of hand-loomed fabrics of the cottage industry or hand-made cottage industry products made of such hand-loomed fabrics, or traditional folklore handicraft textile products, will not be subject to the provisions of the Agreement.

Spacing Provisions

9. The Government of Malaysia shall to the best of its abilities space exports from Malaysia to the United States of America within each category, sub-category or part-category evenly throughout each agreement year, taking into consideration normal seasonal factors.

Implementation of the Limitation Provisions

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

Exchange of Information

11. With regard to fraud and circumvention, each government agrees to cooperate and to supply to the other government any information within its possession which it reasonably believes to be necessary for the enforcement of this Agreement.

Exchange of Data

12. (A) The Government of the United States of America shall promptly supply the Government of Malaysia with data on monthly imports of cotton, man-made fiber, and wool textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton into the United States of America from Malaysia.

12. (B) The Government of Malaysia shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber, and wool textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton from Malaysia to the United States of America.

12. (C) Each government agrees to supply any other available statistical data necessary to the implementation of this Agreement requested by the other government.

Mutually Satisfactory Administrative Arrangement

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including difference in points of procedure or operation.

Consultation on Implementation Question

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

Right to Propose Revisions to the Agreement

15. The Government of the United States of America and the Government of Malaysia 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.

Consultations in Case of Inequity Vis-a-Vis a Third Country

16. If the Government of Malaysia considers that as a result of provisions specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Government of Malaysia may request consultations with the Government of the United States of America with a view to taking appropriate remedial actions, such as reasonable modification of this Agreement. The Government of the United States of America shall consult with the Government of Malaysia in the event of such a request.

Article 3 Procedures

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, man-made fiber textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton of Malaysia covered by this Agreement. The Government of the United States and the Government of Malaysia reserve their rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

Correct Category/Quantity Visa System

18. The provisions of the Visa Agreement as listed in Annex C between the Government of the United States of America and the Government of Malaysia will govern the certification of exports from Malaysia.

Provisions for Textile Agreements Harmonized Commodity Code

19. (A) Both parties recognize that U.S. adoption of the Harmonized Commodity Code will result in some changes in U.S. categorization of textile products covered by current categories under this Agreement. If such changes are made during the term of this Agreement, the Government of the

United States and Government of Malaysia will consult with the view of reaching a satisfactory resolution of issues concerning categories covered by this Agreement. The Government of Malaysia recognizes that should there be no resolution in such consultations, the Government of the United States reserves its rights to make such adjustments to Annexes A and B as necessary to bring it into conformity with the new category system and with the Harmonized Commodity Code. The intent of this conversion on the part of the Government of the United States will not be to diminish overall trade with Malaysia.

19. (B) Consultations under this provision shall be conducted no later than 90 days before final U.S. adoption of the Harmonized Commodity Code by the Government of the United States.

Agreement Circumvention

20. Both Governments shall take actions as are necessary to prevent circumvention of this Agreement.

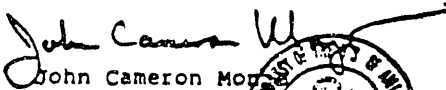
Termination Clause

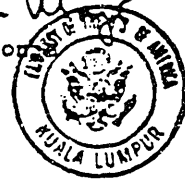
21. Either Government may terminate this Agreement, effective at the end of agreement year, by written notice to the other Government, to be given at least 90 days prior to the end of such agreement year.

Closing Paragraph

22. If the foregoing conforms with the understanding of the Government of Malaysia, this note and your note of confirmation on behalf of the Government of Malaysia shall constitute an agreement between our two Governments.

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


John Cameron Moore



Enclosures:

Annex A

Annex B

Annex C

ANNEX A

Conversion factor is used to convert unit of measure, i.e. pounds (lb.), dozens (dz.), dozen pairs (dpr.), square feet (sft.) or number (no.) to its equivalent in square yards (syd).

<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 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	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 & Sateens	1.0	syd.
318	Yarn-dyed	1.0	syd.
319	Duck	1.0	syd.
320	Other Fabrics, Not Knit	1.0	syd.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
--Wool			
410	Woolens & 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, Non-Knit	1.0	syd.
611	Spun Cellulosic, Non-Knit	1.0	syd.
612	Continuous Non-Cellulosic, Not-Knit	1.0	syd.
613	Spun Non-Cellulosic, Not Knit	1.0	syd.
614	Other Fabrics, Not Knit	1.0	syd.
625	Knit	7.8	lb.
626	Pile and Tufted	1.0	syd.
627	Specialty	7.8	lb.
<u>Apparel</u>			
--Cotton			
330	Handkerchiefs	1.7	dz.
331	Gloves	3.5	dpr.
332	Hosiery	4.6	dpr.
333	Suit-type Coats, M&B	36.2	dz.
334	Other Coats, M&B	41.3	dz.
335	Coats, WG&I	41.3	dz.
336	Dresses (Including Uniforms)	45.3	dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
337	Playsuits, Sunsuits, Washesuits, Creepers, Romper, etc.	25.0	dz.
338	Knit Shirts (Including T-shirts, Other, and Sweatshirts) M&B	7.2	dz.
339	Knit shirts and blouses (including T-shirts, other and sweatshirts) WG&I	7.2	dz.
340	Shirts, Not Knit	24.0	dz.
341	Blouses, Not Knit	14.5	dz.
342	Skirts	17.8	dz.
345	Sweaters	36.8	dz.
347	Trousers, Slacks, and Shorts(outer), M&B	17.8	dz.
348	Trousers, Slacks, and Shorts(outer), WG&I	17.8	dz.
349	Brassieres, etc.	4.8	dz.
350	Dressing Gowns, (including Bathrobes and Beachrobes, 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&B	41.3	dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
354	Down and Feather-filled Coats, Jackets, and Vests, WG&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&B	36.0	dz.
434	Other coats, M&B	54.0	dz.
435	Coats, WG&I	54.0	dz.
436	Dresses	49.2	dz.
438	Knit Shirts and Blouses	15.0	dz.
440	Shirts and Blouses Not Knit	24.0	dz.
442	Skirts	18.0	dz.
443	Suits, M&B	54.0	dz.
444	Suits, WG&I	54.0	dz.
445	Sweaters, M&B	14.88	dz.
446	Sweater, WG&I	14.88	dz.
447	Trousers, Slacks, and Shorts(outer) M&B	18.0	dz.
448	Trousers, Slacks, and Shorts(outer) WG&I	18.0	dz.
459	Other Wool Apparel	2.0	lb.
--Man-Made Fiber			
630	Handkerchiefs	1.7	dz.
631	Gloves	3.5	dpr.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
632	Hosiery	4.6	dpr.
633	Suit-type Coats M&B	36.2	dz.
634	Other Coats, M&B	41.3	dz.
635	Coats, WG&I	41.3	dz.
636	Dresses	45.3	dz.
637	Playsuits, Sunsuits, Washesuits, etc.	21.3	dz.
638	Knit Shirts, (including T-shirts) M&B	18.0	dz.
639	Knit Shirts and Blouses (including T-shirts), WG&I	15.0	dz.
640	Shirts, Not Knit	24.0	dz.
641	Blouses, Not Knit	14.5	dz.
642	Skirts	54.0	dz.
643	Suits, M&B	54.0	dz.
644	Suits, WG&I	54.0	dz.
645	Sweaters, M&B	36.8	dz.
646	Sweaters, W,G&I	36.8	dz.
647	Trousers, Slacks, Shorts (outer) M&B	17.8	dz.
648	Trousers, Slacks, Shorts (outer) WG&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, and Vests, M&B	41.3	dz.
654	Down and feather-filled Coats, Jackets, and Vests, WG&I	41.3	dz.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
659	Other Apparel	7.8	lb.
--Silk Blend and Other Vegetable Fiber			
831	Gloves	3.5	dpr.
832	Hosiery	4.6	dpr.
833	Suit-type Coats, M&B	36.2	dz.
834	Other Coats, M&B	41.3	dz.
835	Coats, WG&I	41.3	dz.
836	Dresses	45.3	dz.
838	Knit Shirts and Blouses	14.0	dz.
840	Shirts & Blouses, Not Knit	20.0	dz.
842	Skirts	17.8	dz.
843	Suits, M&B	54.0	dz.
844	Suits, WG&I	54.0	dz.
845	Sweaters, Other Vegetable Fibers	36.8	dz.
846	Sweaters, Silk Blend	36.8	dz.
847	Trousers, Slacks and Shorts (outer)	17.8	dz.
850	Dressing Gowns	51.0	dz.
851	Pajamas and Other Nightwear	52.0	dz.
852	Underwear	13.5	dz.
858	Neckties	3.6	lb.
859	Other Apparel	6.8	lb.
<u>Made-ups and Miscellaneous</u>			
--Cotton			
360	Pillowcases	1.1	no.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
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	7.8	lb.
669	Other Man-made Fiber Manufactures	7.8	lb.
670	Luggage, Handbags, Flat Goods	2.0	lb.

ANNEX B

Specific Limits, Sub-limits and Group Limits

Group I--Non-Apparel--1987

<u>Categories</u>	<u>1987 Limit (units)</u>	<u>1987 limit (sye)</u>
300/301	3,500,000	16,100,000
310-320	47,700,000	47,700,000
- 310/318	2,120,000	
- 311	19,080,000	
- 312	19,080,000	
- 313	19,080,000	
- 314	19,080,000	
- 315	19,080,000	
- 316	19,080,000	
- 317-S	2,120,000	
- 317-O	19,080,000	
- 319	19,080,000	
- 320	19,080,000	
363	4,000,000	2,000,000
369-S	955,060	4,393,276
604	1,534,673	6,292,160
605-T/369-W	330,000	1,155,000
613	18,020,000	18,020,000

Group I--Apparel--1987

<u>Categories</u>	<u>1987 Limit (units)</u>	<u>1987 limit (\$y)</u>
331	696,744	2,438,604
333/334/335/835	125,000	5,162,500
- 333	62,500	
- 334	62,500	
- 335	62,500	
- 835	62,500	
336	73,034	3,308,440
337/637	201,400	4,632,200
338/339	573,036	4,125,859
340/640	683,331	16,399,944
341/641	925,846	13,424,767
- 341	324,046	
342/642/842	215,000	3,827,000
345	83,427	3,070,114
347/348	234,664	4,177,019
351/651	135,000	7,020,000
435	12,000	648,000
438-W	11,221	168,315
442	15,000	270,000
445/446	26,523	394,662
631	393,260	1,376,410
634/635	421,350	17,401,755
- 635	165,000	
636	158,100	7,161,930
638/639	249,735	3,870,893
64E/646	191,012	7,029,242
647/648	890,880	16,000,064
- 647-K	629,216	
- 648-K	629,216	

Group I--Non-Apparel--1988

<u>Categories</u>	<u>1988 Limit</u> <u>(units)</u>	<u>1988 limit</u> <u>(\$ye)</u>
300/301	3,710,000	17,066,000
310-320	50,562,000	50,562,000
- 310/318	2,247,200	
- 311	20,224,800	
- 312	20,224,800	
- 313	20,224,800	
- 314	20,224,800	
- 315	20,224,800	
- 316	20,224,800	
- 317-S	2,247,200	
- 317-O	20,224,800	
- 319	20,224,800	
- 320	20,224,800	
363	4,240,000	2,120,000
369-S	1,012,364	4,656,873
604	1,626,753	6,669,689
605-T/369-W	349,800	1,224,300
613	19,101,200	19,101,200

Group I--Apparel--1988

<u>Categories</u>	<u>1988 Limit (units)</u>	<u>1988 limit (\$ve)</u>
331	738,549	2,584,920
333/334/335/835	132,500	5,472,250
- 333	66,250	
- 334	66,250	
- 335	66,250	
- 835	66,250	
336	77,416	3,506,947
337/637	213,484	4,910,132
338/339	607,418	4,373,411
340/640	724,331	17,383,941
341/641	981,397	14,230,253
- 341	343,489	
342/642/842	227,900	4,056,620
345	88,433	3,254,320
347/348	248,744	4,427,640
351/651	143,100	7,441,200
435	12,120	654,480
438-W	11,333	169,998
442	15,150	272,700
445/446	26,788	398,609
631	416,856	1,458,995
634/635	446,631	18,445,860
- 635	196,100	
636	167,586	7,591,646
638/639	264,719	4,103,146
645/646	202,473	7,450,996
647/648	952,813	16,960,068
- 647-K	666,969	
- 648-K	666,969	

Group I--Non-Apparel--1989

<u>Categories</u>	<u>1989 Limit</u> <u>(units)</u>	<u>1989 limit</u> <u>(\$ye)</u>
300/301	3,932,600	18,089,960
310-320	53,595,720	53,595,720
- 310/318	2,382,032	
- 311	21,438,288	
- 312	21,438,288	
- 313	21,438,288	
- 314	21,438,288	
- 315	21,438,288	
- 316	21,438,288	
- 317-S	2,382,032	
- 317-O	21,438,288	
- 319	21,438,288	
- 320	21,438,288	
363	4,494,400	2,247,200
369-S	1,073,105	4,936,285
604	1,724,359	7,069,870
605-T/369-W	370,788	1,297,758
613	20,247,272	20,247,272

Group I--Apparel--1989

<u>Categories</u>	<u>1989 Limit (units)</u>	<u>1989 limit (Sve)</u>
331	782,862	2,740,015
333/334/335/835	140,450	5,800,585
- 333	70,225	
- 334	70,225	
- 335	70,225	
- 835	70,225	
336	82,061	3,717,363
337/637	226,293	5,204,740
338/339	643,863	4,635,815
340/640	767,791	18,426,977
341/641	1,040,281	15,084,068
- 341	364,098	
342/642/842	241,574	4,300,017
345	93,739	3,449,580
347/348	263,668	4,693,299
351/651	151,686	7,887,672
435	12,241	661,025
438-W	11,447	171,698
442	15,302	275,427
445/446	27,056	402,595
631	441,867	1,546,534
634/635	473,429	19,552,612
- 635	207,866	
636	177,641	8,047,145
638/639	280,602	4,349,335
645/646	314,621	7,898,056
647/648	1,009,932	17,977,672
- 647-K	706,987	
- 648-K	706,987	

Group I--Non-Apparel--1990

<u>Categories</u>	<u>1990 Limit (units)</u>	<u>1990 limit (sye)</u>
300/301	4,168,556	19,175,358
310-320	56,811,463	56,811,463
- 310/318	2,524,954	
- 311	22,724,585	
- 312	22,724,585	
- 313	22,724,585	
- 314	22,724,585	
- 315	22,724,585	
- 316	22,724,585	
- 317-S	2,524,954	
- 317-O	22,724,585	
- 319	22,724,585	
- 320	22,724,585	
363	4,764,064	2,382,032
369-S	1,137,492	5,232,462
604	1,827,820	7,494,062
605-T/369-W	393,035	1,375,623
613	21,462,108	21,462,108

Group I--Apparel--1990

<u>Categories</u>	<u>1990 Limit (units)</u>	<u>1990 limit (\$ye)</u>
331	829,833	2,904,416
333/334/335/835	148,877	6,148,620
- 333	74,439	
- 334	74,439	
- 335	74,439	
- 835	74,439	
336	86,985	3,940,405
337/637	239,871	5,517,024
338/339	682,495	4,913,964
340/640	813,858	19,532,596
341/641	1,102,697	15,989,112
- 341	385,944	
342/642/842	256,068	4,558,018
345	99,363	3,656,554
347/348	279,489	4,974,897
351/651	160,787	8,360,932
435	12,364	667,635
438-W	11,561	173,415
442	15,455	278,181
445/446	27,327	406,621
631	468,379	1,639,326
634/635	501,835	20,725,769
- 635	220,338	
636	188,300	8,529,973
638/639	297,438	4,610,295
645/646	227,494	8,371,939
647/648	1,070,580	19,056,332
- 647-K	749,406	
- 648-K	749,406	

Group I--Non-Apparel--1991

<u>Categories</u>	<u>1991 Limit (units)</u>	<u>1991 limit (\$)</u>
300/301	4,418,669	20,325,879
310-320	60,220,151	60,220,151
- 310/318	2,676,451	
- 311	24,088,060	
- 312	24,088,060	
- 313 SL	24,088,060	
- 314	24,088,060	
- 315	24,088,060	
- 316	24,088,060	
- 317-S	2,676,451	
- 317-O	24,088,060	
- 319	24,088,060	
- 320	24,088,060	
363	5,049,908	2,524,954
369-S	1,205,741	5,546,410
604	1,937,489	7,943,706
605-T/369-W	416,617	1,458,161
613	22,749,835	22,749,835

Group I--Apparel--1991

<u>Categories</u>	<u>1991 Limit (units)</u>	<u>1991 limit (\$ve)</u>
331	879,623	3,078,681
333/334/335/835	157,810	6,517,537
- 333	78,905	
- 334	78,905	
- 335	78,905	
- 835	78,905	
336	92,204	4,176,830
337/637	254,263	5,848,046
338/339	723,445	5,208,802
340/640	862,690	20,704,551
341/641	1,168,859	16,948,459
- 341	409,101	
342/642/842	271,433	4,831,499
345	105,325	3,875,948
347/348	296,258	5,273,391
351/651	170,434	8,862,588
435	12,487	674,311
438-W	11,677	1/5,149
442	15,609	280,963
445/446	27,600	410,687
631	496,482	1,737,686
634/635	531,945	21,969,315
- 635	233,558	
636	199,598	9,041,772
638/639	315,285	4,886,913
645/646	241,248	8,874,256
647/648	1,134,815	20,199,712
- 647-K	794,371	
- 648-K	794,371	

Group II--1987-1991

1987 Limit sye	1988 Limit sye	1989 Limit sye	1990 Limit sye	1991 Limit sye
27,431,346	29,151,807	30,975,705	32,909,784	34,960,664

ANNEX C

Visa and Exempt Certification Arrangement
 Between the Government of Malaysia
 and the Government of the United States of America
 Concerning Textiles and Textile Products

1. Definition:

A. For the purpose of this Arrangement, the term "textiles" means textiles and textile products of cotton, wool and man-made fibers, other vegetable fibers, blends of any of the foregoing fibers and blends containing silk, but does not include garments which contain 70 percent or more silk by weight, or products other than garments which contain 85 percent or more silk by weight.

B. The term "category" includes part categories and merged categories as established in the Bilateral Agreement.

2. Visa Requirements:

A. Each shipment of textiles or textile products produced or manufactured in Malaysia and exported to the United States which are subject to the terms of the MFA, and as defined in paragraph 1, above, regardless of value, of cotton, wool, man-made fiber, vegetable fibers other than cotton, and silk blend textiles and textile products in categories 300-369, 400-469, 600-670, and 831-859,

including part categories and merged categories and those categories which are not eligible for the exemptions noted in the exempt certification requirements in Section 3 below shall be visaed by the Government of Malaysia. This visa shall be presented to the U.S. Customs Service before entry, or withdrawal from warehouse for consumption, into the customs territory of the United States, (the 50 States, The District of Columbia and Puerto Rico).

B. Shipments covering merchandise in categories 800-810 and 863-899 do not require a visa. However, should additional categories, merged categories or part categories be added to the bilateral agreement the entire category or categories shall be automatically included in the coverage of the visa arrangement. Merchandise exported on or after the date the category(s) is added to the Agreement shall require a visa.

C. A shipment shall be visaed by the stamping of the original circular visa in blue ink on the front of the original commercial invoice. The original visa shall not be stamped on duplicate copies of the invoice. The original of the invoice with the original visa stamp will be required to enter the shipment into the United States. Duplicates of the invoice and/or visa may not be used for this purpose.

D. Each visa stamp will include the following information:

i. The Visa Number:

The visa number shall be in the standard nine digit letter format beginning with one numeric digit for the last digit of the year of export, followed by the two character alpha country code specified by the International Organization for Standardization-(ISO)-(the code for Malaysia is "MY"), and a six digit numeric serial number identifying the shipment; e.g., 7MY123456).

ii. The Date of Issuance:

The date of issuance shall be the day, month and year on which the visa was issued.

iii. The Signature of the Issuing Official:

The signature shall be that of the issuing official of the Malaysian Government.

iv. Category and Quantity Information

The correct category(s), merged category(s), part category(s), quantity(s), and unit(s) of quantity in the shipment in the unit(s) of quantity provided for in the U.S. Department of Commerce correlation and in the U.S.

Tariff Schedules of the United States Annotated (TSUSA) shall be reported in the spaces provided within the visa stamp. e.g., "Cat.340-510DZ". Merged category quota merchandise may be accompanied by either the appropriate merged category visa or the correct category visa corresponding to the actual shipment. (For example, quota category 347/348 may be visaed as "Cat.347/348" or if the shipment consists solely of category 347 merchandise, the shipment may be visaed as "Cat.347", but not as "Cat.348".)

E. If the quantity indicated on the visa is less than that of the shipment, entry shall not be permitted.

F. If the quantity indicated on the visa is more than that of the shipment, entry shall be permitted.

G. The visa will not be accepted and entry will not be permitted if the shipment does not have a visa, or if the visa number, date of issuance, signature, category, quantity or units of quantity are missing, incorrect, illegible or have been crossed out or altered in any way.

H. The categories and quantities shall be those determined by the U.S. Customs Service.

I. If the visa is not acceptable then a new visa must be obtained from the Malaysian Government or a visa waiver issued by the U.S. Department of Commerce at the request of

the Malaysian Government and presented to the U.S. Customs Service before any portion of the shipment will be released. The waiver, if used, only waives the requirement to present a visa with the shipment. It does not waive the quota requirement.

J. If the visaed invoice is deficient, the U.S. Customs Service will not return the original document after entry, but will provide a certified copy of that visaed invoice for use in obtaining a new correct original visaed invoice, or a visa waiver.

K. If import quotas are in force, only the actual quantity in the shipment and the correct category will be charged to the restraint level.

L. If a shipment from Malaysia has been allowed entry into the commerce of the United States with either an incorrect visa or no visa and redelivery is requested but cannot be made, the shipment will be charged to the correct category limit whether or not a replacement visa or visa waiver is provided.

M. The Government of the United States of America will make available to the Government of Malaysia upon request, information on the amounts and categories involved for all items subject to quota administered by the U.S. Customs Service including items covered in 2(L) above.

3. Exempt Certification Requirements:

A. Shipments of certified hand printed batik, defined as fabric to which the design has been applied by hand in units of the Malaysian cottage industry, shall be exempt from the levels of the Bilateral Agreement if they are certified prior to leaving Malaysia, by the placing of the original rectangular-shaped stamped marking in blue ink on the front of the original commercial invoice. The original exempt certification shall not be affixed to duplicate copies of the invoice. The original copy of the invoice with the original exempt certification will be required to enter the shipment into the United States. Duplicate copies of the invoice and/or exempt certification may not be used.

B. Requirements for Exempt Certification Stamp:

Each Exempt Certification Stamp will include the following information:

- i. Date of Issuance**
- ii. Signature of issuing Official**

iii. The Basis for the Exemption, which shall be noted as:

A. Handprinted Batik,

B. The name of the particular traditional folklore handicraft product (Malaysian item) as cited in a list to be agreed upon by the Government of Malaysia and the Government of the United States.

C. Should a shipment be exported from Malaysia with an incorrect exempt certification (i.e. the date of issuance, signature or basis for exemption is missing, incorrect or illegible or has been crossed out or altered in any way), then the exempt certification will not be accepted and entry shall not be permitted until a replacement certification is issued.

D. Should a shipment be exported from Malaysia without an exempt certification being issued prior to the date of exportation or if the merchandise does not qualify for the exemption, then an exempt certification will not be accepted and entry shall not be permitted. In such a case, a visa or a visa waiver must be obtained prior to release of any portion of the shipment. If quotas are in force, the shipment will be charged to the appropriate quota level.

4. The Government of Malaysia shall provide the Government of the United States every six months with a list of all shipments certified exempt by the Government of Malaysia during the previous six months. The list shall contain the following information for each shipment: description of items, units, and quantities.

5. Other Provisions:

A. The Government of the United States shall publish a notice in the Federal Register regarding the visa and certification systems hereby established. The Government of Malaysia shall provide the Government of the United States with two identical original facsimiles of the visa and exempt certification stamp markings and the signature of each official authorized to issue and sign them. A maximum of 10 officials will be designated by the Government of Malaysia. Any change to the stamped markings must be approved by the Government of the United States prior to its use, to be effective sixty days after approval. The Government of Malaysia shall notify the Government of the United States of any changes of authorized officials.

**B. List of part-categories and merged categories currently
included in the arrangement:**

Part-Categories:

317-S
317-O
369-S
369-W
369-O
438-W
438-O
605-T
605-O
647-K
648-K

Merged Categories:

300/301
310/318
310-320
333/334/335/835
337/637
338/339
340/640
341/641
342/642/842
347/348
351/651
445/446

634/635

638/639

645/646

647/648

Merged Part-Category:

605-T/369-W

C. Except as provided in paragraph 5 of this Arrangement and as stated in paragraphs 2D and 2F of this Arrangement, any shipment which is not accompanied by a valid and correct visa or exempt certification in accordance with the foregoing provisions shall be denied entry by the Government of the United States unless the Government of Malaysia authorizes the entry and any charges to the Agreement levels.

D. An invoice may cover visaed merchandise or exempt certification merchandise but not both.

E. This Arrangement shall be effective for merchandise exported on or after September 1, 1987.

F. Either Government may terminate, in whole or in part, the above arrangement by giving ninety days written notice to the other.

MAYAYSIA NOTE

3rd August 1987

U.E. Ambassador John Cameron Monjo
Ambassador of the United States of America,
Embassy of the United States of America,
376 Jalan Tun Razak,
Kuala Lumpur.

Excellency,

I have the honour to acknowledge receipt of your Note No. 304 dated 3 August, 1987, regarding your proposal to amend and to extend the Agreement on Textiles between the Government of the United States of America and the Government of Malaysia effected by the exchange of notes on the 1st and 11th July, 1985 and consultations held in Penang on 26th - 28th April, 1987 between representatives of our two governments, which reads as follows:

UNITED STATES NOTE

I further have the honour to confirm that the above proposal is acceptable to the Government of Malaysia and your Excellency's Note and this reply on behalf of my Government shall constitute an agreement between our two Governments.

Accept, Excellency the renewed assurances of my highest consideration.

Yours sincerely,



(MOHD NOORDIN BIN HASSAN)
Deputy Secretary General I,
for Secretary General,
Ministry of Trade and Industry,
Malaysia.