

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

COM.TEX/SB/1412*

7 October 1988

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between the United States and China

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with China for the period 1 January 1988 to 31 December 1991.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4,² has examined the relevant documentation and is transmitting the text of the notification to participating countries for their information.³

¹The previous bilateral agreement and modifications are contained in COM.TEX/SB/896, 951, 1025, 1130, 1140, 1167, 1252 and 1295. The agreement on Category 35 is contained in COM.TEX/SB/1318.

²See COM.TEX/SB/35, Annex B

³For the TSB's observations on this notification see COM.TEX/SB/1418.

* English only/Anglais seulement/Inglés solamente

UNITED STATES NOTE

February 2, 1988
Beijing, The People's
Republic of China

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, and as extended by the Protocol of July 31, 1986, and to discussions between the representatives of the Government of the United States of America and the Government of the People's Republic of China held in Beijing and Washington, D.C., concerning exports to the United States of America of cotton, wool, man-made fiber, vegetable fiber other than cotton, and silk blend textiles and textile products manufactured in the People's Republic of China. As a result of these discussions, I have the honor to propose on behalf of the Government of the United States of America the following Agreement between the Government of the United States of America and the Government of the People's Republic of China relating to such trade in textiles and textile products (hereinafter referred to as "the Agreement").

The two Governments reaffirm their commitments under the Agreement on Trade Relations between the United States of America and the People's Republic of China as the basis of their trade and economic relations.

Agreement Term

1. The term of this Agreement shall be the four-year period from January 1, 1988 through December 31, 1991. Each "Agreement Year" shall be a calendar year. This Agreement may be extended by mutual consent for a fifth year commencing on January 1, 1992, subject to any modifications which may be agreed upon before the above-said date.

Coverage of Agreement and Classification by Fiber

2. (A) The textile and textile products covered by this Agreement are those summarized in Annex A. The rates of conversion into square yards equivalent listed in Annex A shall apply in implementing the Agreement.

(B) For the purposes of this Agreement, the categories below are merged and treated as a single category, as indicated, with the limits set out in Annex B:

<u>Categories Merged</u>	<u>Designation in Agreement</u>	<u>Conversion Factors</u>
300 and 301	300/301	4.6
338 and 339	338/339	7.2
347 and 348	347/348	17.8
445 and 446	445/446	14.88
638 and 639	638/639	15.5
645 and 646	645/646	36.8
317 and 326	317/326	1.0

3. (A) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their 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 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(1) 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 any of these fibers.

(2) Any product covered by subparagraph 3 (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 cotton or if the cotton component exceeds by weight the total wool and/or man-made fiber components; (ii) Wool textiles if not cotton and the wool equals or exceeds 17 percent by weight of all component fibers; (iii) Man-made fiber textiles if neither of the foregoing applies.

(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, man-made fiber, silk blend, or vegetable fiber other than cotton, or blends thereof, in which (i) the chief value is silk and/or vegetable fiber other than cotton or (ii) 50 percent or more by weight is silk blend or vegetable fiber other than cotton, or (iii) 50 percent or more by weight is a blend of silk, vegetable fiber other than cotton, cotton, man-made fiber, or wool, are subject to this Agreement.

(1) For the purposes of this Agreement, such products shall be classified as silk blend and other vegetable fiber. Notwithstanding the above, garments that contain 70 percent or more silk by weight, unless they also contain 17 percent or more wool by weight, and products other than garments that contain 85 percent or more silk by weight are not subject to this Agreement.

(C) For the purposes of the application of subparagraphs 3 (A) and (B) above, a product shall first be considered under the provisions of subparagraph (A) and only in the event of subparagraph (A) not applying shall it then be considered under subparagraph (B).

4. However, upon adoption of the Harmonized Commodity Code by the United States of America, coverage and classification under this Agreement shall be determined as follows:

(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, silk blends, non-cotton vegetable fibers, or blends thereof, in which any or all of these fibers in combination represent the chief weight of the product, are subject to this Agreement. Coverage pursuant to this paragraph is subject to subparagraph (C) below.

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(B) For the purposes of this Agreement, textile products covered by sub-paragraph (A) above shall be classified as:

(1) Man-made fiber textiles, if the product is in chief weight of man-made fibers, unless:

(a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, in which case the product will be a wool textile; or

(b) the product is apparel, not knitted or crocheted, in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile;

(c) the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

(2) Cotton textiles, if not covered by (1) and if the product is in chief weight of cotton, unless the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.

(3) Wool textiles, if neither of the foregoing applies, and the product is in chief weight of wool.

(4) Silk blend or non-cotton vegetable fiber textiles, if none of the foregoing applies and the product is in chief weight of silk or non-cotton vegetable fiber, unless:

(a) cotton with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber components, in which case the product will be a cotton textile.

(b) if not covered by (4)(a) and wool exceeds 17 percent by weight of all component fibers, in which case the product will be considered a wool textile.

(c) if not covered by (4)(a) or (b) and man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or total cotton component, in which case the product will be considered a man-made fiber textile.

(C) Notwithstanding the above, garments which contain 70 percent or more by weight silk (unless they also contain over 17 percent by weight wool), and products other than garments which contain 85 percent or more by weight silk, are not subject to this Agreement. Silk blend and non-cotton vegetable fiber sweaters, as determined above, shall be divided into "silk blend" sweaters and "non-cotton vegetable fibers" sweaters. For the purposes of this provision sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fiber component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fiber" sweaters. Garments containing 70 percent or more by weight silk and over 17 percent by weight wool shall be classified as wool textiles, under subparagraph (B)(4)(b).

(D) Coverage under this paragraph is intended to be identical with the terms of the Arrangement and in conformance with the July 31, 1986, Protocol of Extension. In the event of a question regarding whether a product is covered by this Agreement by virtue of being chief weight of cotton, wool, man-made fiber, silk blend, or non-cotton vegetable fiber, the chief value of the fibers may be considered.

Structure and Limits of Agreement

5. Textile and textile products covered by this Agreement shall be subject to the Group Limit and Specific Limits set out in Annex B. The Groups included in this Agreement are as follows:

- Group I: Specific limits, and Categories 611, 604-A, and 369-S.
- Group II: Cotton, wool, and man-made fiber apparel not subject to specific limits in Group I.
- Group III: Cotton, wool, and man-made fiber non-apparel not subject to specific limits in Group I.
- Group IV: New MFA fiber apparel not subject to specific limits in Group I.

6. Commencing with the first Agreement Year, and during the subsequent years of this Agreement, the Government of the People's Republic of China shall limit annual exports to the United States of America of its cotton, wool, man-made fiber, other vegetable fiber, and silk blend textiles and textile products to the Group Limit and Specific Limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 7 and 8. The limits in Annex B include annual growth. Subject to paragraph 11, exports shall be charged to the limits for the year in which exported. The limits set out in Annex B do not include any of the adjustments permitted under paragraphs 7 and 8.

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Flexibility Adjustments

Swing

7. (A) During any Agreement Year, the Group II, III and IV Limits set out in Annex B, may be exceeded by not more than five (5) percent of their respective square yard equivalent (SYE) total, provided that the amount of the increase is compensated by equivalent SYE decreases in the Group II or III Limits or in Specific Limits in Group I for that Agreement Year.

(1) No Group Limit may be decreased pursuant to subparagraph 7 (A) to a level which is below the level of exports charged against that Group Limit for that Agreement Year.

(B) During any Agreement Year, any Specific Limit, within Group I, may be exceeded by not more than five (5) percent (7 percent in the case of restraint limits established pursuant to paragraph 9), provided that the amount of the increase is compensated by an equivalent SYE decrease in another Specific Limit(s) or in the Group II or III Limits, but only one-fifth of the five (5) percent may be from the Group II or III Limit.

(1) However, the adjustments provided under subparagraph 7 (B) are not available to or from Categories 315 or 845, except that swing shall be available from Category 845 to 846.

(2) In addition, special swing of ten (10) percent shall be available between categories 341 and 641 and between 342 and 642; and between categories 340 and 640 upon resolution of the 640 yarn-dyed sub-limit.

(C) When informing the United States of adjustments under the provisions of this paragraph, the Government of the People's Republic of China shall indicate the Group Limit and the Specific Limits to be increased and those to be decreased by commensurate quantities in square yards equivalent.

Carryover and Carryforward

8. (A) In any Agreement Year, the Group Limit or any Specific Limit may exceed the levels set out in Annex B by allocating to such Group Limit or Specific Limit for that Agreement Year an unused portion of the corresponding Group or Specific Limit for the previous Agreement Year ("carryover") or a portion of the corresponding Group or Specific Limit for the succeeding Agreement Year ("carryforward"), subject to the following conditions:

(1) Group Limits

(a) Carryover may be utilized as available up to three (3) percent of the receiving Agreement Year's Group II or III Limit and five (5) percent of the receiving Agreement Year's Group IV limit;

(b) Carryforward may be utilized up to two (2) percent of the receiving Agreement Year's Group II or III Limit, and three (3) percent in the case of Group IV, and shall be charged against the immediately following Agreement Year's corresponding Group Limit; no carryforward shall be available in the final Agreement Year; and no carryforward shall be available for Groups II and III in the first Agreement Year.

(c) The combination of carryover and carryforward applicable to a Group II and III Limit shall not exceed three (3) percent of the receiving Agreement Year's applicable limit in any Agreement Year and the combination of carryover and carryforward applicable to Group IV shall not exceed five (5) percent of the receiving Agreement Year's applicable limit in any Agreement Year. For purposes of applying carryover to the 1989 Agreement Year, the levels for Groups II and III in 1988 are 116,000,000 SYE and 315,000,000 SYE, respectively.

(2) Specific Limits

(a) Carryover may be utilized as available up to two (2) percent of the receiving Agreement Year's Specific Limit, to the extent that there is sufficient shortfall (as defined in sub-paragraph 8(B)) available in the donor Specific Limit and within the Group Limit covering the donor Specific Limit; no carryover shall be available in the First Agreement Year;

(b) Carryforward may be utilized up to three (3) percent of the receiving Agreement Year's applicable Specific Limit and shall be charged against the immediately following Agreement Year's corresponding Specific Limit. However, in 1988, an additional carryforward of two (2) percent shall be available. No carryforward shall be available in the final Agreement Year;

(c) The combination of carryover and carryforward applicable to a Specific Limit shall not exceed three (3) percent of the receiving Agreement Year's

applicable limit in any Agreement Year; except in 1988 the combination of carryover and carryforward applicable to a Specific Limit shall not exceed five (5) percent of the receiving Agreement Year's applicable limit.

(d) In any Agreement Year, following agreement in consultations, exports may exceed by up to 10 percent any limit set out in Annex B by allocating to such limit for that Agreement Year unused portion of the corresponding limit for the previous Agreement Year or a portion of the corresponding limit for the succeeding year, subject to the following conditions:

(1) Carryover may be utilized as available up to 10 percent of the receiving Agreement Year's limits provided;

(2) Carryforward may be utilized up to five (5) percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits;

(3) The combination of carryover and carryforward shall not exceed 10 percent of the receiving Agreement Year's applicable limit in any Agreement Year;

(4) Carryover of shortfall shall not be applied to any limits until the Governments of the United States of America and the People's Republic of China have agreed upon the amounts of shortfall involved.

(B) For purposes of the Agreement, a shortfall occurs when exports of textile or textile products of the People's Republic of China to the United States of America during an Agreement Year are below any Group Limit or Specific Limit as set out in Annex B, (or, in the case of any limit decreased pursuant to paragraph 7, when such exports are below the limit as so decreased). In the Agreement Year following the shortfall, such exports of products of the People's Republic of China to the United States of America may be permitted to exceed the applicable limits, subject to the conditions of subparagraph 8 (A), by carryover of the shortfalls in the following manner:

(1) Carryover shall not exceed the amount of shortfall in the applicable limits;

(2) The shortfall shall be used in the Group Limit or Specific Limit in which the shortfall occurred.

(C) Adjustments made under this paragraph are in addition to those permitted under Paragraph 7.

Consultation Mechanism

9. (A) In the event that the Government of the United States of America believes that imports of textile and apparel products of the People's Republic of China listed in Annex A to this Agreement and not subject to Specific Limits under this Agreement are, due to market disruption, 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 the People's Republic of China with a view to easing or avoiding such market disruption. The Government of the United States of America shall provide the Government of the People's Republic of China, at the time of the request, with a detailed factual statement of reasons and justifications for its request for consultations with current data which in the view of the Government of the United States of America shows:

- (1) the existence or threat of market disruption; and
- (2) the role of products of the People's Republic of China to that disruption.

(B) The Government of the People's Republic of China agrees to consult with the Government of the United States of America within 30 days of receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory solution of the issue within 90 days of the receipt of such request, unless extended by mutual agreement.

(C) (1) Upon receipt of the request for consultations, and for the period remaining in the Agreement Year in which the request is made, the Government of the People's Republic of China agrees to hold its shipments to the United States of America of textiles or textile products in the category or categories subject to these consultations to a level no greater than 15 1/2 percent (six percent for wool product categories) above 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, prorated for the number of months remaining in the year.

(2) Where three or fewer months remain in an Agreement Year at the time of the request for consultations, upon receipt of the request for consultations, the Government of the People's Republic of China agrees to hold its shipments to the United States of America of textiles or textile products in the category or categories subject to these consultations for the

remaining months of the Agreement Year plus the subsequent Agreement Year to a level no greater than 15 1/2 percent (6 percent for wool product categories) above 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, prorated for the remaining months of the Agreement Year plus the subsequent Agreement Year.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, consultations shall continue and the Government of the United States of America may continue the limits for textiles or textile products in the category or categories subject to these consultations for the duration of the Agreement.

(E) (1) The first term of any restraint limit established under the preceding sub-paragraph will be effective for the period beginning on the date of the request for consultations and ending on the last day of the Agreement Year in which the restraint limit was established, or where three or fewer months remained in the Agreement Year at the time of the request for consultations, for the period ending on the last day of the subsequent Agreement Year.

(2) For each remaining Agreement Year any restraint limit established under this provision will be increased by 2.5 percent annual growth per year in the case of cotton and man-made fiber, by 6 percent in the case of vegetable fibers other than cotton, and silk blend product categories, and one percent in the case of wool product categories. The subsequent restraint limits shall have any available swing, carryover or carryforward as is provided for Specific Limits under paragraphs 7 and 8 of this Agreement, but only within the Group in which the restraint limit is established. Carryover will not be available in the first of the remaining Agreement Years.

Spacing Provision

10. The Government of the People's Republic of China shall use its best efforts to space exports of its products to the United States of America within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

Cooperation in Implementation of the Limitation Provisions

11. (A) Each Government shall employ its best efforts to ensure that the limits established under this Agreement are not exceeded. Calculations will be based upon date of export from

the People's Republic of China. Neither Government shall act to restrain trade in textile products covered by this Agreement except in accordance with the terms of the Agreement.

(B) Exports of products of the People's Republic of China in excess of any authorized limits in any Agreement Year or period may be denied entry into the United States of America. Any such shipments denied entry may be permitted entry into the United States of America and charged to the applicable limit in the succeeding period or Agreement Year. The United States of America will supply to the People's Republic of China each month a list of charges by category and quantity.

(C) Exports of products of the People's Republic of China in excess of authorized limits in any Agreement Year or period will, if allowed entry into the United States of America during that year or period, be charged to the applicable limit in the succeeding Agreement Year or period.

(D) Any action taken pursuant to subparagraphs (B) and (C) will not prejudice the rights of either side regarding consultations.

Exchange of Data

12. The Government of the United States of America shall promptly supply the Government of the People's Republic of China with monthly data on imports of textiles and textile products of China and the Government of the People's Republic of China shall promptly supply the Government of the United States of America with quarterly data on exports of China's textiles to the United States for which limits have been established. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

13. Annual technical consultations shall be held to discuss administrative matters in the implementation of this Agreement including a review of each Government's trade statistics for the previous Agreement Year.

Customs Cooperation

14. The Government of the United States of America and the Government of the People's Republic of China shall cooperate to prevent circumvention of the Agreement.

Visa System

15. (A) The visa system established for exports to the United States of America of cotton, wool and man-made fiber, other vegetable fibers, and silk blend textiles and textile products of the People's Republic of China effective July 25, 1980, as amended, will remain in force. Visas issued in a particular Agreement Year shall be valid only for textiles and textile products exported during that Agreement Year.

(B) The parties recognize that under the Agreement the purchase of textiles and textile products to be delivered subject to the restrictions under the Agreement implies that the delivery of goods will be accompanied by a valid visa.

Commercial Samples and Personal Shipments

16. Properly marked commercial samples, valued at \$250 or less, and items for the personal use of the importer and not for resale, need not be accompanied by an export visa and shall not be subject to the limits established under this Agreement.

Harmonized Commodity Code

17. Both parties recognize that adoption by the United States of America of the Harmonized Commodity Code will result in some changes in the U.S. categorization of textile products covered by this Agreement. Those levels included in Annex B which are affected by the new category system and the U.S. implementation of the Harmonized System are provisional levels based upon preliminary analysis by the Government of the United States of America in order to facilitate trade pending agreement through consultation between the Government of the People's Republic of China and the Government of the United States of America by June 30, 1988. Such consultations shall be solely for the purpose of facilitating trade by making appropriate adjustments to ensure that the conversion is trade neutral and does not diminish overall trade with the People's Republic of China. In the absence of a solution, each party reserves its rights under the Arrangement.

Equity

18. If the Government of the People's Republic of China considers that, as a result of a limitation specified in this Agreement, the People's Republic of China is being placed in an inequitable position vis-a-vis a third country or party, the Government of the People's Republic of China may request consultations with the Government of the United States of America with a view to taking appropriate remedial action

such as reasonable modification of this Agreement and the Government of the United States of America shall agree to hold such consultations.

Consultation on Implementation Questions

19. The Government of the United States of America and the Government of the People's Republic of China agree to consult upon the request of the other on any question arising in the implementation of this Agreement.

20. 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.

Reservation of Rights

21. The Government of the United States of America and the Government of the People's Republic of China reserve their rights with respect to textiles and textile products not subject to this Agreement.

22. The Government of the United States of America and the Government of the People's Republic of China will consult to determine whether certain textile products produced in the People's Republic of China are traditional folklore handicrafts under the terms of the Arrangement.

Right to Terminate the Agreement

23. Either Government may terminate the Agreement effective at the end of any Agreement Year by written notice to the other Government to be given at least 90 days prior to the end of such Agreement Year. Either Government may at any time propose revisions in the terms of the Agreement.

If the foregoing conforms with the understanding of the Government of the People's Republic of China, this note and your note of confirmation on behalf of the Government of the People's Republic of China shall constitute an Agreement between our two Governments.

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

Clayton Yeutter
United States Trade Representative

Annex A(1)
New Category System and Conversion Factors

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u> <u>to square yards</u>	<u>Unit</u>
<u>Yarn</u>			
200	Sewing Thread and Yarns, Put up for Retail Sale	3.6	Lb
201	Other Yarns	3.5	Lb
300	Carded Yarns	4.6	Lb
301	Combed Yarns	4.6	Lb
400	Wool Yarn	2.0	Lb
600	Textured Filament Yarns	3.5	Lb
603	Staple Artificial Yarn	3.4	Lb
604	Staple Synthetic Yarn	4.1	Lb
606	Non-Textured Filament	10.9	Lb
607	Staple Yarn	3.5	Lb
800	Yarn, Thread	4.6	Lb
<u>Fabric</u>			
218	Yarns of Different Colors	1.0	Syd
219	Duck	1.0	Syd
220	Fabric of Special Weave	1.0	Syd
222	Knit Fabric	6.7	Lb
223	Non-Woven Fabrics	7.6	Lb
224	Pile and Tufted Fabrics	1.0	Syd
225	Denim	1.0	Syd
226	Cheesecloth, Batistes, etc.	1.0	Syd
227	Oxford Cloth	1.0	Syd
229	Special Purpose Fabric	7.4	Lb
313	Sheeting	1.0	Syd
314	Poplin and Broadcloth	1.0	Syd
315	Printcloth	1.0	Syd
317	Twills	1.0	Syd
326	Sateens	1.0	Syd
410	Woven Fabrics Containing 36 percent or More By Weight Wool	1.0	Syd
414	Other Wool Fabrics	1.5	Lb
611	Staple Artificial Fabric, by weight, 85 percent or more	1.0	Syd
613	Sheeting	1.0	Syd
614	Poplin and Broadcloth	1.0	Syd
615	Printcloth	1.0	Syd

617	Twills and Sateens	1.0	Syd
618	Cellulosic Filament	1.0	Syd
619	Non-Cellulosic Filament, Poly	1.0	Syd
620	Other Non-Cellulosic Filament	1.0	Syd
621	Impression	7.8	Lb
622	Filament Glass Fiber	1.0	Syd
624	Man-made Fiber Fabric, woven, containing more than 15 percent but less than 36% Wool	1.0	Syd
	Staple/Filament Combinations:		
625	Poplin and Broadcloth	1.0	Syd
626	Printcloth	1.0	Syd
627	Sheeting	1.0	Syd
628	Twills and Sateens	1.0	Syd
629	Other MMF	1.0	Syd
810	Fabrics	1.0	Syd

Apparel

239	Cotton and Man-made Infants' Wear	3.4	Lb
330	Handkerchiefs	1.7	Doz
331	Gloves and Mittens	3.5	Dpr
332	Hosiery	4.6	Dpr
333	M and B Suit-type Coats	36.2	Doz
334	Other M and B Coats	41.3	Doz
335	W and G coats	41.3	Doz
336	Dresses	45.3	Doz
337	Playsuits, sunsuits, etc.	25.0	Doz
338	M and B knit Shirts	7.2	Doz
339	W and G Knit Shirts and Blouses	7.2	Doz
340	M and B Shirts, Not Knit	24.0	Doz
341	W and G Knit Shirts and Blouses, Not Knit	14.5	Doz
342	Skirts	17.8	Doz
345	Sweaters	36.8	Doz
347	M and B Trousers, Slacks, and Shorts	17.8	Doz
348	W and G Trousers, Slacks, and Shorts	17.8	Doz
349	Brassieres and Body Supporting Garments	4.8	Doz
350	Dressing Gowns, etc.	51.0	Doz
351	Nightwear and Pajamas	52.0	Doz
352	Underwear	11.0	Doz
353	M and B Down-Filled Coats	41.3	Doz
354	W and G Down-Filled Coats	41.3	Doz

359	Other Cotton Apparel	4.6	Lb
431	Gloves and Mittens	2.1	Dpr
432	Hosiery	2.8	Dpr
433	M and B Suit-type Coats	36.0	Doz
434	Other M and B Coats	54.0	Doz
435	W and G Coats	54.0	Doz
436	Dresses	49.2	Doz
438	Knit Shirts and Blouses	15.0	Doz
440	Shirts and Blouses, Not Knit	24.0	Doz
442	Skirts	18.0	Doz
443	M and B Suits	4.5	Nos
444	W and G Suits	4.5	Nos
445	M and B Sweaters	14.88	Doz
446	W and G Sweaters	14.88	Doz
447	M and B Trousers, Slacks and Shorts	18.0	Doz
448	W and G Trousers, Slacks, and Shorts	18.0	Doz
459	Other wool Apparel	2.0	Lb
630	Handkerchiefs	1.7	Doz
631	Gloves and Mittens	3.5	Dpr
632	Hosiery.	4.6	Dpr
633	M and B Suit-type Coats	36.2	Doz
634	Other M and B Coats	41.3	Doz
635	W and G Coats	41.3	Doz
636	Dresses	45.3	Doz
637	Playsuits, sunsuits, etc.	21.3	Doz
638	M and B Knit Shirts	15.5	Doz
639	W and G Knit Shirts and Blouses	15.5	Doz
640	M and B Shirts, Not Knit	24.0	Doz
641	W and G Shirts and Blouses, Not Knit	14.5	Doz
642	Skirts	17.8	Doz
643	M and B Suits	4.5	Nos
644	W and G Suits	4.5	Nos
645	M and B Sweaters	36.8	Doz
646	W and G Sweaters	36.8	Doz
647	M and B Trousers, Slacks, and Shorts	17.8	Doz
648	W and G Trousers, Slacks, and Shorts	17.8	Doz
649	Brassieres and Body Supporting Garments	4.8	Doz
650	Dressing Gowns, Etc.	51.0	Doz
651	Nightwear and Pajamas	52.0	Doz
652	Underwear	16.0	Doz
653	M and B Down-Filled Coats	41.3	Doz
654	W and G Down-Filled Coats	41.3	Doz
659	Other Man-made Fiber Apparel	7.8	Lb

831	Gloves and Mittens	3.5	Dpr
832	Hosiery	4.6	Dpr
833	M and B Suit-type Coats	36.2	Doz
834	Other M and B Coats and Jackets	41.3	Doz
835	W and G Coats and Jackets	41.3	Doz
836	Dresses	45.3	Doz
838	Knit Shirts, Blouses and Tops	14.0	Doz
840	Woven Shirts and Blouses	20.0	Doz
842	Skirts	17.8	Doz
843	M and B Suits	4.5	Nos
844	W and G Suits	4.5	Nos
845	Sweaters of Other Vegetable Fiber	36.8	Doz
846	Sweaters of Silk Blend	36.8	Doz
847	Trousers, Slacks, and Shorts	17.8	Doz
850	Robes and Dressing Gowns	51.0	Doz
851	Nightwear and Pajamas	52.0	Doz
852	Underwear	13.5	Doz
858	Neckwear	3.6	Lb
859	Other Apparel	6.8	Lb

Made-Up and Miscellaneous Textiles

360	Pillowcases	1.1	No
361	Sheets	6.2	No
362	Bedspread and Quilts	6.9	No
363	Terry and Other Pile Towels	0.5	No
369	Cotton Manufactures, not specified [nspf]	4.6	Lb
464	Blankets	1.3	Lb
465	Floor Coverings	0.1	Sft
469	Wool Manufactures, nspf	2.0	Lb
665	Floor Coverings	0.1	Sft
666	Other Furnishings	7.8	Lb
669	Man-made Fiber Manufactures, nspf	7.8	Lb
670	Flat Goods, Handbags, Luggage	2.0	Lb
863	Towels	0.5	Nos
870	Luggage	2.0	Lb
871	Handbags and flat goods	2.0	Lb
899	Other silk blend and other vegetable fiber manufactures	6.0	Lb

Annex A(2)
Harmonized Commodity Code Listings
(To enter into effect on notification by the United States
of America that it has adopted the Harmonized Commodity Code.)

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u> <u>to square meters</u>	<u>Unit</u>
<u>Yarn</u>			
200	Sewing thread and yarns, put up for retail sale	6.6	Kg
201	Other yarns	6.5	Kg
300	Carded yarns	8.5	Kg
301	Combed yarns	8.5	Kg
400	Wool yarn	3.7	Kg
600	Textured filament yarns	6.5	Kg
603	Staple artificial yarn	6.3	Kg
604	Staple synthetic yarn	7.6	Kg
606	Non-textured filament	20.1	Kg
607	Staple yarn	6.5	Kg
800	Yarn, thread	8.5	Kg
<u>Fabric</u>			
218	Yarns of different colors	1.0	M2
219	Duck	1.0	M2
220	Fabric of special weave	1.0	M2
222	Knit fabric	12.3	Kg
223	Non-woven fabrics	14.0	Kg
224	Pile and tufted fabrics	1.0	M2
225	Denim	1.0	M2
226	Cheesecloth, batistes, etc.	1.0	M2
227	Oxford cloth	1.0	M2
229	Special purpose fabric	13.6	Kg
313	Sheeting	1.0	M2
314	Poplin and broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
410	Woven fabrics containing 36 percent or more by weight wool	1.0	M2
414	Other wool fabrics	2.8	Kg
611	Staple artificial fabric, by weight, 85 percent or more	1.0	M2
613	Sheeting	1.0	M2
614	Poplin and broadcloth	1.0	M2
615	Printcloth	1.0	M2
617	Twills and sateens	1.0	M2
618	Cellulosic filament	1.0	M2

619	Non-cellulosic filament, poly	1.0	M2
620	Other non-cellulosic filament	1.0	M2
621	Impression	14.4	Kg
622	Filament glass fiber	1.0	M2
624	Man-made fiber fabric, woven, containing more than 15 percent but less than 36 percent wool	1.0	M2
625	Poplin and broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills and sateens	1.0	M2
629	Other MMF	1.0	M2
810	Fabric	1.0	M2

Apparel

239	Infants wear	6.3	Kg
330	Handkerchiefs	1.4	doz
331	Gloves and mittens	2.9	dpr
332	Hosiery	3.8	dpr
333	M and B suit-type coats	30.3	doz
334	Other M and B coats	34.5	doz
335	W and G coats	34.5	doz
336	Dresses	37.9	doz
337	Playsuits, sunsuits, etc.	20.9	doz
338	M and B knit shirts	6.0	doz
339	W and G knit shirts & blouses	6.0	doz
340	M and B shirts, not knit	20.1	doz
341	W & G shirts & blouses, not knit	12.1	doz
342	Skirts	14.9	doz
345	Sweaters	30.8	doz
347	M & B trousers, slacks & shorts	14.9	doz
348	W & G trousers, slacks & shorts	14.9	doz
349	Brassieres and body supporting garments	4.0	doz
350	Dressing gowns, etc.	42.6	doz
351	Nightwear and pajamas	43.5	doz
352	Underwear	9.2	doz
353	M and B down-filled coats	34.5	doz
354	W and G down-filled coats	34.5	doz
359	Other cotton apparel	8.5	Kg
431	Gloves and mittens	1.8	dpr
432	Hosiery	2.3	dpr
433	M and B suit-type coats	30.1	doz
434	Other M and B coats	45.1	doz
435	W and G coats	45.1	doz
436	Dresses	41.1	doz
438	Knit shirts and blouses	12.5	doz
439	Infants' wear	6.3	Kg
440	Shirts and blouses, not knit	20.1	doz
442	Skirts	15.0	doz

443	M and B suits	3.76	nos
444	W and G suits	3.76	nos
445	M and B sweaters	12.4	doz
446	W and G sweaters	12.4	doz
447	M & B trousers, slacks & shorts	15.0	doz
448	W & G trousers, slacks & shorts	15.0	doz
459	Other wool apparel	3.7	Kg
630	Handkerchiefs	1.4	doz
631	Gloves and mittens	2.9	dpr
632	Hosiery	3.8	dpr
633	M and B suit-type coats	30.3	doz
634	Other M and B coats	34.5	doz
635	W and G coats	34.5	doz
636	Dresses	37.9	doz
637	Playsuits, sunsuits, etc.	17.8	doz
638	M and B knit shirts	12.96	doz
639	W and G knit shirts and blouses	12.96	doz
640	M and B shirts, not knit	20.1	doz
641	W and G shirts and blouses, not knit	12.1	doz
642	Skirts	14.9	doz
643	M and B suits	3.76	nos
644	W and G suits	3.76	nos
645	M and B sweaters	30.8	doz
646	W and G sweaters	30.8	doz
647	M & B trousers, slacks & shorts	14.9	doz
648	W & G trousers, slacks & shorts	14.9	doz
649	Brassieres and body supporting garments	4.0	doz
650	Dressing gowns, etc.	42.6	doz
651	Nightwear and pajamas	43.5	doz
652	Underwear	13.4	doz
653	M and B down-filled coats	34.5	doz
654	W and G Down-filled coats	34.5	doz
659	Other Man-made fiber apparel	14.4	Kg
831	Gloves and mittens	2.9	dpr
832	Hosiery	3.8	dpr
833	M and B suit-type coats	30.3	doz
834	Other M and B coats and jackets	34.5	doz
835	W and G coats and jackets	34.5	doz
836	Dresses	37.9	doz
838	Knit Shirts, blouses and tops	11.7	doz
839	Infants' wear	6.3	Kg
840	Not knit shirts and blouses	16.7	doz
842	Skirts	14.9	doz
843	M and B suits	3.76	nos
844	W and G suits	3.76	nos
845	Sweaters of vegetable fiber	30.8	doz
846	Sweaters of silk blend	30.8	doz
847	Trousers, slacks, and shorts	14.9	doz
850	Robes and dressing gowns	42.6	doz

851	Nightwear and pajamas	43.5	doz
852	Underwear	11.3	doz
858	Neckwear	6.6	Kg
859	Other apparel	12.5	Kg

Made-up and Miscellaneous Textiles

360	Pillowcases	0.9	nos
361	Sheets	5.2	nos
362	Bedsread and quilts	5.8	nos
363	Terry and other pile towels	0.4	nos
369	Cotton manufactures, not specified [nspf]	8.5	Kg
464	Blankets	2.4	Kg
465	Floor Coverings	1.0	M2
469	Wool manufactures, nspf	3.7	Kg
665	Floor coverings	1.0	M2
666	Other furnishings	14.4	Kg
669	Man-made fiber manufactures, nspf	14.4	Kg
670	Flat goods, handbags, luggage	3.7	Kg
863	Towels	0.4	Nos
870	Luggage	3.7	Kg
871	Handbags and Flatgoods	3.7	Kg
899	Other made-ups	11.1	Kg

Annex B

Group I
Specific Limits

<u>Category</u>	<u>Unit</u>	<u>1988</u> <u>Limit</u>	<u>1989</u> <u>Limit</u>	<u>1990</u> <u>Limit</u>	<u>1991</u> <u>Limit</u>
200	lbs	1,120,000	1,164,800	1,211,392	1,259,848
218	syd	10,444,000	10,736,432	11,037,052	11,346,090
219	syd	2,214,500	2,280,935	2,349,363	2,419,844
226	syd	9,185,193	9,460,749	9,744,571	10,036,908
300/301	lbs	7,000,000	7,175,000	7,354,375	7,538,234
239	lbs	3,780,000	3,893,400	4,010,202	4,130,508
313	syd	51,432,610	52,872,723	54,353,159	55,875,048
314	syd	28,888,847	29,755,512	30,648,178	31,567,623
315	syd	177,250,000	179,500,000	182,500,000	186,250,000
317/326	syd	18,163,282	18,889,813	19,645,406	20,431,222
326	syd	3,500,000	3,640,000	3,785,600	3,937,024
331	dpr	4,070,893	4,193,020	4,318,810	4,448,375
333	doz	67,000	70,350	73,868	77,561
334	doz	243,700	253,448	263,586	274,129
335	doz	325,000	333,775	342,787	352,042
336	doz	130,000	133,900	137,917	142,055
337	doz	1,059,000	1,111,950	1,167,548	1,225,925
338/339	doz	1,976,000	2,045,160	2,116,741	2,190,827
338-S/339-S	doz	1,500,000	1,552,500	1,606,837	1,663,077
340	doz	718,000	734,514	751,408	768,690
(Y-dyed ex. flannel)		359,000	367,257	375,704	384,345
341	doz	560,000	575,680	591,799	608,369
341-Y	doz	336,000	345,408	355,079	365,022
342	doz	222,000	227,550	233,239	239,070
345	doz	105,000	109,200	113,568	118,111
347/348	doz	2,066,000	2,127,980	2,191,819	2,257,574
350	doz	114,000	119,700	125,685	131,969
351	doz	370,000	388,500	407,925	428,321
352	doz	1,431,000	1,495,395	1,562,688	1,633,009
359-C	lbs	920,000	964,160	1,010,440	1,058,941
359-D	lbs	1,270,000	1,308,100	1,347,343	1,387,763
359-V	lbs	1,490,000	1,534,700	1,580,741	1,628,163
360	nos	5,834,950	6,009,999	6,190,298	6,376,007
360-P	nos	3,980,000	4,099,400	4,222,382	4,349,053
361	nos	3,216,000	3,328,560	3,445,060	3,565,637
363	nos	24,500,000	25,357,500	26,245,013	27,163,588
369-D	lbs	8,600,000	8,772,000	8,947,440	9,126,389
369-H	lbs	8,500,000	8,729,500	8,965,197	9,207,257

369-L	lbs	5,000,000	5,250,000	5,512,500	5,788,125
410	syd	2,185,000	2,206,850	2,228,919	2,251,208
410-A*	syd	1,751,512	1,769,027	1,786,717	1,804,585
410-B#	syd	1,751,512	1,769,027	1,786,717	1,804,585
433	doz	21,500	21,715	21,932	22,151
434	doz	12,250	12,373	12,496	12,621
435	doz	22,500	22,725	22,952	23,182
436	doz	14,000	14,140	14,281	14,424
438	doz	24,500	24,745	24,992	25,242
440	doz	35,000	35,350	35,704	36,061
440-M	doz	20,000	20,200	20,402	20,606
442	doz	39,000	39,390	39,784	40,182
443	nos	126,000	127,260	128,533	129,818
444	nos	187,320	189,193	191,085	192,996
445/446	doz	270,000	272,700	275,427	278,181
447	doz	72,745	73,472	74,207	74,949
448	doz	20,000	20,200	20,402	20,606
607	lbs	5,500,000	5,665,000	5,834,950	6,009,999
613	syd	7,000,000	7,210,000	7,426,300	7,649,089
614	syd	11,000,000	11,330,000	11,669,900	12,019,997
615	syd	21,000,000	21,630,000	22,278,900	22,947,267
617	syd	16,000,000	16,480,000	16,974,400	17,483,632
631	dpr	862,570	910,011	960,062	1,012,865
634	doz	471,000	487,485	504,547	522,206
635	doz	492,000	509,220	527,043	545,489
636	doz	400,000	420,800	442,682	465,701
637	doz	276,210	282,563	289,062	295,710
638/639	doz	2,100,000	2,142,000	2,184,840	2,228,537
640	doz	1,240,000	1,274,720	1,310,412	1,347,104
640-Y	(1987 trade level)				
641	doz	1,053,000	1,095,120	1,138,925	1,184,482
642	doz	260,000	266,500	273,163	279,992
645/646	doz	722,000	740,050	758,551	777,515
647	doz	1,069,919	1,112,716	1,157,225	1,203,514
648	doz	1,035,081	1,071,309	1,108,805	1,147,613
649	doz	679,000	706,160	734,406	763,783
650	doz	90,464	92,997	95,601	98,278
651	doz	568,000	593,560	620,270	648,182
651-B	doz	100,000	104,500	109,203	114,117
652	doz	1,947,000	2,024,880	2,105,875	2,190,110
659-C	lbs	719,600	739,749	760,462	781,755
659-H	lbs	4,650,880	4,836,915	5,030,392	5,231,607
659-S	lbs	1,076,250	1,103,156	1,130,735	1,159,004
659-S	doz	410,782	421,052	431,578	442,367
669-P	lbs	2,970,000	3,148,200	3,337,092	3,537,318
670-L	lbs	26,000,000	27,040,000	28,121,600	29,246,464

831	dpr	379,965	395,544	411,761	428,643
833	doz	20,700	21,425	22,174	22,950
835	doz	95,000	98,895	102,950	107,171
840	doz	369,555	384,707	400,480	416,899
842	doz	207,000	214,245	221,744	229,505
845	doz	2,100,000	2,158,800	2,219,246	2,281,385
846	doz	140,000	144,200	148,526	152,982
847	doz	1,009,125	1,044,444	1,081,000	1,118,835

* Category 410-A is composed of woolens.
Category 410-B is composed of worsted.

Group II
Cotton, Wool and
Man-Made Fiber Apparel
Not Subject to Specific Limits
in Group I.

Unit	1988 Limit	1989 Limit	1990 Limit	1991 Limit
SYE	121,800,000	122,380,000	129,110,900	136,212,000

Group III
Cotton, Wool and
Man-Made Fiber Non-Apparel
Not Subject To Specific Limits
in Group I.

Unit	1988 Limit	1989 Limit	1990 Limit	1991 Limit
SYE	330,750,000	331,380,000	348,611,760	366,739,572

Group IV
New MFA Fiber Apparel
Not Subject to Specific Limits
in Group I.

Unit	1988 Limit	1989 Limit	1990 Limit	1991 Limit
SYE	24,000,000	25,440,000	26,966,400	28,584,384

NOTE OF THE PEOPLE'S REPUBLIC OF CHINA

His Excellency,
Ambassador Clayton Yeutter
United States Trade Representative

Excellency:

I was honored to receive Your Excellency's note of February 2, 1988. The contents of that note are as follows:

[Same as text of United States note]

On behalf of the Government of the People's Republic of China, I am honored to confirm that the above articles conform with the understanding of the Government of the People's Republic of China, and agree that Your Excellency's note and this note constitute an agreement between the Governments of our two countries.

I take this opportunity to renew to you assurances of my highest consideration.

[Signed] Zheng Tuobin
Minister,
Ministry of Foreign Economic
Relations and Trade
People's Republic of China

February 2, 1988