

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1444*

13 February 1989

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral agreement between the United States and Sri Lanka

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with Sri Lanka for the period 1 June 1988 to 30 June 1992.¹

The TSB, pursuant to its² procedures regarding bilateral agreements notified under Article 4,² has examined the relevant documentation, and is forwarding the text³ of the notification to participating countries for their information.

¹The previous bilateral agreement and amendments are contained in COM.TEX/SB/913, 1107, 1132, 1187, 1331 and 1348.

²See COM.TEX/SB/35, Annex B

³For the TSB's observations on this notification, see COM.TEX/SB/1450.

* English only/Anglais seulement/Inglés solamente

THE UNITED STATES AND SRI LANKA SIGN
NEW BILATERAL TEXTILE AGREEMENT

The United States and Sri Lanka exchanged notes in Colombo dated May 23, 1988 and May 24, 1988 to establish a new bilateral textile agreement concerning Trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products. The texts of the notes follow:

UNITED STATES NOTE

Colombo, May 23, 1988

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 protocols adopted respectively on December 14, 1977, December 22, 1981 and July 31, 1986, at Geneva (hereinafter referred to as The Arrangement) and to discussions between the Governments of the United States of America and Sri Lanka held in Washington, D.C. on March 21-23, 1988 concerning cotton, wool, man-made fiber textiles and textile products and apparel of silk blends and vegetable fibers other than cotton manufactured in Sri Lanka and exported to the United States. As a result of these discussions the Embassy has the honor to propose, on behalf of the Government of the United States, the following agreement relating to trade in textiles and textile products between the Government of the United States of America and the Government of Sri Lanka.

AGREEMENT TERM

1. The term of this agreement will be from June 1, 1988 through June 30, 1992. Each "agreement period" shall be a twelve-month period from July 1 of a given year to June 30 of the following year, except for the first agreement period, which shall be the period from June 1, 1988 through June 30, 1989. The twelve-month limits for the first agreement period which appear in Annexes B(1) and B(2) shall be prorated to thirteen months .

CLASSIFICATION

Until adoption by the United States of the Harmonized Commodity Code (HCC), the following language will apply:

2. (A) Textiles and textile products subject to this agreement are those set forth in Annexes A(1) and A(2). Tops, yarns, piece goods, madeup articles, garments, and other textile manufactured products which derive their chief characteristics from their textile components as described below, of cotton, wool, man-made fiber, or blends thereof, in which any or all of those 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.

(B) For the purposes of this agreement, textile products shall be classified as cotton, wool, or man-made fiber textiles if wholly or in chief value of any of these fibers. Any product covered by sub-paragraph (A) above 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 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.

(C) Tops, yarns, piece goods, madeup articles, garments, and other textile manufactured products which derive their chief characteristics from their textile components as described below, of cotton, wool, man-made fiber, silk blend, and other vegetable fiber, or blends thereof, in which (1) the chief value is silk and/or other vegetable fiber or (2) 50 percent or more by weight is silk or other vegetable fiber or (3) 50 percent or more by weight of a combination of silk, vegetable fiber, cotton, wool or man-made fiber, are subject to this agreement.

For the purposes of this agreement, such products shall be classified as silk blend and other vegetable fiber. Notwithstanding the above, garments which contain 70 percent or more silk by weight, and products other than garments which contain 85 percent or more silk by weight are not subject to this agreement.

* Silk blend and other vegetable fiber sweaters, as determined above, shall be divided into "silk blend" sweaters and "other vegetable fiber" sweaters. For the purpose of this division, sweaters shall be classified as "silk blend" sweaters if the silk component exceeds by weight the "other vegetable fiber" component. Sweaters

not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "other vegetable fiber" sweaters.

(D) For the purpose of the application of sub-paragraphs (A), (B) and (C) above, a product shall first be considered under the provisions of sub-paragraphs (A) and (B) and, only in the event of those two sub-paragraphs not applying, shall it then fall to be considered under sub-paragraph (C). If sub-paragraph (C) does apply to the product in question, it shall accordingly be classified under that sub-paragraph.

Upon adoption by the United States of the Harmonized Commodity Code (HCC), the following language will apply:

2. (A) Textiles and textile products subject to this agreement are those set forth in Annex A(2). 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-blends and non-cotton vegetable fibers, or blends thereof, in which any or all of those fibers in combination represent the chief weight of the product, are subject to this agreement. Components of an article which are not considered relevant to the classification under the General Rules of Interpretation of the Legal Notes to Section XI of the Harmonized System are likewise to be disregarded here.

(B) For the purposes of this agreement, textile products covered by sub-paragraph 2(A) above shall be classified as:

(i) 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.

(ii) Cotton textiles if not covered by (B)(i) 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.

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

(iv) Silk 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 component, in which case the products will be a cotton textile.

(b) If not covered by (iv)(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 (iv)(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.

(v) 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 and "non-cotton vegetable fiber" sweaters, as determined above, shall be divided into "silk" sweaters and "non-cotton vegetable fiber" sweaters. For the purpose of this division, sweaters shall be classified as "silk" if the silk component exceeds by weight the non-cotton vegetable fiber component (if any). Sweaters not classified as "silk" 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 sub-paragraph (B) (iv) (b).

(C) Coverage under this paragraph is intended to be identical with the terms of Article 12 of The Arrangement regarding international trade in textiles and in conformance with paragraph 24 of 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 in chief weight of cotton, wool,

man-made fiber, silk, or non-cotton vegetable fiber, the chief value of the fibers may be considered.

IMPLEMENTATION

Until adoption by the United States of the Harmonized Commodity Code (HCC), the following language will apply:

3. The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A(1) shall apply in implementing this agreement. For purposes of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex A(1) shall be applied.

Upon adoption by the United States of the Harmonized Commodity Code (HCC), the following language will apply:

3. The system of categories and the rates of conversion into square meters listed in Annex A(2) shall apply in implementing this agreement. For purposes of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex A(2) shall be applied.

MERGED CATEGORIES

4. For purposes of this agreement, and in recognition of the patterns of trade between Sri Lanka and the United States, the categories below are merged and treated as single categories, as indicated (with specific limits and sub-limits as listed in Annexes B(1) and B(2)). The rates of conversion for individual categories set in Annex A(1) and A(2) shall be applied, except as stated below:

MERGED CATEGORIES	CONVERSION FACTORS	
	CURRENT SYSTEM	HCC SYSTEM
331/631	3.5	2.9
333/633	36.2	30.3
335/835	41.3	34.5
337/637	23.0	19.2
338/339	7.2	6.0
338/339 (other than T-shirts and tank tops)	7.2	6.0
342/642/842	17.8	14.9
345/845	36.8	30.8
347/348/847	17.8	17.8
350/650	51.0	42.6
351/651	52.0	43.5
352/652	13.5	11.3
359/659-Coveralls	5.5	10.1
445/446	14.88	12.4
636/836	45.3	37.9
638/639/838	15.5	13.0
645/646	36.8	30.8
647/648	17.8	14.9

PART-CATEGORIES

5. For purposes of this agreement, and in recognition of the patterns of trade between Sri Lanka and the United States, the following categories summarized in Annex A(1) and A(2) contain part-categories. The rates of conversion for the individual categories set in Annexes A(1) and A(2) shall be applied.

CATEGORY	DESIGNATION IN AGREEMENT	DESCRIPTION
369	369-D	Dishtowels
369	369-S	Shoptowels
369	369-O	Other
340	340-Y	(Men's and boy's shirts made of fabric with two or more colors in the warp and/or filling)
340	340-O	Other
341	341-Y	(Women's and Girl's shirts and blouses made of fabric with two or more colors in the warp and/or filling)
341	341-O	Other
338/339	338-S/339-S	Other than T-shirts and tank tops
338/339	338-O/338-O	Other
359/659	359-C/659-C	Coveralls
359/659	359-O/659-O	Other

SPECIFIC LIMITS

6. Commencing with the first agreement period and during the subsequent term of this agreement, the Government of Sri Lanka shall limit annual exports of textiles and textile products of Sri Lanka to the United States to the specific limits set out in Annexes B(1) or B(2), as such

limits may be adjusted in accordance with paragraphs 7 and 8. The specific limits and sub-limits in Annexes B(1) and B(2) include growth, but do not include flexibility under paragraphs 7 and 8. Exports of textiles and textile products of Sri Lanka are subject to limits for the agreement period in which exported.

FLEXIBILITY (CARRYOVER/CARRYFORWARD)

7. (A) The extent to which any specific limit or sub-limit set out in Annexes B(1) or B(2) may be exceeded in any agreement period by carryover (the use of any unused yardage (shortfall) of the corresponding limit from the previous period) and/or carryforward (borrowing a portion of the corresponding limit from the succeeding agreement period) is 11 percent, of which carryforward shall not constitute more than six percent.

(B) For purposes of this agreement, a shortfall occurs when exports of textiles or textile products of Sri Lanka to the United States during an agreement period (plus any charges for overshipments made in the preceding years) are below any applicable limit set out in Annexes B(1) or B(2), as decreased pursuant to paragraphs 6 and 7, or adjusted downwards for overshipments or other mutually agreed upon amendments. In the agreement period following the shortfall, such products of Sri Lanka exported 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 any applicable limit;

(ii) The shortfall shall be used in the category in which the shortfall occurred; and

(iii) Carryover of shortfall may be used as available up to 11 percent of the receiving agreement period's applicable limit or sub-limit.

(C) No carryover shall be available for application during the first agreement period. No carryforward shall be available for application during the last agreement period.

FLEXIBILITY (SWING)

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

AUTOMATIC FLEXIBILITY

9. The Government of the United States of America may apply flexibility under paragraph 7 to any specific limit and sub-limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of this agreement. The Government of the United States will inform the Government of Sri Lanka of adjustments implemented under the provisions of this paragraph. 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 agreement period's limit. This procedure will not prejudice the outcome of any consultations that may be held between the two governments concerning the amounts of available carryover and the carryforward used.

CONSULTATION MECHANISM

10. (A) In the event that the Government of the United States believes that imports of cotton, wool, man-made fiber textiles and textile products, and garments made of vegetable fiber other than cotton or silk of Sri Lanka in any category or any product not covered by specific limits listed in Annex A(1) or A(2) are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of Sri Lanka with a view to avoiding such market disruption or the threat thereof. The Government of the United States, at the time of the request, shall provide the Government of Sri Lanka with a detailed factual statement of the reasons and justification for its request for consultations, with current data, which in the view of the Government of the United States demonstrates:

- (i) The existence or threat of market disruption, as defined in Annex A of The Arrangement, and
- (ii) The role of products of Sri Lanka in that disruption or threat of disruption.

(B) Both governments agree to consult within 30 days of receipt of a 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 this period is extended by mutual agreement.

(C) (i) Upon the receipt of the request for consultations, and for the period remaining in the agreement year in which the request is made, the Government of Sri Lanka 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 20 percent (six percent for wool product categories) above the amount entered, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen months preceding the month in which the request for consultations was made, prorated for the number of months remaining in the year.

(ii) 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 Sri Lanka agrees to hold its shipments to the United States 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 20 percent (six percent for wool product categories) above the amount entered, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen 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 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) (i) 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.

(ii) For each remaining agreement year any restraint limit established under this provision will be increased by six percent growth per year (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. Carryover will not be available in the first of the remaining agreement years.

OVERSHIPMENT CHARGES

11. (A) Imports of textiles and textile products of Sri Lanka in excess of authorized levels in any agreement period may be denied entry into the United States. Any such shipments denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement period. The Government of the United States shall inform the Government of Sri Lanka of any such charges.

(B) Any action taken pursuant to this paragraph shall not prejudice the rights of either government regarding consultations.

SPACING PROVISION

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

U.S. ASSISTANCE IN IMPLEMENTATION
OF THE LIMITATION PROVISIONS

13. Both governments shall take appropriate measures of export and import control to implement the limitation provisions of the agreement. The Government of the United States may assist the Government of Sri Lanka in implementing the limitation provisions of the agreement by controlling its imports of textiles covered by the agreement.

EXCHANGE OF DATA

14. Upon request, the Government of the United States of America shall promptly supply the Government of Sri Lanka with monthly data on imports into the United States of textiles and textile products of Sri Lanka. Upon request, the Government of Sri Lanka shall promptly supply, the Government of the United States of America with data on monthly exports of textiles and textile products of Sri Lanka to the United States. Each government agrees to supply promptly any other available statistical data necessary for the implementation of this agreement.

ADMINISTRATIVE ARRANGEMENTS

15. 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."

CONSULTATION ON IMPLEMENTATION QUESTIONS

16. The Government of the United States of America and the Government of Sri Lanka, upon the request of the other, agree to consult on any question arising in the implementation of this agreement.

RIGHT TO PROPOSE REVISIONS TO THE AGREEMENT

17. The Government of the United States and the Government of Sri Lanka may at any time propose revisions in the terms of this agreement. Each government 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

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

AGREEMENT CIRCUMVENTION

19. Both governments shall take actions as are necessary to prevent circumvention of this agreement, in conformity with Article 8 of The Arrangement and paragraph 16 of the 1986 Protocol of Extension to The Arrangement.

ARTICLE 3 OF THE ARRANGEMENT

20. 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 consultations to restrain exports of cotton, wool and man-made fiber textiles and textile products and garments of silk blends and vegetable fibers other than cotton covered by this agreement of Sri Lanka to the United States. Each government reserves its rights under The Arrangement with respect to textiles and textile products not subject to this agreement.

CORRECT CATEGORY/CORRECT QUANTITY VISA SYSTEM

21. (A) Both governments agree to continue the correct category/correct quantity administrative visa arrangement.

(B) Subject to the establishment of a mutually agreed upon certification system, and in accordance with Article 12, paragraph 3 of The Arrangement, exports of Sri Lankan handloom fabrics of the cottage industry or hand-made cottage industry products made of such handloom fabrics, or items in an agreed list of traditional folklore handicraft textile products, will not be subject to the provisions of this agreement.

(C) Both governments 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.

PROVISION FOR HARMONIZED COMMODITY CODE

22. In accordance with paragraph 18 of the 1986 Protocol of Extension of The Arrangement, the United States Government reaffirms its willingness to consult promptly with the Government of Sri Lanka regarding any questions of implementation or interpretation which may arise as a result of the adoption by the United States Government of the Harmonized Commodity Code. The United States Government also reaffirms that these changes are intended to be trade neutral and that they are not intended to alter the ability of Sri Lanka to use or benefit fully from the agreement.

RIGHT TO TERMINATE THE AGREEMENT

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

If the foregoing is acceptable to the Government of Sri Lanka, then this note and your note of confirmation on behalf of the Government of Sri Lanka, shall constitute an Agreement between our two governments.

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

Enclosures:

1. Annex A(1)
2. Annex A(2)
3. Annex B(1)
4. Annex B(2)

ANNEX A(1)

INTERIM CATEGORY SYSTEM
Effective January 1, 1988

Categories numbered in the:
 200 series are of cotton and/or man-made fiber.
 300 series are of cotton.
 400 series are of wool.
 600 series are of man-made fiber.
 800 series are of vegetable fiber (other than
 cotton) and silk blends.

CATEGORY	DESCRIPTION	CONVERSION FACTOR TO SQUARE YARDS	UNIT
<u>YARN</u>			
200	Yarns Put Up For Retail Sale, & Sewing Thread	3.6	lbs
201	Specialty Yarns	3.5	lbs
300	Carded Yarns	4.6	lbs
301	Combed Yarns	4.6	lbs
400	Wool Yarns	2.0	lbs
600	Textured Filament Yarns	3.5	lbs
603	Yarn Of Artificial Staple Fiber	3.4	lbs
604	Yarn Of synthetic Staple Fiber	4.1	lbs
606	Non-Textured Filament	10.9	lbs
607	Other Staple Yarn	3.5	lbs
<u>FABRIC</u>			
218	Of 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	lbs
223	Non-Woven Fabrics	7.6	lbs
224	Pile & Tufted Fabrics	1.0	syd
225	Denim	1.0	syd
226	Cheesecloth, Batistes, Lawns or Voiles	1.0	syd
227	Oxford Cloth	1.0	syd
229	Special Purpose Fabric	7.4	lbs
313	Sheeting	1.0	syd
314	Poplin & Broadcloth	1.0	syd
315	Printcloth	1.0	syd
317	Twills	1.0	syd
326	Sateens	1.0	syd
410	Woven Fabrics	1.0	syd
414	Other Wool Fabrics	1.5	lbs
611	Woven Fabrics of Artificial Staple Fiber	1.0	syd

CATEGORY	DESCRIPTION	CONVERSION FACTOR TO SQUARE YARDS	UNIT
613	Sheeting	1.0	syd
614	Poplin & Broadcloth	1.0	syd
615	Printcloth	1.0	syd
617	Twills & Sateens		
	Artificial	1.0	syd
618	Woven Cellulosic Filament	1.0	syd
619	Polyester Filament Fabric, Less Than 5 oz Per Syd	1.0	syd
620	Other Synthetic Filament Fabric	1.0	syd
621	Impression Fabric	7.8	lbs
622	Glass Fiber Fabric	1.0	syd
624	Man-made Fiber Fabric, Woven More Than 17 Percent Containing Wool	1.0	syd
	<u>Staple/Filament Combinations:</u>		
625	Poplin & Broadcloth	1.0	syd
626	Printcloth	1.0	syd
627	Sheeting	1.0	syd
628	Twills & Sateens	1.0	syd
629	Other	1.0	syd
	<u>APPAREL</u>		
239	Infants' sets	3.4	lbs
330	Handkerchiefs	1.7	doz
331	Gloves & Mittens	3.5	dpr
332	Hosiery	4.6	dpr
333	M & B Suit-type Coats	36.2	doz
334	Other M & B Coats	41.3	doz
335	W & G Coats	41.3	doz
336	Dresses	45.3	doz
337	Playsuits, Sunsuits, Etc.	25.0	doz
338	M & B knit Shirts	7.2	doz
339	W & G Knit Shirts & Blouses	7.2	doz
340	M & B Shirts, Not Knit	24.0	doz
341	W & G Knit Shirts & Blouses, Not Knit	14.5	doz
342	Skirts	17.8	doz
345	Sweaters	36.8	doz
347	M & B Trousers, Slacks, & Shorts	17.8	doz
348	W & G Trousers, Slacks & Shorts	17.8	doz
349	Brassieres & Body Supporting Garments	4.8	doz
350	Dressing Gowns, Etc.	51.0	doz
351	Nightwear & Pajamas	52.0	doz
352	Underwear	11.0	doz

CATEGORY	DESCRIPTION	CONVERSION FACTOR TO SQUARE YARDS	UNIT
353	M & B Down-Filled Coats	41.3	doz
354	W & G Down-Filled Coats	41.3	doz
359	Other Cotton Apparel	4.6	lbs
431	Gloves & Mittens	2.1	dpr
432	Hosiery	2.8	dpr
433	M & B Suit-type Coats	36.0	doz
434	Other M & B Coats	54.0	doz
435	W & G Coats	54.0	doz
436	Dresses	49.2	doz
438	Knit Shirts & Blouses	15.0	doz
440	Shirts & Blouses, Not Knit	24.0	doz
442	Skirts	18.0	doz
443	M & B Suits	4.5	nos
444	W & G Suits	4.5	nos
445	M & B Sweaters	14.88	doz
446	W & G Sweaters	14.88	doz
447	M & B Trousers, Slacks & Shorts	18.0	doz
448	W & G Trousers, Slacks, & Shorts	18.0	doz
459	Other Wool Apparel	2.0	lbs
630	Handkerchiefs	1.7	doz
631	Gloves & Mittens	3.5	dpr
632	Hosiery	4.6	dpr
633	M & B Suit-Type Coats	36.2	doz
634	Other M & B Coats	41.3	doz
635	W & G Coats	41.3	doz
636	Dresses	45.3	doz
637	Playsuits, Sunsuits, Etc.	21.3	doz
638	M & B Knit Shirts	18.0	doz
639	W & G Knit Shirts & Blouses	15.0	doz
640	M & B Shirts, Not Knit	24.0	doz
641	W & G Shirts & Blouses, Not Knit	14.5	doz
642	Skirts	17.8	doz
643	M & B Suits	4.5	nos
644	W & G Suits	4.5	nos
645	M & B Sweaters	36.8	doz
646	W & G Sweaters	36.8	doz
647	M & B Trousers, Slacks, & Shorts	17.8	doz
648	W & G Trousers, Slacks, & Shorts	17.8	doz
649	Brassieres & Body Supporting Garments	4.8	doz

CATEGORY	DESCRIPTION	CONVERSION FACTOR TO SQUARE YARDS	UNIT
650	Dressing Gowns, Etc.	51.0	doz
651	Nightwear & Pajamas	52.0	doz
652	Underwear	16.0	doz
653	M & B Down-Filled Coats	41.3	doz
654	W & G Down-Filled Coats	41.3	doz
659	Other Man-made Fiber Apparel	7.8	lbs
831	Gloves & Mittens	3.5	dpr
832	Hosiery	4.6	dpr
833	M & B Suit-type Coats	36.2	doz
834	Other M & B Coats & Jackets	41.3	doz
835	W & G Coats	41.3	doz
836	Dresses	45.3	doz
838	Knit Shirts, Blouses & Tops	14.0	doz
840	Non-Knit Shirts & Blouses	20.0	doz
842	Skirts	17.8	doz
843	M & B Suits	4.5	nos
844	W & G Suits	4.5	nos
845	Sweaters of Other Non-cotton Vegetable Fibers	36.8	doz
846	Sweaters Of Silk	36.8	doz
847	Trousers, Slacks, & Shorts	17.8	doz
850	Robes & Dressing Gowns	51.0	doz
851	Nightwear & Pajamas	52.0	doz
852	Underwear	13.5	doz
858	Neckwear	3.6	doz
859	Other Apparel	6.8	lbs
<u>Made-up & Miscellaneous Textiles</u>			
360	Pillowcases	1.1	nos
361	Sheets	6.2	nos
362	Bedspread & Quilts	6.9	nos
363	Terry & Other Pile Towels	0.5	nos
369	Cotton Manufactures, Not Specified [nspf]	4.6	lbs
464	Blankets	1.3	lbs
465	Floor Coverings	0.1	sft
469	Wool Manufactures, nspf	2.0	lbs
665	Floor Coverings	0.1	sft
666	Other Furnishings	7.8	lbs
669	Man-made Fiber Manufactures, nspf	7.8	lbs
670	Flat Goods, Handbags, Luggage	2.0	lbs

ANNEX A(2)

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

Categories numbered in the:

200 series are of cotton and/or man-made fiber.
300 series are of cotton.
400 series are of wool.
600 series are of man-made fiber.
800 series are of silk blends or other
non-cotton vegetable fibers.

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT
	<u>YARN</u>		
200	Yarns Put Up For Retail Sale, & Sewing Thread	6.6	kg
201	Speciality Yarns	6.5	kg
300	Carded Yarns, Cotton	8.5	kg
301	Combed Yarns, Cotton	8.5	kg
400	Wool Yarn	3.7	kg
600	Textured Filament Yarns, MMF	6.5	kg
603	Yarn Containing 85% Or More By Weight Artificial Staple Fiber	6.3	kg
604	Yarn Containing 85% Or More By Weight Synthetic Staple Fiber	7.6	kg
606	Non-Textured Filament, MMF	20.1	kg
607	Other Staple Fiber Yarn, MMF	6.5	kg
	<u>FABRIC</u>		
218	Of 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 & Tufted Fabrics	1.0	M2
225	Denim	1.0	M2
226	Cheesecloth, Batistes, Lawns, Or Voiles	1.0	M2
227	Oxford Cloth	1.0	M2
229	Special Purpose Fabric	13.6	Kg
313	Sheeting	1.0	M2
314	Poplin & Broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
410	Woven Fabrics	1.0	M2
414	Other Wool Fabrics	2.8	kg

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT
611	Woven Man-Made Fiber Fabric Containing 85% Or More By Weight Artificial Staple Fibers	1.0	M2
613	Sheeting	1.0	M2
614	Poplin & Broadcloth	1.0	M2
615	Printcloth	1.0	M2
617	Twills & Sateens	1.0	M2
618	Woven Artificial Filament	1.0	M2
619	Polyester filament Fabric, Less Than 5 oz. Per Syd.	1.0	M2
620	Other Synthetic Filament Fabric	1.0	M2
621	Impression Fabric	14.4	Kg
622	Glass Fiber Fabric	1.0	M2
624	Woven Man-Made Fiber Fabric, Containing More Than 15 Percent But Less Than 36 Percent Wool Staple/Filament Combination:	1.0	M2
625	Poplin & Broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills & Sateens	1.0	M2
629	Other MMF	1.0	M2
<u>APPAREL</u>			
239	Infants' Apparel	6.3	kg
330	Handkerchiefs	1.4	doz
331	Gloves & Mittens	2.9	dpr
332	Hosiery	3.8	dpr
333	M & B Suit-Type Coats	30.3	doz
334	Other M & B Coats	34.5	doz
335	W & G Coats	34.5	doz
336	Dresses	37.9	doz
337	Playsuits, SunSuits, Etc.	20.9	doz
338	M & B Knit Shirts	6.0	doz
339	W & G Knit Shirts & Blouses	6.0	doz
340	M & 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 & Body Supporting Garments	4.0	doz
350	Dressing Gowns, Etc.	42.6	doz
351	Nightwear & Pajamas	43.5	doz
352	Underwear	9.2	doz
353	M & B Down-Filled Coats	34.5	doz
354	W & G Down-Filled Coats	34.5	doz

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT
359	Other Cotton Apparel	8.5	kg
431	Gloves & Mittens	1.8	dpr
432	Hosiery	2.3	dpr
433	M & B Suit-Type Coats	30.1	doz
434	Other M & B Coats	45.1	doz
435	W & G Coats	45.1	doz
436	Dresses	41.1	doz
438	Knit Shirts & Blouses	12.5	doz
439	Infants' Wear	6.3	kg
440	Shirts & Blouses, Not Knit	20.1	doz
442	Skirts	15.0	doz
443	M & B Suits	3.76	nos
444	W & G Suits	3.76	nos
445	M & B Sweaters	12.4	doz
446	W & 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 & Mittens	2.9	dpr
632	Hosiery	3.8	dpr
633	M & B Suit-Type Coats	30.3	doz
634	Other M & B Coats	34.5	doz
635	W & G Coats	34.5	doz
636	Dresses	37.9	doz
637	Playsuits, Sun suits, Etc.	17.8	doz
638	M & B Knit Shirts	15.0	doz
639	W & G Knit Shirts & Blouses	12.5	doz
640	M & B Shirts, Not Knit	20.1	doz
641	W & G Shirts & Blouses, Not Knit	12.1	doz
642	Skirts	14.9	doz
643	M & B Suits	3.76	nos
644	W & G Suits	3.76	nos
645	M & B Sweaters	30.8	doz
646	W & 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 & Body Supporting Garments	4.0	doz
650	Dressing Gowns, Etc.	42.6	doz
651	Nightwear & Pajamas	43.5	doz
652	Underwear	13.4	doz
653	M & B Down-Filled Coats	34.5	doz
654	W & G Down-Filled Coats	34.5	doz
659	Other Man-Made Fiber Apparel	14.4	kg
831	Gloves & Mittens	2.9	dpr
832	Hosiery	3.8	dpr
833	M & B Suit-Type Coats	30.3	doz
834	Other M & B Coats & Jackets	34.5	doz

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT
835	W & G Coats & Jackets	34.5	doz
836	Dresses	37.9	doz
838	Knit Shirts, Blouses & Tops	11.7	doz
839	Infants Wear	6.3	kg
840	Not Knit Shirts & Blouses	16.7	doz
842	Skirts	14.9	doz
843	M & B Suits	3.76	nos
844	W & G Suits	3.76	nos
845	Sweaters Of Vegetable Fiber	30.8	doz
846	Sweaters Of Silk	30.8	doz
847	Trousers, Slacks, & Shorts	14.9	doz
850	Robes & Dressing Gowns	42.6	doz
851	Nightwear & Pajamas	43.5	doz
852	Underwear	11.3	doz
858	Neckwear	6.2	kg
859	Other Apparel	12.5	kg
<u>Made-up & Miscellaneous Textiles</u>			
360	Pillowcases	0.9	nos
361	Sheets	5.2	nos
362	Bedsread & Quilts	5.8	nos
363	Terry & 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

ANNEX B(1)

Interim Category System

SPECIFIC LIMITS:

CATEGORY	JUNE 1, 1988- MAY 31, 1989		JUNE 1, 1988- JUNE 30, 1989	
	TWELVE MONTH LEVELS		THIRTEEN MONTH LEVELS (PRORATED)	
331/631	1,580,000	dpr	1,711,667	dpr
333/633	32,000	doz	34,667	doz
334	225,000	doz	243,750	doz
335/835	165,000	doz	178,750	doz
336	76,000	doz	82,333	doz
337/637	170,000	doz	184,167	doz
338/339	750,000	doz	812,500	doz
(Other Than T-Shirts And Tank Tops)				
	(625,000)	doz	677,083	doz
340	590,000	doz	639,167	doz
(Yarn-Dyed Shirts)	200,000	doz	216,667	doz
341	590,000	doz	639,167	doz
(Yarn-Dyed Blouses)				
342/642/842	250,000	doz	270,833	doz
	390,000	doz	422,500	doz
345/845	101,000	doz	109,417	doz
347/348/847	780,000	doz	845,000	doz
350/630	70,000	doz	75,833	doz
351/651	165,036	doz	178,789	doz
352/652	900,000	doz	966,667	doz
359/659-				
Coveralls				
	1,500,000	lbs	1,625,000	lbs
363	7,250,000	nos	7,854,167	nos
369-Dish Towels	1,200,000	lbs	1,300,000	lbs
369-Shop Towels	1,000,000	lbs	1,093,333	lbs
434	3,000	doz	3,250	doz
435	6,500	doz	7,042	doz
442	13,678	doz	14,818	doz
445/446	95,000	doz	102,917	doz
448	6,000	doz	6,500	doz
634	150,000	doz	162,500	doz
635	220,000	doz	238,333	doz
636/836	171,000	doz	185,250	doz
638/639/838	515,000	doz	557,917	doz
640	125,000	doz	135,417	doz
641	590,000	doz	639,167	doz
644	300,000	nos	325,000	nos
645/646	120,000	doz	130,000	doz
647/648	620,000	doz	671,667	doz

Special shift of ten (10) percent shall be available between categories 334 and 634 for each agreement period.

Flexibility and growth are figured from the twelve-month base level from the 6/1/88 - 5/31/89 agreement period.

CATEGORY	JULY 1, 1989- JUNE 30, 1990		JULY 1, 1990- JUNE 30, 1991	
331/631	1,674,800	dpr	1,775,288	dpr
333/633	33,920	doz	35,955	doz
334	238,500	doz	252,810	doz
335/835	174,900	doz	185,394	doz
336	80,560	doz	85,394	doz
337/637	180,200	doz	191,012	doz
338/339	795,000	doz	842,700	doz
(Other Than T-Shirts And Tank Tops)				
	(662,500)	doz	702,250	doz
340	625,400	doz	662,924	doz
(Yarn-Dyed Shirts)	212,000	doz	224,720	doz
341	625,400	doz	662,924	doz
(Yarn-Dyed Blouses)	265,000	doz	280,900	doz
342/642/842	413,400	doz	438,204	doz
345/845	107,060	doz	113,484	doz
347/348/847	826,800	doz	876,408	doz
350/650	74,200	doz	78,652	doz
351/651	174,938	doz	185,434	doz
352/652	848,000	doz	898,880	doz
359/659				
Coveralls	1,590,000	lbs	1,685,400	lbs
363	7,685,000	nos	8,146,100	nos
369-Dish Towels	1,272,000	lbs	1,348,320	lbs
369-Shop Towels	1,060,000	lbs	1,123,600	lbs
434	3,030	doz	3,060	doz
435	6,565	doz	6,631	doz
442	13,815	doz	13,953	doz
445/446	95,950	doz	96,910	doz
448	6,060	doz	6,121	doz
634	159,000	doz	168,540	doz
635	233,200	doz	247,192	doz
636/836	181,260	doz	192,136	doz
638/639/838	545,900	doz	578,654	doz
640	132,500	doz	140,450	doz
641	625,400	doz	662,924	doz
644	318,000	nos	337,080	nos
645/646	127,200	doz	134,832	doz
647/648	657,200	doz	696,632	doz

CATEGORY	JULY 1, 1991- JUNE 30, 1992	
331/631	1,881,805	dpr
333/633	38,113	doz
334	267,979	doz
335/835	196,518	doz
336	90,517	doz
337/637	202,473	doz

CATEGORY	JULY 1, 1991- JUNE 30, 1992
338/339 (Other Than T-Shirts And Tank Tops)	893,262 doz (744,385) doz
340 (Yarn-Dyed Shirts)	702,699 doz 238,203 doz
341 (Yarn-Dyed Blouses)	702,699 doz 297,754 doz
342/642/842	464,496 doz
345/845	120,293 doz
347/348/847	928,992 doz
350/650	83,371 doz
351/651	196,561 doz
352/652	952,813 doz
359/659-Coveralls	1,786,524 lbs
363	8,634,866 nos
369-Dish Towels	1,429,219 lbs
369-Shop Towels	1,191,016 lbs
434	3,091 doz
435	6,697 doz
442	14,092 doz
445/446	97,879 doz
448	6,182 doz
634	178,652 doz
635	262,024 doz
636/836	203,664 doz
638/639/838	613,373 doz
640	148,877 doz
641	702,699 doz
644	357,305 nos
645/646	142,922 doz
647/648	738,430 doz

ANNEX B(2)

(To take effect upon adoption by the United States
of the Harmonized Commodity Code)

SPECIFIC LIMITS:

CATEGORY	JUNE 1, 1988- MAY 31, 1989		JUNE 1, 1988- JUNE 30, 1989	
	TWELVE MONTH LEVELS		THIRTEEN MONTH LEVELS (PRORATED)	
331/631	1,580,000	dpr	1,711,667	dpr
333/633	32,000	doz	34,667	doz
334	225,000	doz	243,750	doz
335/835	165,000	doz	176,750	doz
336	76,000	doz	82,333	doz
337/637	170,000	doz.	184,167	doz
338/339	750,000	doz	812,500	doz
(Other Than T-Shirts And Tank Tops)				
	(625,000)	doz	677,083	doz
340	590,000	doz	639,167	doz
(Yarn-Dyed Shirts)	200,000	doz	216,667	doz
341	590,000	doz	630,167	doz
(Yarn-Dyed Blouses)	250,000	doz	270,833	doz
342/642/842	390,000	doz	422,500	doz
345/845	101,000	doz	109,417	doz
347/348/847	780,000	doz	845,000	doz
350/650	70,000	doz	75,833	doz
351/651	165,036	doz	178,789	doz
352/652	800,000	doz	866,667	doz
359/659-Coveralls	680,389	kg	737,088	kg
363	7,250,000	nos	7,854,167	nos
369-Dish Towels	544,311	kg	589,670	kg
369-Shop Towels	453,592	kg	491,392	kg
434	3,000	doz	3,250	doz
435	6,500	doz	7,042	doz
442	13,678	doz	14,818	doz
445/446	95,000	doz	102,917	doz
448	6,000	doz	6,500	doz
634	150,000	doz	162,500	doz
635	220,000	doz	238,333	doz
636/836	171,000	doz	185,250	doz
638/639/838	515,000	doz	557,917	doz
640	125,000	doz	135,417	doz
641	590,000	doz	639,167	doz
644	300,000	nos	325,000	nos
645/646	120,000	doz	130,000	doz
647/648	620,000	doz	671,667	doz

Special shift of ten (10) percent shall be available
between categories 334 and 634 for each agreement period.

Flexibility and growth are figured from the twelve-month
base level from the 6/1/88 - 5/31/89 agreement period.

CATEGORY	JULY 1, 1989- JUNE 30, 1990	JULY 1, 1990- JUNE 30, 1991
331/631	1,674,800 dpr	1,775,288 dpr
333/633	33,920 doz	35,955 doz
334	238,500 doz	252,810 doz
335/835	174,900 doz	185,394 doz
336	80,560 doz	85,394 doz
337/637	160,200 doz	191,012 doz
338/339	795,000 doz	842,700 doz
(Other Than T-Shirts And Tank Tops)		
	(662,500) doz	702,250 doz
340	625,400 doz	662,924 doz
(Yarn-Dyed Shirts)	212,000 doz	224,720 doz
341	625,400 doz	662,924 doz
(Yarn-Dyed (Blouses)	265,000 doz	280,900 doz
342/642/842	413,400 doz	438,204 doz
345/845	107,060 doz	113,484 doz
347/348/847	826,800 doz	876,408 doz
350/650	74,200 doz	78,652 doz
351/651	174,938 doz	185,434 doz
352/652	848,000 doz	898,880 doz
359/659-Coveralls	721,212 kg	764,485 kg
363	7,685,000 nos	8,146,100 nos
369-Dish Towels	576,970 kg	611,588 kg
369-Shop Towels	480,808 kg	509,656 kg
434	3,030 doz	3,060 doz
435	6,565 doz	6,631 doz
442	13,615 doz	13,953 doz
445/446	95,950 doz	96,910 doz
448	6,060 doz	6,121 doz
634	159,000 doz	168,540 doz
635	233,200 doz	247,192 doz
636/836	181,260 doz	192,236 doz
638/639/838	545,900 doz	578,654 doz
640	132,500 doz	140,450 doz
641	625,400 doz	662,924 doz
644	318,000 nos	337,080 nos
645/646	127,200 doz	134,832 doz
647/648	657,200 doz	696,632 doz

CATEGORY	JULY 1, 1991- JUNE 30, 1992
331/631	1,881,805 dpr
333/633	38,113 doz
334	267,979 doz
335/835	196,518 doz
336	90,517 doz
337/637	202,473 doz

CATEGORY	JULY 1, 1991-	JUNE 30, 1992
338/339	893,262	doz
(Other Than T-Shirts And Tank Tops)	(744,385)	doz
340	702,699	doz
(Yarn-Dyed Shirts)	238,203	doz
341	702,699	doz
(Yarn-Dyed Blouses)	297,754	doz
342/642/842	464,496	doz
345/845	120,293	doz
347/348/847	928,992	doz
350/650	83,371	doz
351/651	196,541	doz
352/652	952,813	doz
359/659-Coveralls	810,354	kg
363	8,634,866	nos
369-Dish Towels	648,283	kg
369-Shop Towels	540,235	kg
434	3,091	doz
435	6,697	doz
442	14,092	doz
445/446	97,879	doz
448	6,182	doz
634	178,652	doz
635	262,024	doz
636/836	203,664	doz
638/639/838	613,373	doz
640	148,877	doz
641	702,699	doz
644	357,305	nos
645/646	142,922	doz
647/648	738,430	doz

SRI LANKAN NOTE

Colombo, May 24, 1988

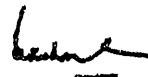
Your Excellency,

I have the honour to acknowledge the receipt of the proposal contained in your note dated May 23, 1988 which reads as follows:-

" same as Text of the United States note."

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

Accept, Excellency, the assurances of my highest consideration.



(W.L.P.de Mel)

Secretary

Ministry of Trade & Shipping.