

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1498*

3 November 1989

TARIFFS AND TRADE

Special Distribution

Textile Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the bilateral agreement between the United States and Macao

The Textiles Surveillance Body received a notification from the United States of amendments of its agreement with Macao resulting from the implementation by the United States of the Harmonized Commodity code.¹

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

¹The bilateral agreement, extension and previous amendments are contained in COM.TEX/SB/959 and 1300.

²COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

February 9, 1988

UNITED STATES AND MACAU AMEND
BILATERAL TEXTILE AGREEMENT

The United States and Macau amended their bilateral textile agreement by exchange of notes on January 8 and 12, 1988. Texts of the notes follows:

UNITED STATES NOTE I

Hong Kong, January 8, 1988

The Consulate General of the United States of America presents its compliments to the Government of Macau and has the honor to refer to the bilateral agreement relating to trade in textiles and textile products, effected by exchange of notes dated December 28, 1983 and January 9, 1984, as amended (The Agreement). The Consulate General has the further honor to refer to discussions between representatives of the Governments of Macau and the United States on November 13, 1987 in Macau, concerning the new United States Textile Category System and adoption of the Harmonized Commodity Code by the United States.

As a result of these discussions, the Consulate General, on behalf of the Government of the United States, has the honor to propose that The Agreement be amended as follows:

1. Annex A shall be amended as stated in Annex A(1) of this note if the Harmonized Commodity Code nomenclature has not been adopted by the United States when the new Textile Category System becomes effective on January 1, 1988. Annex A(2) of this note shall supersede Annex A(1) simultaneously with adoption of the Harmonized System by the Government of the United States.

2. Annex B shall be amended as stated in Annex B(1) of this note if the Harmonized Commodity Code nomenclature has not been adopted by the United States when the new Textile Category System becomes effective on January 1, 1988. Annex B(2) of this note shall supersede Annex B(1) simultaneously with adoption of the Harmonized System by the Government of the United States.

3. Annex C shall be amended as stated in Annex C(1) of this note if the Harmonized Commodity Code nomenclature has not been adopted by the United States when the new Textile Category System becomes effective on January 1, 1988. Annex C(2) of this note shall supersede Annex C(1) simultaneously with adoption of the Harmonized System by the Government of the United States.

4. The following categories, which will be absorbed by other categories, will no longer be included in The Agreement as of January 1, 1988: 601, 602, 605, 310-312, 316, 318-320, 411, 425, 429, 610, 612.

5. Sub-paragraphs 2(B) and (C) of The Agreement shall be replaced by new sub-paragraphs 2(B) and (C) as stated below simultaneously with adoption of the harmonized System by the Government of the United States, to reflect the change in the manner of classification of textiles and textile products under the Harmonized System:

2 (B) (I) 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, or blends thereof, in which any or all of those fibers in combination represent the chief weight of the product, are subject to this arrangement. Components of an article which are not considered relevant to the classification under the general rules of interpretation or the legal notes to Section XI of the Harmonized System, are likewise to be disregarded here. For the purposes of this arrangement, textile products covered by this paragraph shall be classified as:

(A) Cotton textiles, if the product is in chief weight of cotton, or if 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, 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.

(B) Wool textiles, if the product is in chief weight of wool, or, in the case of products which are chief weight of silk or non-cotton vegetable fibers, wool exceeds 17 percent by weight of all fibers.

(C) Man-made fiber textiles, if the product is in chief weight of man-made fibers, or if the man-made fibers in combination of 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 cotton component, unless:

(1) 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

(2) 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;

(3) 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.

B (II) 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 (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 (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.

(B) (III) 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 subparagraph B(II) (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, 1987, 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, or non-cotton vegetable fiber, the chief value of the fibers may be considered.

6. Paragraph 5(A) of The Agreement shall be amended simultaneously with adoption of the Harmonized System by the Government of the United States to read as follows:
"Categories not subject to specific limits are subject to consultation levels and are subject to group and aggregate limits as stated in Annex B. Except as specified in Annex C, consultation levels for each agreement year shall be 833,127 square meters equivalent for each man-made fiber or cotton textile category other than apparel, 585,289 square meters equivalent for each man-made fiber or cotton apparel category and 83,613 square meters equivalent for each wool textile category."

7. Paragraph 3 (E) shall be amended simultaneously with the adoption of the Harmonized System by the Government of the United States to read as follows: "The system of categories and rates of conversion into square meters equivalent listed in Annex A shall apply in implementing this Agreement except that the categories below are merged and treated as single categories:.....(etc.)"

8. Upon adoption of the Harmonized System by the Government of the United States, units of measurement under the new Textile Category System will shift to the metric system. At that time, Annexes A(2), B(2) and C(2) of this note shall become effective, superseding Annexes A(1), B(1) and C(2) of this note, respectively.

This note and a note of confirmation on behalf of the Government of Macau shall constitute an amendment to The Agreement.

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

Enclosures: Annexes

Annex A (1)
Interim New Category System Listings
(Enters into effect January 1, 1988,
unless the Full HCC System is in place by that date.)

Category Description	Conversion Factor	Unit
	To Square Yards	
<u>Yarn</u>		
200	Sewing Thread and Yarns, put up for Retail Sale, C&MMF	3.6 LB.
201	Other Yarns, C&MMF	3.5 LB.
300	Carded Yarns, Cotton	4.6 LB.
301	Combed Yarns, Cotton	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	Silk Blends and Non-cotton Vegetable Fibers	4.6 LB.
<u>Fabric</u>		
218	Yarns of Different Colors, C&MMF	1.0 SYD.
219	Duck, C&MMF	1.0 SYD.
220	Fabric of Special Weave, C&MMF	1.0 SYD.
222	Knit Fabric, C&MMF	6.7 LB.
223	Non-woven Fabrics, C&MMF	7.6 LB.
224	Pile and Tufted Fabrics, C&MMF	1.0 SYD.
225	Denim, C&MMF	1.0 SYD.
226	Cheesecloth, Batistes, Etc., C&MMF	1.0 SYD.
227	Oxford Cloth, C&MMF	1.0 SYD.
229	Special Purpose Fabric, C&MMF	7.4 LB.
313	Cotton Sheeting	1.0 SYD.
314	Cotton Poplin and Broadcloth	1.0 SYD.
315	Cotton Printcloth	1.0 SYD.
317	Cotton Twills	1.0 SYD.
326	Cotton 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	Glass Fiber	1.0 SYD.
624	Man-made Fiber Fabric, Woven containing more than 15 percent but not more than 36 percent wool	1.0 SYD.

Staple/Filament Combination:

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	Silk Blends and Other Vegetable Fiber	1.0	SYD.

Apparel

239	Cotton and Man-made Fiber 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, Sun suits, 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 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	NO.
444	W and G Suits	4.5	NO.
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	18.0	DOZ.
639	W and G Knit Shirts and Blouses	15.0	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	NO.
644	W and G Suits	4.5	NO.
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	NO.
844	W and G Suits	4.5	NO.
845	Sweaters of Other Vegetable Fiber	36.8	DOZ.
846	Sweaters of Silk	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	DOZ.
859	Other apparel	6.8	LB.

Made-Up and Miscellaneous Textiles

360	Pillowcases	1.1	NO.
361	Sheets	6.2	NO.
362	Bedsread 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, NSF	7.8	LB.
670	Flat Goods, Handbags, Luggage	2.0	LB.
863	Towels	0.5	NO.
870	Luggage	2.0	LB.
871	Handbags and Flatgoods	2.0	LB.
899	Other Made-Ups	6.0	LB.

MERGED CATEGORIES

CONVERSION FACTOR

331/831	3.5
333/334/335/833/834/835 (333/335/833/835)	41.0
336/836	41.0
347/348/847	45.3
350/850	17.8
351/851	51.0
359/859	52.0
445/446	4.6
632/832	14.8
633/4/5	4.6
638/639/838	41.3
641/840	15.5
642/842	14.5
645/646	17.8
647/648	36.8
652/852	17.8
845/846	16.0
	36.8

Annex A (2)
 New Category System Under the Harmonized Commodity Code
 (To enter into effect upon notification by the United
 States that it has adopted the Harmonized Commodity Code.)

Category	Description	Conversion Factor To Square Meters	Unit
<u>Yarn</u>			
200	Sewing Thread and Yarns, Put Up for Retail Sale, C&MMF	6.6	KG.
201	Other Yarns, C&MMF	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	Staple Artificial Yarn	6.3	KG.
604	Staple Synthetic Yarn	7.6	KG.
606	Nontextured Filament, MMF	20.1	KG.
607	Staple Yarn, MMF	6.5	KG.
800	Silk Blends and Non-Cotton Vegetable Fibers	8.5	KG.
<u>Fabric</u>			
218	Yarns of Different Colors, C&MMF	1.0	M2
219	Duck, C&MMF	1.0	M2
220	Fabric of Special Weave, C&MMF	1.0	M2
222	Knit fabric, C&MMF.	12.3	KG.
223	Non-Woven Fabrics, C&MMF	14.0	KG.
224	Pile and Tufted Fabrics, C&MMF	1.0	M2
225	Denim, C&MMF	1.0	M2
226	Cheesecloth, Batistes, Etc., C&MMF	1.0	M2
227	Oxford Cloth, C&MMF	1.0	M2
229	Special Purpose Fabric, C&MMF	13.6	KG.
313	Cotton sheeting	1.0	M2
314	Cotton Poplin and Broadcloth	1.0	M2
315	Cotton Printcloth	1.0	M2
317	Cotton Twills	1.0	M2
326	Cotton 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	Glass Fiber	1.0	M2
624	Man-made Fiber Fabric, Woven, containing more than 15 percent but not more than 36 percent wool	1.0	M2

Staple/Filament Combination

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	Silk Blends & Other Vegetable Fiber	1.0	M2

Apparel

239	Infants Wear of Cotton and Man-Made Fiber	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 and Blouses	6.0	DOZ.
340	M and B Shirts, Not Knit	20.1	DOZ.
341	W and G Shirts and Blouses, Not Knit	12.1	DOZ.
342	Skirts	14.9	DOZ.
345	Sweaters	30.8	DOZ.
347	M and B Trousers, Slacks, and Shorts	14.9	DOZ.
348	W and G Trousers, Slacks, and 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	NO.
444	W and G Suits	3.76	NO.
445	M and B Sweaters	12.4	DOZ.
446	W and G Sweaters	12.4	DOZ.
447	M and B Trousers, Slacks and Shorts	15.0	DOZ.
448	W and G Trousers, Slacks and 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	15.0	DOZ.
639	W and G Knit Shirts and Blouses	12.5	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	NO.
644	W And G Suits	3.76	NO.
645	M and B Sweaters	30.8	DOZ.
646	W and G Sweaters	30.8	DOZ.
647	M and B Trousers, Slacks, and Shorts	14.9	DOZ.
648	W and G Trousers, Slacks, and Shorts	14.9	DOZ.
649	Prassieres 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	NO.
844	W and G Suits	3.76	NO.
845	Sweaters of Vegetable Fiber	30.8	DOZ.
846	Sweaters of Silk	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	NO.
361	Sheets	5.2	NO.
362	Bedsread and Quilts	5.8	NO.
363	Terry and Other Pile Towels	0.4	NO.
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	NO.
870	Luggage	3.7	KG.
871	Handbags and Flatgoods	3.7	KG.
899	Other Made-Ups	11.1	KG.

The conversion factors for the merged categories listed in Annex A of the Agreement will be amended as follows simultaneously upon adoption by the United States of the Harmonized System:

<u>Merged Categories</u>	<u>Conversion Factor</u>
331/831	2.9
333/334/335/833/834/835 (333/335/833/835)	34.2 34.2
336/836	37.9
347/847	14.9
350/850	42.6
351/851	43.5
359/859	8.5
445/446	12.4
632/832	3.8
633/634/635	34.5
638/639/838	12.9
641/840	12.1
642/842	14.9
645/646	30.8
647/648	14.9
652/852	13.4
845/846	30.8

Annex B (1) - The interim new category system without the Harmonized System, using the current system of measurement and
Annex B (2) - The new category system under the Harmonized System, using the metric system of measurement

<u>Category</u>	<u>1988 Interim Limit Annex B(1)</u>	<u>1988 HS Limit Annex E(2)</u>
Aggregate Limit	86,122,890 SYE	72,009,105 SME
Group I (Cotton, M-NF, Silk and other Vegetable Blends)	82,929,291 SYE	69,339,449 SME
333/4/5/833/4/5 (333/5/833/5)	146,625 DOZ. (77,236 DOZ.)	146,625 DOZ. (77,236 DOZ.)
338	188,756 DOZ.	188,756 DOZ.
339	790,633 DOZ.	790,633 DOZ.
340	178,658 DOZ.	178,658 DOZ.
341	115,231 DOZ.	115,231 DOZ.
345	31,875 DOZ.	31,875 DOZ.
347/8/847	446,781 DOZ.	446,781 DOZ.
633/4/5	310,491 DOZ.	310,491 DOZ.
638/9/838	966,875 DOZ.	966,875 DOZ.
640	68,745 DOZ.	68,745 DOZ.
641/840	118,155 DOZ.	118,155 DOZ.
642/842	56,313 DOZ.	68,838 DOZ.
645/6	161,145 DOZ.	161,145 DOZ.
647/8	325,081 DOZ.	325,081 DOZ.
845/6	201,000 DOZ.	201,000 DOZ.
Group II (Wool)	1,631,453 SYE	1,364,102 SME
445/6	73,541 DOZ.	73,541 DOZ.

<u>1989 HS Limit</u> <u>Annex B(2)</u>	<u>1990 HS Limit</u> <u>Annex B(2)</u>	<u>1991 HS Limit</u> <u>Annex B(2)</u>
76,510,312 SME	81,292,206 SME	86,372,969 SME

73,673,165 SME	78,277,737 SME	83,170,096 SME
155,789 DOZ.	165,526 DOZ.	175,871 DOZ.
(82,063 DOZ.)	(87,192 DOZ.)	(92,642 DOZ.)
200,553 DOZ.	213,088 DOZ.	226,406 DOZ.
840,048 DOZ.	892,551 DOZ.	948,335 DOZ.
189,824 DOZ.	201,688 DOZ.	214,294 DOZ.
122,433 DOZ.	130,085 DOZ.	138,215 DOZ.
33,867 DOZ.	35,984 DOZ.	38,233 DOZ.
474,705 DOZ.	504,374 DOZ.	535,897 DOZ.
329,897 DOZ.	350,515 DOZ.	372,422 DOZ.
1,027,305 DOZ.	1,091,511 DOZ.	1,159,731 DOZ.
73,042 DOZ.	77,607 DOZ.	82,457 DOZ.
125,540 DOZ.	133,386 DOZ.	141,723 DOZ.
73,140 DOZ.	77,712 DOZ.	82,569 DOZ.
171,217 DOZ.	181,918 DOZ.	193,287 DOZ.
345,399 DOZ.	366,986 DOZ.	389,923 DOZ.
202,005 DOZ.	203,615 DOZ.	204,030 DOZ.
1,377,743 SME	1,391,520 SME	1,405,436 SME
74,276 DOZ.	75,019 DOZ.	75,769 DOZ.

Designated Consultation Levels

<u>Categories</u>	<u>Annex C(1)</u>	<u>Annex C(2)</u>
331/831	300,000 DPR	300,000 DPR
336/836	23,000 DOZ	23,000 DOZ
350/850	18,000 DOZ	18,000 DOZ
351/851	27,000 DOZ	27,000 DOZ
359/859	304,000 LBS	137,892 KG
652/852	160,000 DOZ	160,000 DOZ
659	197,892 LBS	89,762 KG
670	750,000 LBS	340,194 KG

MACAU NOTE I

Macau, January 12, 1988

Dear Ms. Takahashi,

Thank you for your Diplomatic Note no. 01 of January 8, 1988 concerning the new United States Textile Category System and adoption of the Harmonized Commodity Code by the United States.

The Government of Macau hereby accepts the terms referred in your Note, thus constituting an amendment to the Textile Bilateral Agreement.

Macau also agrees to consult with the United States should any question of implementation arise as a result of the conversion to the Harmonized Commodity Code, namely the change in classification from chief value to chief weight with the adoption of the Harmonized Commodity Code (HCC) Tariff Schedule.

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

Yours faithfully,



Cristiano Afonso de Oliveira Domingues
Director

BILATERAL TEXTILE AGREEMENT

The United States and Macau exchanged notes dated November 7, 1988 and December 30, 1988 to amend their bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE II

November 7, 1988

The Consulate General of the United States of America presents its compliments to the Government of Macau and has the honor to refer to the bilateral agreement relating to trade in textiles and textile products, effected by exchange of notes dated December 28, 1983 and January 9, 1984, as amended (the Agreement). The Consulate General has the further honor to refer to the amendment to the agreement effected by exchange of notes dated January 8 and 12, 1988 concerning adoption of the Harmonized System by the United States (the Amendment) and to the visa system that was effected by exchange of letters on August 21, 1981 covering exports to the United States from Macau of textiles and textile products (the Visa System).

As stated in a recent letter to your Government, the Government of the United States will implement the Harmonized System on January 1, 1989. In order to

facilitate successful implementation of the Harmonized System, the Consulate General would like to take this opportunity to describe how the Harmonized System will affect textile products from Macau that are exported to the United States on or after January 1, 1989.

I. All textile shipments from Macau subject to U.S. import quotas which are exported in 1988 and which arrive in the United States on or after January 1, 1989, will be charged to the appropriate unfilled 1988 quota limit. All textile shipments, whether or not subject to import quotas, that are exported in 1989 must conform to the Harmonized System standards.

II. The Agreement provides for calendar-year Agreement periods that end on December 31. As such, all 1988 overshipments will be charged to the applicable 1989 Harmonized System category, regardless of the arrival date.

III. With regard to the Visa System covering exports of textile products from Macau to the United States, all goods exported on or after January 1, 1989 must be covered by a visa showing the correct Harmonized System category number and quantity. In addition, please note that under the Harmonized System all measurements must be in metric units rather than in imperial units as provided for in Annex A(2) of the Amendment.

IV. All provisions of the Amendment regarding the Harmonized System will take effect January 1, 1989. This includes Annexes A(2), B(2) and C(2) as well as paragraph 5 regarding classification language under the Harmonized System.

V. Playsuits in categories 337 and 637:

A) Harmonized System regulations require new treatment of two-piece playsuits in categories 337 and 637 for Customs purposes. Currently, United States Customs classifies certain two-piece children's garments as one garment under either category 337 or category 637. These garments are treated as an entirety because the two pieces are physically connected. A common construction of these garments is a 100 percent cotton trouser or short along with an acrylic or man-made fiber/cotton blend top. U.S. Customs now classifies the whole garment either in 337 or 637 based on an "essential character" determination.

B) Under the Harmonized System, United States Customs has determined that it must classify the tops and bottoms of these two-piece garments separately for tariff and quota purposes. Breakouts in the tariff schedule are being obtained to classify such components as "imported as parts

of playsuits", thereby maintaining the playsuit designation.

C) But, for a playsuit, one-half unit could be charged to category 337 and the other half unit charged to 637. This would require two separate visas for a single shipment of playsuits. In addition, United States Customs would have to charge playsuit shipments to limits in two separate categories. Currently, U.S. Customs can charge the whole unit to either 337 or 637. These difficulties could lead to problems with the current quota limits.

VI. The Consulate General, on behalf of the Government of the United States, has the honor to propose, in accordance with the situation described in part V above, the following amendments to the Agreement:

A) Effective January 1, 1969, Annex A(2) shall be amended to delete categories 337 and 637.

B) New category 237 covers cotton and man-made fiber playsuits, sunsuits, wasnsuits, rompers, creepers. etc., hitherto classified under old categories 337 and 637. Effective January 1, 1989, Annex A(2) shall be amended to add category 237 as follows:

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to Square Meters</u>	<u>Units</u>
237	Playsuits, sunsuits, etc.	19.2	doz.

C) Effective January 1, 1989, the designated consultation levels in Annex C(2) shall be amended as follows:

<u>Category</u>	<u>Annex C(2)</u>
237	61,000 doz.

This note and a note of confirmation on behalf of the Government of Macau shall constitute an Amendment (concerning playsuits) to the Agreement.

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

Consulate General of the United States of America,
Hong Kong, November 7, 1988.

MACAU NOTE II

The Government of Macau presents its compliments to the Government of the United States of America.

With reference to the bilateral Agreement relating to trade in textile and textile products and further exchange of notes, namely the Diplomatic Note No. 02, of November 7, 1988, of the Consulate General of the United States of America, the Government of Macau has the honour to signify to the Government of the United States of America its acceptance of Parts V and VI of the said Diplomatic Note No. 02 of November 7, 1988, relating to the suppression of categories 537 and 637, replaced by a new category for playsuits - category 237, covering cotton and man-made fiber playsuits, sunsuits, washsuits, rompers, creepers, etc., to be effective from January 1, 1989.

The Government of Macau has the further honour of signifying to the Government of the United States of America its understanding that this note of confirmation shall constitute an Amendment (concerning "playsuits") to the Agreement.

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

The Government of Macau,
Macau, December 30, 1988