

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1507*

15 December 1989

Special Distribution

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the Bilateral Agreement between the United States and Hong Kong

The Textiles Surveillance Body received a notification from the United States of an amendment of its agreement with Hong Kong. These amendments, resulting from the application of the Harmonized System, concerned the replacement of Categories 337 and 637 by new Category 237, and changes¹ in certain administrative aspects of implementing the agreement.

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

¹The bilateral agreement and a previous amendment are contained in COM.TEX/SB/1186 and 1454.

²See COM.TEX/SB/35, Annex B

³For the TSB's observation on this notification see COM.TEX/SB/1523

* English only/Anglais seulement/Inglés solamente

5 December 1988

United States and Hong Kong Amend
Bilateral Textile Agreement

The United States and Hong Kong exchanged letters in Washington to amend their bilateral textile agreement. Text of the letters follow.

United States Letter

Washington D.C.
4 November 1988

Dear Mr. Leung,

I have the honour to refer to the Agreement on Trade in cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre textiles and textile products between the Government of Hong Kong and the Government of the United States dated 4 August 1986, as amended (the Agreement). I further refer to the amendments to the Agreement effected by exchange of letters in Washington dated 2 March and 7 March, and 15 and 20 July 1983 (the Amendments).

The Government of the United States will implement the Harmonized Commodity Code (Harmonized System) on 1 January 1989. In order to facilitate successful implementation of the Harmonized System, I would like to describe how the implementation will affect the treatment of textile products exported from Hong Kong to the United States on or after 1 January 1989. The two governments agree that implementation of the Harmonized System should not impose undue hindrance to trade and that the two governments shall consult at the request of either government with regard to any problem which may arise. Such consultations should be held as soon as possible after the request is made.

I. The Amendments to take account of the effects on the Agreement of changes in the United States category system for textiles and textile products related to the adoption of the Harmonized System by the United States will take effect on 1 January 1989. All textile shipments subject to the Agreement which are exported in 1988 and which arrive in the United States on or after 1 January 1989, will be classified under the provisions of the interim textile category system established for 1988 so long as the categories remain unfilled.

II. Pursuant to I above, all textiles and textile products subject to the Agreement, exported from Hong Kong on or after 1 January 1989 must conform to the provisions of the Harmonized System.

III. The Agreement provides for calendar-year "agreement years" that end on 31 December. If the overshipments are determined following consultations to have occurred in 1988, they will be reclassified under the 1989 Harmonized System textile category system.

IV. With regard to the visa system, all textiles and textile products covered by the Agreement and exported from Hong Kong on or after 1 January 1989 must be covered by a visa showing the correct Harmonized System category number and correct quantity. All measurements must be in metric units rather than in imperial units as provided for in Annexes A and B of the 2 and 7 March 1988 Amendment to the Agreement.

V. I have the honour to refer to our exchange of letters of 15 and 20 July 1988 regarding the arrangements for playsuits, sunsuits, wash-suits, rompers, creepers, etc., of cotton or man-made fibre and propose the following amendments to the Agreement:

- (i) effective 1 January 1989, Annex A, Group II shall be amended to delete merged Category 337/637 and replace it with new Category 237;
- (ii) new Category 237, which covers cotton and man-made fibre playsuits, sunsuits, wash-suits, rompers, creepers etc., hitherto classified under old Categories 337 and 637 and continues to exclude man-made fibre knit overalls, and coveralls and jumpsuits in commercial sizes 2-6 which are classified under Category 659(1), shall be added to Annex A, Group II as follows:

Group II

Cotton, wool and man-made fibre apparel

Cotton/man-made fibre

	Metric units				
	Category or sub-category	Unit of measure	Fourth year units	Fifth year units	Sixth year units
Playsuits, sun-suits, wash-suits, rompers, creepers, etc.	237	doz.	877,318	899,251	921,733

- (iii) effective 1 January 1989, Annex B shall be amended to delete Categories 337 and 637 and replace it with new Category 237 as follows:

Category	Description	Conversion factor to square metres	Unit of measure
237	Playsuits, sunsuits, etc cotton or man-made fibre	19.2	doz.

- (iv) effective 1 January 1989, Annex C shall be amended to replace merged Category 337/637 with Category 237 as follows:

Category or sub-category number	Percentage
237	7

- (v) effective 1 January 1989, paragraph 3(b) of the Agreement shall be amended to delete Categories 337 and 637 and add Category 237;
- (vi) effective 1 January 1989, paragraph 9(b) shall be amended to delete merged Category 337/637;
- (vii) the carry forward and carryover provisions set out in paragraph 6 of the Agreement shall apply to new Category 237.

If the foregoing is acceptable to your Government, this letter and a letter of confirmation on behalf of your Government shall constitute an amendment (concerning playsuits) to the Agreement.

Sincerely,

Daniel K. Moore
Acting Chief, Textiles Division
Bureau of Economic and Business Affairs

Hong Kong Letter

7 November 1988

Dear Mr. Moore,

Thank you for your letter of 4 November 1988 setting out the implementation arrangements to be applied to exports of textiles and textile products covered by the Hong Kong/United States Bilateral Textiles Agreement of 4 August 1986 (as amended) as from 1 January 1989 with the adoption of the Harmonized Commodity Code by the United States and proposing certain amendments in respect of the arrangements for cotton/man-made fibre playsuits, sunsuits, wash-suits, rompers, creepers etc. set out in our exchange of letters of 15 and 20 July 1988.

On behalf of the Government of Hong Kong, I have the honour to accept the amendments in respect of cotton/mmF playsuits etc. as proposed by the Government of the United States.

It is understood that the Government of the United States will ensure that no hindrance to the entry of shipments shall arise from these implementation arrangements. It is further understood that the two Governments shall consult at the request of either Government with regard to any problem which may arise. Such consultations should be held as soon as possible after the request is made.

Yours sincerely,

(P.C. Leung)

Counsellor

Hong Kong Economic and Trade Affairs