

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

COM.TEX.SB/1514 \*

15 December 1989

Special Distribution

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4

#### Amendment of the Bilateral Agreement between the United States and Yugoslavia

The Textiles a notification received from the United States of amendments of its agreement with Yugoslavia resulting from the implementation by the United States of the Harmonized Commodity code.<sup>1</sup>

The TSB pursuant to its procedures regarding notifications made under Article 4,<sup>2</sup> has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup>The bilateral agreement previous extensions and amendments are contained in COM.TEX/SB/440, 681, 971, 1153, 1154 and 1259.

<sup>2</sup>See COM.TEX/SB/35, Annex B

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

\* English only/Anglais seulement/Inglés solamente

20 March 1989

The United States and the Socialist Federal  
Republic of Yugoslavia Amend Their  
Bilateral Textile Agreement

The United States and the Socialist Federal Republic of Yugoslavia amended their Bilateral Textile Agreement by exchange of notes dated 15 April 1988 and 30 December 1988. Texts of the notes follow:

United States Note

Belgrade,  
15 April 1988

The Embassy of the United States presents its compliments to the Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia and has the honour to refer to the Arrangement Regarding International Trade in Textiles (the Arrangement), the bilateral agreement between the United States and the Socialist Federal Republic of Yugoslavia relating to trade in certain textiles and textile products effected by the exchange of Notes dated 26 and 27 October 1978 as amended (the Agreement), to the Embassy Note 156 of 16 December 1987, and the consultations held between representatives of our Governments in Washington on 19 and 20 January 1988. This note supersedes and replaces Note 156.

The Embassy has the honour to propose, on behalf of the United States Government that the Agreement be further amended as follows. These changes are necessary in order to bring the Agreement into conformity with the Harmonized Commodity Code (HCC).

I. Effective 1 January 1988, Annex A of the Agreement will be replaced by Annex A(1) below and Annex B shall be replaced by Annex B(1), also below. Annex A(1) and B(1) are to remain in effect until the Socialist Federal Republic of Yugoslavia is otherwise notified by the Government of the United States.

Annex A(i)Interim HCC Listings  
(Effective 1 January 1988)

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square yards</u>	<u>Unit</u>
<u>Yarn</u>			
<u>Man-made fibre</u>			
604	Staple synthetic yarn	4.1	lb
<u>Cotton</u>			
300	Carded yarns	4.6	lb
301	Combed yarns	4.6	lb
<u>Fabric</u>			
<u>Cotton</u>			
313	Sheeting	1.0	Syd
<u>Apparel</u>			
338	M and B knit shirts	7.2	Doz
339	W, G and I knit shirts and blouses	7.2	Doz
340	M and B shirts, not knit	24.0	Doz
341	W, G and I shirts and blouses, not knit	14.5	Doz
<u>Wool</u>			
433	M and B suit-type coats	36.0	Doz
434	Other M and B coats	54.0	Doz
435	W, G and I coats	54.0	Doz
442	Skirts	18.0	Doz
443	M and B suits	4.5	Nos
444	W, G and I suits	4.5	Nos
447	M and B trousers, slacks and shorts	18.0	Doz
448	W, G and I trousers, slacks and shorts	18.0	Doz
<u>Man-made fibre</u>			
640	M and B shirts, not knit	24.0	Doz
641	W, G and I shirts and blouses, not knit	14.5	Doz
643	M and B suits	4.5	Nos
644	W, G and I suits	4.5	Nos
645	M and B sweaters	36.8	Doz
<u>Made-up and Miscellaneous Textiles</u>			
666	Other furnishings	7.8	lb

ANNEX B(1)Limits under New Category System

Category	Unit	1 Jan. 1988- 31 Dec. 1988	1 Jan. 1989- 31 Dec. 1989
300/301	lb	3,500,000	3,710,000
313	Syd	13,000,000	13,780,000
338/339	Doz	550,000(X)	466,400
(338/339 - Other than tank- tops and T-shirts)	Doz	330,000(X)	279,840
340/640	Doz	382,024	404,495
341/641	Doz	249,100	264,046
433	Doz	7,899	7,978
434	Doz	8,758	8,846
435	Doz	38,637	39,023
442	Doz	10,858	10,967
443/643	Nos	287,844	305,115
(443)	Nos	103,020	104,050
444	Nos	91,152	92,064
447/448	Doz	48,424	48,908
(447)	Doz	28,849	29,137
(448)	Doz	28,849	29,137
604-A	lb	636,000	674,160
645/646	Doz	116,600	123,596
666	lb	2,014,000	2,134,840

(X) - For the period 1 October 1987 to 31 December 1988.

II. Upon notification by the United States Government that it has adopted the Harmonized Commodity Code (HCC), paragraphs 2 and 3 of the Agreement shall be immediately amended by substituting the following language for coverage and classification:

Coverage of the Agreement

2. Textiles and textile products covered by this Agreement are those listed 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, and man-made fibre, or blends thereof, in which any or all of those fibres 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.

3. For the purpose of this Agreement, textile products covered by this paragraph shall be classified as:

(I) Cotton textiles if the product is in chief weight of cotton, or if cotton with wool and/or man-made fibre in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibre components, unless:

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

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

(III) Man-made fibre textiles, if the product is in chief weight of man-made fibres, or if the man-made fibres in combination with cotton and/or wool in the aggregate equal or exceed 50 per cent by weight of the component exceeds the weight of the total wool and/or cotton component, unless:

(a) the products is knitted or crocheted apparel in which wool equals or exceed 23 per cent by weight of all fibres, in which case the product will be wool textiles; or

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

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

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 31 July 1987, 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, or man-made fibre the chief value of the fibres may be considered.

III. Upon adoption of the complete HCC by the United States, Annex A(1) will be replaced by Annex A(2) below and Annex B(1) will be replaced by Annex B(2), also below.



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)

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
	<u>Man-made fibre</u>		
<u>Cotton</u>			
604	Staple synthetic yarn	7.6	kg.
<u>Cotton</u>			
300	Carded yarns	8.5	kg.
301	Combed yarns	8.5	kg.
	<u>Fabric</u>		
<u>Cotton</u>			
313	Sheeting	1.0	M2
	<u>Apparel</u>		
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
<u>Wool</u>			
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
442	Skirts	15.0	Doz
443	M and B suits	3.76	Nos
444	W and G suits	3.76	Nos
447	M and B trousers, slacks and shorts	15.0	Doz
448	W and G trousers, slacks and shorts	15.0	Doz
<u>Man-made fibre</u>			
640	M and B shirts, not knit	20.1	Doz
641	W and G shirts and blouses, not knit	12.1	Doz
643	M and B suits	3.76	Nos
645	M and B sweaters	30.8	Doz
646	W and G sweaters	30.8	Doz
	<u>Made-up and Miscellaneous Textiles</u>		
666	Other furnishings	14.4	kg.

ANNEX B(2)Limits under the Harmonized Commodity Code

Category	Unit	1 Jan. 1988- 31 Dec. 1988	1 Jan. 1989- 31 Dec. 1989
300/301	kg.	1,587,573	1,682,828
313	M2	10,869,656	11,521,835
338/339	Doz	550,000(X)	466,400
(338/339 - Other than tank- tops and T-shirts)	Doz	(330,000)(X)	(279,840)
340/640	Doz	382,024	404,945
341/641	Doz	249,100	264,046
433	Doz	10,930	11,039
434	Doz	8,758	8,846
435	Doz	45,684	46,141
442	Doz	17,905	18,084
444	Nos	22,224	22,224
443/643	Nos	234,960	249,060
(443)	Nos	66,648	67,320
447/448	Doz	51,455	51,970
(447)	Doz	30,655	30,962
(448)	Doz	30,655	30,962
604-A	kg.	288,485	305,794
645/646	Doz	116,600	123,596
666	kg.	913,535	968,347

(X) - For the period 1 October 1987 to 31 December 1988.

If the proposal of the United States Government regarding the wording of Annex B(2) is not acceptable, the Socialist Federal Republic of Yugoslavia may prefer the following alternative. Either alternative is acceptable to the United States Government, which awaits a note from the Socialist Federal Republic of Yugoslavia indicating its preference for either of these two options:



ANNEX B(2)

Category	Unit	1 Jan. 1988- 31 Dec. 1988	1 Jan. 1989- 31 Dec. 1989
300/301	kg.	1,587,573	1,682,828
313	M2	10,869,656	11,521,835
338/339	Doz	550,000(X)	466,400
(338/339 - Other than tank- tops and T-shirts)	Doz	(330,000)(X)	(279,840)
340/640	Doz	382,024	404,945
341/641	Doz	249,100	264,046
433	Doz	7,899	7,978
434	Doz	8,758	8,846
435	Doz	38,637	39,023
442	Doz	10,858	10,967
443/643	Nos	287,844	305,115
(443)	Nos	103,020	104,050
444	Nos	91,152	92,064
447/448	Doz	48,424	48,908
(447)	Doz	30,655	30,962
(448)	Doz	30,655	30,962
604-A	kg.	288,485	305,794
645/646	Doz	116,600	123,596
666	kg.	913,535	968,347

(X) - For the period 1 October 1987 to 31 December 1988.

In accordance with paragraph 18 of the 1986 Protocol of Extension, the United States Government also re-affirms its willingness to consult promptly with the Government of Yugoslavia regarding any questions of implementation or interpretation which may arise as a result of the conversion to the HCC. The United States Government also re-affirms that these changes are intended to be trade neutral and that they are not intended to alter the ability of Yugoslavia to use or benefit fully from the Agreement.

If these proposals are acceptable to the Government of the Socialist Federal Republic of Yugoslavia, then this Note and the Note of confirmation of the Government of the Socialist Federal Republic of Yugoslavia shall constitute an amendment to the Agreement between our two governments.

The Embassy of the United States takes this opportunity to renew to the Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia the assurances of its highest consideration.

Embassy of the United States  
Belgrade, 15 April 1988

Yugoslavia Note

Note No. 7398

Belgrade,  
30 December 1988

The Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia presents its compliments to the Embassy of the United States and has the honour to acknowledge the receipt of the Embassy's Note No. 38 of 15 April 1988, relating to the Agreement between the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia and the Government of the United States on trade in certain textiles and textile products, effected by the exchange of Notes in 1978 as amended (the Agreement), which reads as follows:

United States Note

The Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia has the honour to inform the Embassy of the United States that the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia has approved the text of the said Note, and that from the two proposed alternative of Annex B(2) has accepted the second (Page 8 of the Note), and that the said Note and reply of the Federal Secretariat for Foreign Affairs shall be considered as an Agreement amending the Agreement between the Federal Executive Council of the Assembly of the Federal Socialist Republic of Yugoslavia and the Government of the United States relating to trade in certain textiles and textile products, effected by the exchange of notes in 1978 as amended (the Agreement).

The Federal Secretariat for Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States the assurances of its highest consideration.

Beograd  
30 December 1988