

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1515*

15 December 1989

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the Bilateral Agreement between the United States and Mexico

The Textiles Surveillance Body received a notification from the United States of a further amendment of its agreement with Mexico. Restraints under the "Special Régime" on two categories (359-C and 659-C) were merged; for the 1989 agreement year the consultation level on Category 239 was increased.¹

The TSB pursuant to its procedures regarding notifications made 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 and another modification are contained in COM.TEX/SB/1394 and 1509.

²COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

6 January 1989

United States and Mexico Amend
Bilateral Textile Agreement

The United States and Mexico exchanged letters dated 11 November 1988 and 23 November 1988 to amend their bilateral textile agreement. Texts of the letter follow.

United States Letter

23 November 1988

Dear Mr. Rodriguez,

I am writing to respond to your 17 November letter referring to the bilateral textile agreement between the Government of Mexico and the Government of the United States effected by an exchange of notes in Mazatlan, Mexico dated 13 February 1988, and to the Memorandum of Understanding signed in Washington on 15 June 1988.

I am pleased to advise you that the Government of the United States agrees to your Government's proposal to merge, beginning in January 1989, Categories 359-C (cotton coveralls) and 659-C (man-made fibre coveralls) with a base level of 1,586,666 kg. This level shall have no sub-limits and shall have a level of 10 per cent which will not be subject to the Special Régime.

Your letter also requested an increase in the base level applicable to Category 239 (cotton and man-made fibre infant's sets) because of trade migration from Categories 651 (nightwear and pyjamas) and 659 (other man-made fibre apparel) which resulted from the United States' 1 January 1989 implementation of the Harmonized System. In this regard, my Government would prefer to meet with representatives of the Government of Mexico early in January 1989 to discuss the need for adjustments to the various categories based on Government of Mexico data for actual trade that has migrated. My Government is willing, however, to increase the Minimum Consultation Level (MCL) to 515,000 lb. for the 1989 agreement year. We will be pleased to re-evaluate this situation following our January discussion.

With regard to the question of wool rugs, the United States Government is continuing its review of a possible breakout from the United States tariff schedule for hand-tufted and hand-knotted rugs from Mexico.

Finally, the United States Government agrees to retain the concepts of Designated Consultation Levels (DCLs) and Minimum Consultation Levels (MCLs) in the bilateral agreement for the 1989 agreement year. However, we prefer to consider increases to DCLs and MCLs at such time in 1989 when we can consider requests for increases in the light of market conditions in the United States and actual trade flows. We are, of course, willing to meet with representatives of the Government of Mexico as early as possible in 1989 to consider any such requests.

Robin R. Ritterhoff
Acting Chief, Textile Division
Bureau of Economic and Business Affairs

Mexico Letter

17 November 1988

Attention Caroyl Miller,

Re: Bilateral Textile Agreement

This in reference to the new Bilateral Textile Agreement signed by the Governments of Mexico and the United States on 13 February 1988, in Mazatlan, Mexico and to the Memorandum of Understanding signed on 19 June 1988.

(a) Regarding the Memorandum of Understanding, the Government of Mexico very respectfully requests the following:

- paragraph (2): to maintain for 1989 the Designated Consultation Levels (DCLs) and Minimum Consultation Levels (MCLs) concepts, as well as the levels assigned to each category;
- paragraph (7): we would like to know the status of the breakouts for hand-tufted and/or hand-knotted wool rugs.

(b) We agree with the idea to merge, beginning in January 1989, without sub-limits, Categories 359-C (cotton coveralls) and 659-C (mmf coveralls), with a base level of 1,586,666 kg. and the 10 per cent not subject to Special Régime.

(c) Due the fact that Categories 651 (nightwear and pyjamas) and 659 (other mmf apparel), will migrate to Category 239 (cotton and mmf infant's sets) by reason of the implementation of the Harmonized Commodity System on 1 January 1989, we request an increase from 515,000 lb. to a base level of 1,200,000 lb. for Category 239.

(d) In regard to Category 359 (other cotton apparel), we request an additional 50,000 lb. for 1989, based on the growing exports of disposable diapers from Mexico.

We would very much appreciate your favourable reply to these matters.

Mario Rodriquez Montero
Minister for Trade and Fiscal Affairs