

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1519*

15 December 1989

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Amendment of the Bilateral Agreement between the United States and Burma

The Textiles Surveillance Body received a notification from the United States of a modifications in its agreement with Burma resulting from the implementation of the Harmonized commodity code by the United States.¹

The notification was made in accordance with a request made by the Textiles Committee that agreements concluded with non-participants in the MFA be notified. The TSB is forwarding the text of this notification to participating countries for their information.

¹The bilateral agreement is contained in COM.TEX/SB/1353.

* English only/Anglais seulement/Inglés solamente

3 January 1989

United States and Burma Amend
Bilateral Textile Agreement

The United States and Burma exchanged notes on 17 November 1988 and 13 December 1988 to amend their bilateral textile agreement. Text of the notes follow:

United States Note

17 December 1988

The Embassy of the United States presents its compliments to the Ministry of Foreign Affairs of the Union of Burma and has the honour to refer to the Arrangement regarding International Trade in Textiles, with annexes, done at Geneva on 20 December 1973 and extended by protocols adopted respectively on 14 December 1977, 22 December 1981 and 31 July 1986, at Geneva (hereinafter referred to as the Arrangement) and to the bilateral agreement concerning trade in cotton and man-made fibre textiles and silk blends and other vegetable fibres apparel products effected by the exchange of notes dated 25 August and 16 September 1987 (the Agreement).

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, the Embassy would like to describe how the Harmonized System will affect the treatment of textile products exported from Burma to the United States on or after 1 January 1989.

I. All textile shipments from Burma subject to United States import quotas which are exported in 1988 and which arrive in the United States on or after 1 January 1989, will be charged to the appropriate unfilled 1988 quota limit. All quota charges for shipments exported on or after 1 January 1989 will be made according to the Harmonized System.

II. The Agreement provides for calendar-year "agreement years" that end on 31 December. As such, all 1988 overshipments will be charged to the applicable 1989 Harmonized System category.

III. All provisions of the Agreement regarding the Harmonized System will take effect 1 January 1989. In particular, Annex A(2) will replace Annex A(1). Please note that all measurements under the Harmonized System must be in metric units rather than imperial units.

IV. In order to bring the Agreement into conformity with the Harmonized System the Embassy has the honour to propose that paragraph 2 of the Agreement be replaced with the following:

2. (A) The textiles and textile products covered by this Agreement are those summarized in Annex A(2). The system of categories and the rates of conversion into square metres equivalent (SME) listed in Annex A(2) shall apply in implementing this Agreement.

(B) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, silk blends, non-cotton vegetable fibres, or blends thereof, in which any or all of these 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 or the legal notes to Section XI of the Harmonized System are likewise to be disregarded here.

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

- (I) Man-made fibre textiles, if the product is in chief weight of man-made fibres, unless:
- (a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 per cent by weight of all fibres, 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 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.
- (II) Cotton textiles, if not covered by (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 per cent by weight of all fibres, 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 blend or non-cotton vegetable fibre textiles, if none of the foregoing applies and the products is in chief weight of silk or non-cotton vegetable fibres, unless:
- (a) cotton with wool and/or man-made fibres in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibres components, in which case the product will be a cotton textile;
 - (b) if not covered by (IV) (a) and wool exceeds 17 per cent by weight of all component fibres, in which case the product will be considered a wool textile;

- (c) if not covered by (IV) (a) or (b) and man-made fibres in combination with cotton and/or wool in the aggregate equal or exceed 50 per cent by weight of the component fibres thereof and the man-made fibre component exceeds the weight of the total wool and/or total cotton component, in which case the product will be considered a man-made fibre textile;
- (d) notwithstanding the above, garments which contain 70 per cent or more by weight silk (unless they also contain over 17 per cent by weight wool), and products other than garments which contain 85 per cent or more by weight silk, are not subject to this agreement. Silk blend and non-cotton vegetable fibre sweaters, as determined above, shall be divided into "silk blend" sweaters and "non-cotton vegetable fibre" sweaters. For the purposes of this provision sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fibre component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fibre" sweaters. Garments containing 70 per cent or more by weight silk and over 17 per cent by weight wool shall be classified as wool textiles, under sub-paragraph C (IV) (b);
- (e) coverage under this paragraph is intended to be identical with the terms of the arrangement and in conformance with the 31 July 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 fibre, silk blend, or non-cotton vegetable fibre, the chief value of the fibres may be considered.

If the foregoing is acceptable to your government, this Note and a Note of Confirmation on behalf of the Government of the Union of Burma shall constitute an amendment to the Agreement classification language.

The Embassy of the United States avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Union of Burma the assurances of its highest consideration.

Embassy of the United States
Rangoon, 17 November 1988

Burma Note

Rangoon

13 December 1988

The Ministry of Foreign Affairs of the Government of the Union of Burma presents its compliments to the Embassy of the United States and has the honour to refer to the latter's Note No. 0948 of 17 November 1988, regarding the bilateral agreement concerning trade in cotton and man-made fibre textiles and silk blends and other vegetable fibre apparel products effected by the exchange of notes dated 25 August and 16 September 1987 (the Agreement).

The authorities concerned in the Government of the Union of Burma have duly noted the planned implementation of the Harmonized Commodity Code (Harmonized System) on 1 January 1989, and the detailed explanation describing how the Harmonized System will affect the treatment of textile products exported from Burma to the United States on or after 1 January 1989.

It has been noted also that the adoption of the Harmonized Commodity Code by the Government of the United States would require amendment to the Bilateral Textile Agreement to bring the classification language of the Agreement into conformity with the Harmonized Commodity Code and that the classification language does not alter Burma's access to the United States market as all quota levels remain as negotiated in the Agreement.

The Ministry of Foreign Affairs has the honour, therefore, to inform the acceptance of the proposal contained in the Embassy's Note under reference.

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

The Embassy of the United States
Rangoon