

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral agreement between the United States and Bahrain

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with Bahrain for the period 1 January 1993 to 31 December 1995.

This notification has been made pursuant to a request made by the Textiles Committee that agreements concluded with non-participants be notified.

The TSB is forwarding the text of the notification to participating countries for their information.

*English only/Anglais seulement/Inglés solamente

EMBASSY OF THE UNITED STATES OF AMERICA

No. 112

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the State of Bahrain and has the honour to refer to discussions held in Manama, 8-11 October 1992, and in Washington, 25-27 January 1993, between representatives of the Government of the State of Bahrain and the United States of America concerning bilateral textile and apparel exports from the State of Bahrain to the United States. The Embassy of the United States of America has further the honour to refer to the Memorandum of Understanding signed by representatives of these Governments on 6 January 1993, pertaining to the establishment of a bilateral textile agreement between Bahrain and the United States.

The Embassy of the United States, on behalf of the Government of the United States of America, has the privilege to propose to the State of Bahrain that the new bilateral textile agreement between Bahrain and the United States read as follows:

**AGREEMENT BETWEEN THE GOVERNMENT OF THE STATE OF BAHRAIN
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA
CONCERNING TRADE IN COTTON, WOOL, MAN-MADE FIBRE, SILK BLEND,
AND OTHER VEGETABLE FIBRE TEXTILE AND TEXTILE PRODUCTS**

AGREEMENT TERM

1. The term of this agreement shall be the period from 1 January 1993 through 31 December 1995. Each agreement period shall be a twelve-month period from January first of a given year to December thirty-first of the same year.

COVERAGE OF AGREEMENT AND CLASSIFICATION BY FIBRE

2. (A) Textiles and textile products subject to this agreement are those set forth in Annex A. The system of categories and the rates of conversion into square metres equivalent (SME) listed in Annex A shall apply in implementing this agreement. Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, which derive their chief characteristics from their textile components of cotton, wool, man-made fibre, silk-blends and non-cotton vegetable fibres, 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.

(B) For the purposes of this agreement, textile products covered by sub-paragraph 2(A) 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 (B)(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 or non-cotton vegetable fibre textiles, if none of the foregoing applies and the product is in chief weight of silk or non-cotton vegetable fibre, 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 fibre component, in which case the product will be a cotton textile.
- (b) 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) 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.

(V) 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 and "non-cotton vegetable fibre" sweaters, as determined above, shall be divided into "silk" sweaters and "non-cotton vegetable fibre" sweaters. For the purpose of this division, sweaters shall be classified as "silk" if the silk component exceeds by weight the non-cotton vegetable fibre component (if any). Sweaters not classified as "silk" 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 (B)(V)(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 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, or non-cotton vegetable fibre, the chief value of the fibres may be considered.

3. Commencing with the first agreement period and during each subsequent term of this agreement, the Government of the State of Bahrain shall limit exports to the United States of cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre textiles and textile products of the State of Bahrain to the specific limits set out in Annex B, as it may be amended under paragraph 4, and as such specific limits may be adjusted in accordance with paragraph 5.

FLEXIBILITY ADJUSTMENTS

4. (A) Swing

(I) The specific limits set out in Annex B do not include any adjustments permitted under paragraph 4.

(II) During any agreement period, the specific limits set out in Annex B may be increased by not more than 6 per cent swing provided that a corresponding reduction in square metres equivalent is made in one or more other specific limits during the same agreement period.

(III) No specific limit may be decreased pursuant of paragraph 4(A)(II) to a level which is below the level of exports charged against that category's limit for that agreement year.

(IV) The Government of the State of Bahrain shall indicate to the Government of the United States the specific limits or sub-limits it would like increased and those which it would like decreased by commensurate quantities in square metres equivalent.

(B) Carryover and Carry Forward

(I) The extent to which any specific limit set out in Annex B may be exceeded in any agreement period by carry forward (borrowing a portion of the corresponding specific limit from the succeeding agreed period) and/or carryover (the use of any unused meterage (shortfall) of the corresponding specific limit for the previous agreement period) is 11 per cent, of which carry forward shall not constitute more than 6 per cent.

(II) No carryover shall be available for application in the first agreement period. No carry forward shall be available for applicable in the final agreement period.

(C) For the purposes of the agreement, a shortfall occurs when exports of textiles or textile products of the State of Bahrain to the United States during any agreement period are below any specific limit as set out in Annex B (or, in the case of any limit decreased pursuant to paragraph 4, when such exports are below the limit as decreased).

(D) The Government of the State of Bahrain shall notify the Government of the United States when it wishes to use unused meterage (shortfall) available in categories for carryover subject to the provisions set out above. However, the Government of the United States may supply adjustments under this section to any specific limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the agreement. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover

and carry forward, in that order. Any unused carry forward shall be re-credited to the following period's limit. This procedure shall not prejudice the outcome of any consultations that may be held between our Governments concerning the amounts of available carryover and carry forward.

OVERSHIPMENT CHARGES

5. (A) Products of the State of Bahrain shipped in excess of authorized limits in any agreement period may be denied entry into the United States. Any such shipment denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement period.
- (B) Products of the State of Bahrain shipped in excess of applicable limits in any agreement period shall, if allowed entry in the United States during that agreement period, be charged to the applicable limit in the succeeding agreement period.
- (C) Any action taken pursuant to sub-paragraph 5(A) and 5(B) above, shall not prejudice the rights of other side regarding consultations.

SPACING PROVISIONS

6. The Government of the State of Bahrain shall use its best efforts to space exports of its products to the United States within each category, sub-category or part category evenly throughout each agreement period, taking into consideration normal seasonal factors.

US ASSISTANCE IN IMPLEMENTATION OF THE LIMITATION PROVISIONS

7. The Government of the State of Bahrain shall administer its export control system under the agreement. The Government of the United States shall implement the limitation provisions of this agreement by controlling, by the date of export, imports of textiles and textile products covered by this agreement.

CORRECT CATEGORY/QUANTITY VISA SYSTEM

8. The provisions of the visa arrangement, as effected by exchange of notes dated 4 February 1989 and 2 March 1989, will govern the licensing and/or certification of exports of all textile and apparel products from the State of Bahrain to the United States.

COMMERCIAL SAMPLES AND PERSONAL SHIPMENTS

9. Properly marked commercial samples, valued at 250 dollars or less, and items for the personal use of the importer and not for resale regardless of value, need not be accompanied by an export visa and shall not be subject to the limits established under this agreement.

EXCHANGE OF INFORMATION

10. Subject to domestic laws, at the request of the other Government, each Government agrees to supply any information within its possession reasonably believed to be necessary for the enforcement of this agreement.

EXCHANGE OF DATA

11. (A) The Government of the United States shall promptly supply the Government of the State of Bahrain with data on monthly imports of cotton, man-made fibre, wool, silk blend and non-cotton vegetable fibre textiles and textile products of the State of Bahrain into the United States.
- (b) The Government of the State of Bahrain shall promptly supply the Government of the United States with data on monthly exports of cotton, man-made fibre, wool, silk blend and non-cotton vegetable fibre textiles and textile products of the State of Bahrain to the United States.

MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENT

12. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement, including differences in points of procedure or operation.

CONSULTATION ON IMPLEMENTATION QUESTIONS

13. The Government of the United States and the Government of the State of Bahrain each agree to consult upon the request of the other on any question arising in the implementation of this agreement.

RIGHT TO PROPOSE REVISIONS TO THE AGREEMENT

14. The Government of the United States and the Government of the State of Bahrain may at any time propose revisions to the terms of this agreement. Each agrees to consult promptly with the other about such proposals with a view to making such revisions to this agreement, or taking such other appropriate action as may be mutually agreed upon.

COOPERATION IN THE PREVENTION OF CIRCUMVENTION AND FRAUD

15. (A) The Government of the United States of America and the Government of the State of Bahrain agree to take measures necessary to prevent circumvention of the bilateral Textiles and Apparel Agreement established by Memorandum of Understanding dated 27 January 1993, (the Agreement) by transshipment, re-re-routing and false declaration concerning country of origin, and falsification of official documents. Accordingly, the Government of Bahrain shall establish the necessary legal provisions and/or administrative procedures to guarantee full compliance with the Agreement. Both parties agree that, consistent with their domestic laws and procedures, they shall cooperate fully to address problems arising from circumvention.
- (B) Should either party believe that this Agreement is being circumvented by transshipment, re-routing, false declaration concerning country or place of origin, or falsification of official documents, and that no, or inadequate measures are being applied to address or to take action against such circumvention, both parties shall consult with a view to seeking a mutually satisfactory solution. Such consultation should be held promptly, and within 30 days when possible.

(C) Both parties agree, consistent with their domestic laws and procedures, to take necessary action to prevent, to investigate, and where appropriate, to take legal and/or administrative action against circumvention practices within their territory. Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of this agreement, to establish the relevant facts in the places of import, export and, where applicable, transshipment. It is agreed that such cooperation, consistent with domestic laws and procedures, will include investigation of circumvention practices which increase restrained exports to the United States of America; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of plant visits and contacts, upon request and on a case-by-case basis. Both parties should endeavour to clarify the circumstances of any such instances of circumvention, including the respective rôles of the exporters or importers involved.

(D) Where, as a result of investigation, there is sufficient evidence that circumvention has occurred (e.g., where evidence is available concerning the place of true origin, and circumstances of such circumvention) both parties agree to take appropriate action, to the extent necessary to address the problem. Such action may include the denial of entry of goods or, where goods have entered, having due regard to the actual circumstances and the involvement of the country of true origin, the adjustment of charges to restraint levels to reflect the true country of origin. Also, where there is evidence that the goods have been transshipped through Bahrain, such action may include the introduction of restraint. Any such actions, together with their timing and scope, may be taken after consultations held with a view to arriving at a mutually satisfactory solution. Both parties may agree on other remedies in consultation.

(E) Parties agree that false declaration concerning fibre content, quantities, description or classification of merchandise also frustrates the objectives of this Agreement. Where there is evidence that any such false declaration has been made for the purpose of circumvention, both parties agree to take appropriate measures, consistent with domestic laws and procedures, against the exporters and importers involved. Should either party believe that this agreement is being circumvented by such false declarations and that no, or inadequate, administrative measures are being applied to address and/or to take action against such circumvention, that party should consult promptly with the party involved with a view to seeking a mutually satisfactory solution. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

RIGHT TO TERMINATE THE AGREEMENT

16. Either Government may terminate this agreement, effective at the end of an agreement period by written notice to the other Government, to be given at least 90 days prior to the end of such agreement period.

If this agreement conforms with the understanding of the Government of the State of Bahrain, this note and the Ministry's note of confirmation shall constitute an agreement between our two governments.

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

Attachments: Annexes A and B

Embassy of the United States of America
Manama, 4 April 1993

ANNEX A

UNITED STATES TEXTILES CATEGORIZATION

Harmonized Commodity Code Listings

Categories numbered in the:

200 Series are of cotton and/or man-made fibre.

300 Series are of cotton.

400 Series are of wool.

600 Series are of man-made fibre.

800 Series are of silk blends or other non-cotton vegetable fibres.

Category	Description	Conversion Factor to square metres	Unit
<u>Yarn</u>			
200	Yarns put up for retail sale, and sewing thread	6.6	kg.
201	Speciality yarns	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	Yarn containing 85 per cent or more by weight artificial staple fibre	6.3	kg.
604	Yarn containing 85 per cent or more by weight synthetic staple fibre	7.6	kg.
606	Non-textured filament, mmf	20.1	kg.
607	Other staple fibre yarn, mmf	6.5	kg.
<u>Fabric</u>			
218	Of yarns of different colours	1.0	m ²
219	Duck	1.0	m ²
220	Fabric of special weave	1.0	m ²
222	Knit fabric	12.3	kg.
223	Non-woven fabrics	14.0	kg.
224	Pile and tufted fabrics	1.0	m ²
225	Denim	1.0	m ²
226	Cheesecloth, batistes, lawn or voiles	1.0	m ²
227	Oxford cloth	1.0	m ²
229	Special purpose fabric	13.6	kg.
313	Sheeting	1.0	m ²
314	Poplin and broadcloth	1.0	m ²
315	Printcloth	1.0	m ²
317	Twills	1.0	m ²
326	Sateens	1.0	m ²

Category	Description	Conversion Factor to square metres	Unit
<u>Fabric (cont'd)</u>			
410	Woven fabrics	1.0	m ²
414	Other wool fabrics	2.8	kg.
611	Woven man-made fibre fabric containing 85 per cent or more by weight artificial staple fibres	1.0	m ²
613	Sheeting	1.0	m ²
614	Poplin and broadcloth	1.0	m ²
615	Printcloth	1.0	m ²
617	Twills and sateens	1.0	m ²
618	Woven artificial filament	1.0	m ²
619	Polyester filament fabric less than 170 g per m ²	1.0	m ²
620	Other synthetic filament fabric	1.0	m ²
621	Impression	14.0	kg.
622	Glass filament fibre	1.0	m ²
624	Woven man-made fibre fabric, containing more than 15 per cent but less than 36 per cent wool staple/filament combination:	1.0	m ²
625	Poplin and broadcloth	1.0	m ²
626	Printcloth	1.0	m ²
627	Sheeting	1.0	m ²
628	Twills and sateens	1.0	m ²
629	Other mmf	1.0	m ²
<u>Apparel</u>			
237	Playsuits, sunsuits	19.2	Doz
239	Infants' apparel	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
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	Brassières and body supporting garments	4.0	Doz

Category	Description	Conversion Factor to square metres	Unit
<u>Apparel</u> (cont'd)			
350	Dressing gowns, etc.	42.6	Doz
351	Nightwear and pyjamas	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	Nos
444	W and G suits	3.76	Nos
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
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	Nos
644	W and G suits	3.76	Nos
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	Brassières and body supporting garments	4.0	Doz

Category	Description	Conversion Factor to square metres	Unit
<u>Apparel (cont'd)</u>			
650	Dressing gowns, etc.	42.6	Doz
651	Nightwear and pyjamas	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 fibre 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	Nos
844	W and G suits	3.76	Nos
845	Sweaters of vegetable fibre	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 pyjamas	43.5	Doz
852	Underwear	11.3	Doz
858	Neckwear	6.6	kg.
859	Other apparel	12.5	kg.
<u>Made-up and Miscellaneous Textiles</u>			
360	Pillowcases	0.9	Nos
361	Sheets	5.2	Nos
362	Bedspread and quilts	5.8	Nos
363	Terry and other pile towels	0.4	Nos
369	Cotton manufactures, not specified [nspf]	8.5	kg.
464	Blankets	2.4	kg.
465	Floor coverings	1.0	m ²
469	Wool manufactures, nspf	3.7	kg.
665	Floor coverings	1.0	m ²
666	Other furnishings	14.4	kg.
669	Man-made fibre manufactures, nspf	14.4	kg.
670	Flat goods, handbags, luggage	3.7	kg.

ANNEX B**Specific Limits**

CATEGORY	1993 BASE LEVEL	1994 BASE LEVEL	1995 BASE LEVEL
338/339	416,856 dz	441,867 dz	468,379 dz
340/640	200,000 dz	212,000 dz	224,720 dz
(340/640 - yarn dyed)	(150,000 dz)	(159,000 dz)	(168,540 dz)

GROUP I

CATEGORY	1993 BASE LEVEL	1994 BASE LEVEL	1995 BASE LEVEL
Group 1	30,000,000 sme	31,800,000 sme	33,708,000 sme

Group I is a limit on all exports of cotton, wool, man-made fibre, non-cotton vegetable fibre and silk blend apparel, including categories 237, 239, 330-336, 338, 339, 340-342, 345, 347, 348-354, 359, 431-436, 438-440, 442-448, 459, 630-636, 638, 639, 640-647, 648, 649, 650-654, 659, 831-836, 838, 839, 840, 842-847, 850, 852, 858, 859.

The Group I limit shall have available carry forward of 6 per cent and carryover of 11 per cent. The combination of carry forward and carryover shall not exceed 11 per cent.