

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
COM.TEX/SB/1930*
18 August 1994
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Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

**Bilateral agreement between the
United States and the Slovak Republic**

The Textiles Surveillance Body received a notification from the United States of an agreement concluded with the Slovak Republic for the period 1 June 1993 to 31 May 1995. This agreement extended on a *pro rata* basis the previous agreement with the former Czech and Slovak Federal Republic.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The agreement with the former Czech and Slovak Federal Republic and an extension are contained in COM.TEX/SB/1229 and 1780.

²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Inglés solamente

12 November 1993

UNITED STATES AND THE SLOVAK REPUBLIC
ESTABLISH A NEW BILATERAL TEXTILE AGREEMENT
BY EXCHANGE OF NOTES
6 AUGUST 1993 AND 6 OCTOBER 1993

The United States and the Slovak Republic established a bilateral textile agreement by exchange of notes in Bratislava on 6 August and 6 October 1993. Text of the notes is attached.

AGREEMENT

between the Government of the Slovak Republic and the Government of the United States
relating to

Trade in Cotton, Wool, Man-made Fibre, Non-Cotton Vegetable Fibre
and Silk-Blend Textiles and Textile Products

Agreement Term

1. The term of this agreement will be the period from 1 June 1993 through 31 May 1995. Each "agreement period" shall be a 12-month period from 1 June of a given year to 31 May of the following year.

Coverage of Agreement and Classification by Fibre

2. The textiles and textile products covered by this agreement are those summarized in Annex A. The system of categories and the rates of conversion into Square Meters Equivalent (SME) listed in Annex A shall apply in implementing this agreement.
3. (A) 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 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 of the legal notes to Section 11 of the harmonized system are likewise to be disregarded here.
- (B) For the purposes of this agreement, textile products covered by paragraph (2) 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 product is in chief weight of silk or non-cotton vegetable, 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 thereto and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibre components, in which case the product will be considered 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 subparagraph (B)(IV)(b).
 - (e) Coverage under this paragraph is intended to be identical with the terms of the arrangement regarding international trade in textiles 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.

Specific Limits

4. Commencing with the first agreement period and during each subsequent term of this agreement, the Government of the Slovak Republic 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 Slovakia to the specific limits set out in Annex B, and as such specific limits may be adjusted in accordance with paragraph 5.

FLEXIBILITY ADJUSTMENTS

Swing

5. (A) (I) The specific limits set out in Annex B do not include any adjustments permitted under paragraph 5.

- (II) During any agreement period, the specific limits set out in Annex B may be increased by not more than 7 per cent swing provided that a corresponding reduction in Square Meters Equivalent is made in one or more other specific limits during the same agreement period.
- (III) No specific limit may be decreased pursuant to paragraph 5 (A)(I) 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 Slovak Republic 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 Meters Equivalent.

Carryover and Carry Forward

- (B) (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 for the succeeding agreement period) and/or carryover (the use of any unused yardage - shortfall - of the corresponding specific limit for the previous agreement period) is 11 per cent, of which carry forward shall not constitute more than 7 per cent.
- (II) No carryover shall be available for application in the first agreement period. No carry forward shall be available for application in the final agreement period.
- (C) For the purposes of the agreement, a shortfall occurs when exports of textiles or textile products of Slovakia 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 5, when such exports are below the limit as decreased).
- (D) The Government of the Slovak Republic will notify the Government of the United States when it wishes to use unused yardage (shortfall) available in categories for carryover, or for use by other categories for swing, 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 will be re-credited to the following period's limit. This procedure will 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

- 6. (A) Products of Slovakia 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 into the United States and charged to the applicable limit in the succeeding agreement period.

- (B) Products of Slovakia shipped in excess of applicable limits in any agreement period will, if allowed entry into the United States during that agreement period, be charged to the applicable limit in the succeeding agreement period.
- (C) Any action taken pursuant to subparagraph 6(A) and 6(B) above, will not prejudice the rights of the other side regarding consultations.

Spacing Provisions

- 7. The Government of the Slovak Republic 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.

United States Assistance in Implementation
of the Limitation Provision

- 8. The Government of the Slovak Republic shall administer its export control system under the agreement. The Government of the United States may assist the Government of the Slovak Republic in implementing the limitation provisions of this agreement by controlling, by the date of export, imports of textiles and textile products covered by this agreement.

Exchange of Information

- 9. 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

- 10. (A) The Government of the United States shall promptly supply the Government of the Slovak Republic with data on monthly imports of the textiles or textile products of Slovakia listed in Annex B into the United States.
- (B) The Government of the Slovak Republic shall promptly supply the Government of the United States with data on monthly exports of the textiles or textile products of Slovakia listed in Annex B into the United States.

Cooperation in the Prevention of Circumvention

- 11. The Government of the United States of America and the Government of the Slovak Republic agree to take measures necessary to prevent, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this agreement by transshipment, re-routing, false declaration concerning country of origin, falsification of official documents or whatever other means. Both parties agree that consistent with their domestic laws and procedures, they will cooperate fully to address problems arising from circumvention.
- 12. Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the agreement to address problems arising from circumvention and to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, consistent with domestic laws and procedures, will include investigation of circumvention practices; exchange of documents, correspondence,

reports and other relevant information to the extent available; and facilitation of impromptu plant visits and contacts, upon request and on a case-by-case basis.

13. Following the exchange of information and cooperation outlined in paragraph 12, should either party believe that this agreement is being circumvented 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, beginning within 30 days when possible and concluding within 60 days when possible.
14. Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under paragraph 13, then the Governments of the Slovak Republic and the United States agree that deductions from the quantitative limits established under this agreement may be made in those instances in which; (A) the United States possesses information showing a substantial likelihood that circumvention has occurred; (B) the United States has requested from the Slovak Republic cooperation or information relevant to the possible circumvention that is of a type that is available or could be available to the Government of the Slovak Republic; and (C) and the Government of the Slovak Republic has not provided such information or cooperation within a reasonable period of time. Any such action shall be notified to the Textile Surveillance Board with full justification.
15. Should the United States choose to exercise its rights under paragraph 14 to deduct from the quantitative limits placed on a country which has incurred deductions from its quantitative limits as a result of circumvention of this agreement in either the current or the previous quota year, then the United States may deduct from the quantitative limit amounts up to three times the amounts transshipped, provided that such deductions are applied equally in each of the three following agreement years.
16. Where there is information showing that goods originating in another country have been shipped through the Slovak Republic to the United States as though they were products of the Slovak Republic, the Governments of the Slovak Republic and the United States agree to take appropriate action. Such action may include the introduction of restraints or deducting the amount of goods so shipped from the quantitative limits established under this agreement for shipments originating in the Slovak Republic. Any such actions, together with their timing and scope, may be taken after consultation held with a view of arriving at a mutually satisfactory solution and shall be notified to the Textile Surveillance Board with full justification. Should the parties be unable to reach a satisfactory solution, then the Government of the Slovak Republic and the United States agree that in cases where clear information regarding circumvention has been provided, the United States may deduct from the quantitative limits established under this agreement an amount equivalent to the amount of the product transshipped through the Slovak Republic.
17. Parties agree that false declaration concerning fibre content, quantities, description or classifications of merchandise also frustrates the objective of this agreement. Where there is evidence that any such false declaration has been made for purposes of circumvention, both parties agree to take appropriate measures, consistent with their domestic laws and procedures, against exporters or 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. Should the parties be unable to reach a satisfactory solution, then the Governments of the Slovak Republic and the United States agree that in cases where clear information regarding such false

declarations has been provided, then the United States may deduct from the quantitative limits established under this agreement an amount equivalent to the amount of product subject to the false declarations or classification. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

Commercial Samples and Personal Shipments

18. Properly marked commercial samples, valued at \$250 or less, and items for the personal use of the importer and not for resale, regardless of value, shall not be subject to the limits established under this agreement.

Mutually Satisfactory Administrative Arrangements

19. 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

20. The Government of the United States and the Government of the Slovak Republic each agree to consult upon the request of the other on any question arising in the implementation of this agreement.

Consultations in Case of Inequity
Vis-à-vis a Third Country

21. If the Government of the Slovak Republic considers that as a result of the limitations specified in this agreement, it is being placed in an inequitable position in relation to a third country, the Government of the Slovak Republic may request consultations with the Government of the United States with a view to taking appropriate remedial actions, such as a reasonable modification of this agreement.

Reservation of Rights

22. The Government of the United States and the Government of the Slovak Republic each reserve their rights under the arrangement with respect to textiles and textile products not subject to this agreement.

Right to Propose Revisions to the Agreement

23. The Government of the United States and the Government of the Slovak Republic 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 actions as may be mutually agreed upon.

Right to Terminate the Agreement

24. 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.

ANNEX AUnited States Textile and Apparel Category System
Under the Harmonized System

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		Unit	Conversion factor to square metre equivalent
YARN			
Cotton and man-made fibre:			
200	Yarns put up for retail sale and sewing thread	kg.	6.6
201	Speciality yarns	kg.	6.5
Cotton:			
300	Carded yarns, cotton	kg.	8.5
301	Combed yarns, cotton	kg.	8.5
Wool:			
400	Wool yarn	kg.	3.7
Man-made fibre:			
600	Textured filament yarns	kg.	6.5
603	Yarn containing 85% or more by weight artificial staple fibre	kg.	6.3
604	Yarn containing 85% or more by weight synthetic staple fibre	kg.	7.6
606	Non-textured filament	kg.	20.1
607	Other staple fibre yarn	kg.	6.5

Category description		Unit	Conversion factor to square metre equivalent
FABRIC			
Cotton and man-made fibre:			
218	Of yarns of different colours	m ²	1.0
219	Duck	m ²	1.0
220	Fabric of special weave	m ²	1.0
222	Knit fabric	kg.	12.3
223	Non-woven fabrics	kg.	14.0
224	Pile and tufted fabrics	m ²	1.0
225	Blue denim	m ²	1.0
226	Cheesecloth, batistes, lawns or voiles	m ²	1.0
227	Oxford cloth	m ²	1.0
229	Special purpose fabric	kg.	13.6
Cotton:			
313	Sheeting	m ²	1.0
314	Poplin and broadcloth	m ²	1.0
315	Printcloth	m ²	1.0
317	Twilis	m ²	1.0
326	Sateens	m ²	1.0
Wool:			
410	Woven fabrics containing 36% or more by weight wool	m ²	1.0
414	Other wool fabrics	kg.	2.8
Man-made fibre:			
611	Woven man-made fibre fabric containing 85% or more by weight artificial staple fibres	m ²	1.0
613	Sheeting	m ²	1.0
614	Poplin and broadcloth	m ²	1.0
615	Printcloth	m ²	1.0
617	Twills and sateens	m ²	1.0
618	Woven artificial filament	m ²	1 N
619	Polyester filament fabric, less than 170 gr. per m ²	m ²	
620	Other synthetic filament fabric	m ²	1.0
621	Impression fabric	kg.	14.4
622	Glass fibre fabric	m ²	1.0
624	Woven man-made fibre fabric, containing more than 15% but less than 36% wool	m ²	1.0

Category description		Unit	Conversion factor to square metre equivalent
Staple/filament combination:			
625	Poplin and broadcloth	m ²	1.0
626	Printcloth	m ²	1.0
627	Sheeting	m ²	1.0
628	Twills and sateens	m ²	1.0
629	Other MMF	m ²	1.0
Silk-blend and non-cotton vegetable fibre:			
810	Woven fabric of silk-blends and non-cotton vegetable fibre	m ²	1.0
APPAREL			
Cotton and man-made fibre:			
237	Playsuits, sunsuits, etc.	doz.	19.2
239	Infants' apparel	kg.	6.3
Cotton:			
330	Handkerchiefs	doz.	1.4
331	Gloves and mittens	dpr.	2.9
332	Hosiery	dpr.	3.8
333	M & B suit-type coats	doz.	30.3
334	Other M & B coats	doz.	34.5
335	W & G coats	doz.	34.5
336	Dresses	doz.	37.9
338	M & B knit shirts	doz.	6.0
339	W & G knit shirts and blouses	doz.	6.0
340	M & B shirts, not knit	doz.	20.1
341	W & G shirts and blouses, not knit	doz.	12.1
342	Skirts	doz.	14.9
345	Sweaters	doz.	30.8
347	M & B trousers, slacks and shorts	doz.	14.9
348	W & G trousers, slacks and shorts	doz.	14.9
349	Brassieres and body supporting garments	doz.	4.0
350	Dressing gowns, etc.	doz.	42.6
351	Nightwear and pyjamas	doz.	43.5
352	Underwear	doz.	9.2
353	M & B down-filled coats	doz.	34.5
354	W & G down-filled coats	doz.	34.5
359	Other cotton apparel	kg.	8.5

Category description		Unit	Conversion factor to square metre equivalent
Wool:			
431	Gloves and mittens	dpr.	1.8
432	Hosiery	dpr.	2.3
433	M & B suit-type coats	doz.	30.1
434	Other M & B coats	doz.	45.1
435	W & G coats	doz.	45.1
436	Dresses	doz.	41.1
438	Knit shirts and blouses	doz.	12.5
439	Infants' wear	kg.	6.3
440	Shirts and blouses, not knit	doz.	20.1
442	Skirts	doz.	15.0
443	M & B suits	Nos.	3.76
444	W & G suits	Nos.	3.76
445	M & B sweaters	doz.	12.4
446	W & G sweaters	doz.	12.4
447	M & B trousers, slacks and shorts	doz.	15.0
448	W & G trousers, slacks and shorts	doz.	15.0
459	Other wool apparel	kg.	3.7
Man-made fibre:			
630	Handkerchiefs	doz.	1.4
631	Gloves and mittens	dpr.	2.9
632	Hosiery	dpr.	3.8
633	M & B suit-type coats	doz.	30.3
634	Other M & B coats	doz.	34.5
635	W & G coats	doz.	34.5
636	Dresses	doz.	37.9
638	M & B knit shirts	doz.	15.0
639	W & G knit shirts and blouses	doz.	12.5
640	M & B shirts, not knit	doz.	20.1
641	W & G shirts and blouses, not knit	doz.	12.1
642	Skirts	doz.	14.9
643	M & B suits	Nos.	3.76
644	W & G suits	Nos.	3.76
645	M & B sweaters	doz.	30.8
646	W & G sweaters	doz.	30.8
647	M & B trousers, slacks and shorts	doz.	14.9
648	W & G trousers, slacks and shorts	doz.	14.9
649	Brassieres and body supporting garments	doz.	4.0
650	Dressing gowns, etc.	doz.	42.6
651	Nightwear and pyjamas	doz.	43.5
652	Underwear	doz.	13.4
653	M & B down-filled coats	doz.	34.5
654	W & G down-filled coats	doz.	34.5
659	Other man-made fibre apparel	kg.	14.4

Category description		Unit	Conversion factor to square metre equivalent
Silk-blends and non-cotton vegetable fibre:			
831	Gloves and mittens	dpr.	2.9
832	Hosiery	dpr.	3.8
833	M & B suit-type coats	doz.	30.3
834	Other M & B coats and jackets	doz.	34.5
835	W & G coats and jackets	doz.	34.5
836	Dresses	doz.	37.9
838	Knit shirts, blouses and tops	doz.	11.7
839	Infants' wear	kg.	6.3
840	Not knit shirts and blouses	doz.	16.7
842	Skirts	doz.	14.9
843	M & B suits	Nos.	3.76
844	W & G suits	Nos.	3.76
845	Sweaters of vegetable fibre	doz.	30.8
846	Sweaters of silk-blend	doz.	30.8
847	Trousers, slacks and shorts	doz.	14.9
850	Robes and dressing gowns	doz.	42.6
851	Nightwear and pyjamas	doz.	43.6
852	Underwear	doz.	11.3
858	Neckwear	kg.	6.6
859	Other apparel	kg.	12.5
MADE-UP AND MISCELLANEOUS TEXTILES			
Cotton:			
360	Pillow cases	Nos.	0.9
361	Sheets	Nos.	5.2
362	Bedspread and quilts	Nos.	5.8
363	Terry and other pile towels	Nos.	0.4
369	Cotton manufactures, not specified (NSPF)	kg.	8.5
Wool:			
464	Blankets	kg.	2.4
465	Floor coverings	m ²	1.0
469	Wool manufactures (NSPF)	kg.	3.7
Man-made fibre:			
665	Floor coverings	m ²	1.0
666	Other furnishings	kg.	14.4
669	Man-made fibre manufactures (NSPF)	kg.	14.4
670	Flat goods, handbags, luggage	kg.	3.7

Category description		Unit	Conversion factor to square metre equivalent
Silk-blends and non-cotton vegetable fibre:			
863	Towels	Nos.	0.4
870	Luggage	kg.	3.7
871	Flat goods and handbags	kg.	3.7
899	Other silk-blend and non-cotton vegetable fibre manufactures	kg.	11.1

ANNEX B

Category	1 June 1993 - 31 May 1994
410	391,718 square meters
433	10,941 dozens
435	16,526 dozens
443	91,401 numbers

Category	1 June 1994 - 31 May 1995
410	395,635 square meters
433	11,050 dozens
435	16,691 dozens
443	92,315 numbers

199/93 - NO

The Ministry of Foreign Affairs of the Slovak Republic presents its compliments to the Embassy of the United States of America and has the honour in reply to the Embassy's Note 75/93 dated 6 August 1993, regarding the agreement relating to trade in cotton, wool, man-made fibre, non-cotton vegetable fibre and silk-blend textiles and textile products between the Government of the Slovak Republic and the Government of the United States, to inform, that the Government of the Slovak Republic agrees with the proposed agreement and its annexes. Being in agreement with the proposals of the Government of the United States of America, the Government of the Slovak Republic understands that the Embassy's Note 75/93 and this reply constitute an agreement between our two Governments, which supersedes and replaces the Memorandum of Understanding between the United States and the Slovak Republic regarding Trade in Textiles that entered into force on 20 May 1993.

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

Bratislava, 6 October 1993

Embassy of the United States
of America
Bratislava