

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

**RESTRICTED**  
**COM.TEX/SB/1931\***  
18 August 1994  
Special Distribution

(94-1621)

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**Textiles Surveillance Body**

**Original: English**

**ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES**

**Notification under Article 4:4**

**Extension and modification of the bilateral agreement  
between the United States and Turkey**

The Textiles Surveillance Body received a notification from the United States of a further extension with modifications, of its bilateral agreement with Turkey for the period 1 January 1994 to 31 December 1995.<sup>1</sup>

The TSB, pursuant to its procedures regarding notifications received 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.

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<sup>1</sup>The bilateral agreement, a previous extension and amendments are contained in COM.TEX/SB/1494, 1535, 1679 and 1679/Corr.1.

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

\*English only/Anglais seulement/Inglés solamente

1 February 1994

**UNITED STATES AND TURKEY EXTEND AND AMEND THEIR  
BILATERAL TEXTILE AGREEMENT BY EXCHANGE  
OF NOTES ON 19 NOVEMBER 1993  
AND 17 DECEMBER 1993**

The United States and Turkey exchanged notes in Ankara to amend and extend the bilateral textile agreement between their two Governments. Text of the notes is attached.

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 961

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Turkey and has the honour to refer to the arrangement regarding trade in textiles done at Geneva on 20 December 1973, and subsequently amended (the arrangement), and the agreement between the United States of America and the Republic of Turkey on Bilateral Textile Trade [signed 21 June 1988,] as amended (the Agreement).

The Embassy of the United States has the honour to propose that the Agreement and all its amendments be consolidated and amended to read as follows:

Agreement Term

1. The term of this Agreement will be the period from 1 July 1988, through 31 December 1995. Each "Agreement period" shall be a twelve-month period from 1 July of a given year to 30 June of the following year until 1 July 1990. 1 July 1990 through 31 December 1990 will be a six-month agreement period. From 1 January 1991 through 31 December 1995 there shall be twelve-month agreement periods running from 1 January of a given year until 31 December of that year.

Coverage of Agreement

2. Textiles and textile products covered by this agreement are those set forth in Annex A. The system of categories and the rates of conversion into square meters listed in Annex A shall apply in implementing this agreement.

Merged Categories and Conversion Factors

3. For purposes of this agreement, and in recognition of the patterns of trade between Turkey and the United States, the categories below are merged and treated as single categories, with relevant conversion factors, as indicated:

<u>Categories merged</u>	<u>Designation in agreement</u>	<u>Conversion factor</u>
300, 301	300/301	8.5
340, 640	340/640	20.1
342, 642	342/642	14.9
347, 348	347/348	14.9
410, 624	410/624	1.0
336, 636	336/636	37.9
338/339, 638/639	338/339/638/639	10.0
341, 641	341/641	12.1
351, 651	351/651	43.5

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[Should read "effected by exchange of notes 19 October and 16 November 1988, in Ankara,"]

Specific Limits

4. The categories and products in Annex A are those which are covered by this agreement. The Government of Turkey will restrain for each agreement period its exports to the United States of products listed in Annex A to the specific limits (SLS) set forth in Annex B.

Flexibility Adjustments

5. (A) (I) Specific limits listed in Annex B do not include any adjustments permitted under this paragraph.
- (II) During any agreement period, any specific limit may be exceeded by not more than seven (7) per cent swing, provided that a corresponding reduction in square meters equivalent is made in other specific limits during the same agreement period. The Fabric Group shall be treated as a specific limit. Should swing be applied to the Fabric Group limit, the sublimits will not be altered. Special shift of ten per cent will be available between the yarn categories 200, 300/301 and 604.
- (III) The Government of Turkey shall indicate to the Government of the United States the specific limits or sublimits it would like to increase and which it would like to decrease.
- (B) (I) The extent to which any specific limit may be exceeded by carry forward (borrowing a portion of the corresponding specific limit from 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 eleven (11) per cent, of which carry forward shall not constitute more than six (6) 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 purposes of this agreement, a shortfall in a specific limit occurs when exports of textiles or textile products of Turkey to the United States during any agreement period are below the applicable specific limit set out in Annex B or, in the case of any limit decreased pursuant to the provisions of this paragraph, when such exports are below the specific limit as decreased.
- (D) The Government of Turkey will notify the Government of the United States through official channels when it wishes to use an unused quantity (shortfall) available in categories for carryover or when it wishes to use carry forward, subject to the provisions set out above.

Implementation of Overshipment Provisions

6. (A) The Government of Turkey shall administer its export control system under this agreement. The Government of the United States may assist the Government of Turkey in implementing its provisions of this agreement by controlling imports by the date of export of textiles and textile products covered by this agreement.

- (B) Products of Turkey shipped in excess of agreed levels in any agreement period may be denied entry into the United States. Any such shipments denied entry into the United States may be permitted entry in the succeeding agreement period and charged to the applicable limit. The Government of the United States of America shall inform the Government of Turkey of any such charges.
- (C) Products of Turkey shipped in excess of authorized levels in any agreement period will, if entered into the United States during that agreement period, be charged to the applicable level in the succeeding agreement period.
- (D) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

#### Spacing Provisions

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

#### Reservation of Rights

8. For the duration of this agreement the Governments of the United States and Turkey reserve their rights under the arrangement with respect to textiles and textile products not subject to limitation during each agreement year.

#### Exchange of Data

9. In accordance with their respective domestic laws, the Government of the United States and the Government of Turkey shall promptly exchange statistics on monthly trade in textiles and textile products covered by this agreement. Similarly, each Government agrees to supply promptly any other available statistical data necessary to the implementation of this agreement.

#### Mutually-Satisfactory Administrative Arrangements

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

#### Consultation on Implementation Questions

11. The Government of the United States and the Government of Turkey agree, upon request of the other, to consult on any question arising in the implementation of this agreement.

#### Right to Propose Amendments to the Agreement

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

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

13. If either government considers that, as a result of any provisions of this agreement, it is being placed in an inequitable position in relation to a third country, either government may request consultations with the other with a view to taking appropriate remedial actions such as a reasonable modification of this agreement.

Cooperation in the Prevention of Circumvention

14. (A) The Government of the United States and the Government of Turkey agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of this agreement by transshipment, rerouting, false declaration concerning country of origin falsification of official documents or any other means.
- (B) 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, to the extent 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 by representatives of either party, upon request and on a case-by-case basis.
- (C) If either party believes that this agreement is being circumvented, it may request consultations to address the matter or matters concerned with a view to seeking a mutually-satisfactory solution. Each party agrees to hold such consultations promptly, beginning within 30 days of a request by a party and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in paragraph 14(B) above.
- (D) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under paragraph 14(C), then the Governments of Turkey and the United States agree that in cases where evidence regarding circumvention has been provided, the United States may deduct from the quantitative limits for that agreement period amounts at least equivalent to the amount of transshipped products of Republic of Turkey origin. The amounts transshipped shall be the amounts and the country of origin shall be the country of origin so determined by United States Customs. In addition, the Governments of Turkey 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 Government of Turkey cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Government of Turkey; and

- (C) The Government of Turkey has not provided such information or cooperation within the period for consultation outlined in paragraph 14(C). Any such action shall be notified to the TSB with full justification.
- (E) Should the United States choose to exercise its rights under paragraph 14(D) to deduct an amount or amounts from the quantitative limits of a country where repeated instances of circumvention have been demonstrated within the current or immediately preceding agreement year, then the United States may deduct from the quantitative limit amounts up to three times the amounts transshipped, provided that such deductions are distributed equally in each of the three following years.
- (F) Where there is evidence showing that goods originating in another country have been shipped through Turkey to the United States as though they were products of Turkey, the Governments of Turkey and the United States agree to take appropriate action. Such action may include the introduction of restraints in the relevant category or categories or deducting the amount of goods so shipped from the quantitative limits established for the current agreement year under this agreement for shipments originating in Turkey. 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 TSB with full justification. Such consultations should be held promptly, beginning within 30 days of a request by a party and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Turkey and the United States agree that in cases where clear information regarding circumvention has been provided, the United States may introduce a restraint or, where a restraint already exists, may deduct from the quantitative limits established under this agreement for that agreement period an amount equivalent to the amount of product transshipped through Turkey.
- (G) 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 declaration 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. Such consultations should be held promptly beginning within 30 days of a request by a party and concluding within 90 days, unless extended by mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Government of Turkey and the United States agree that in cases where evidence regarding such false declarations has been provided, then the United States may deduct from the quantitative limits established for the current agreement year an amount equivalent to the amount of product subject to the false declaration or classification. This provision is not intended to prevent parties from making technical adjustments when inadvertent errors in declarations have been made.

Exchange of Information

15. Subject to domestic laws, each government agrees to supply promptly any information reasonably believed to be necessary to the enforcement of this agreement requested by the other government.

Continuation of Administrative Provisions

16. The provisions contained in paragraphs 3, 5, 6, 7, 9, 10, 11, 14 and 15 of this agreement will be directly relevant to the ability of the Governments of Turkey and the United States to implement the Uruguay Round Textile Transition Regime. Therefore, upon entry into force of the Uruguay Round Agreement, those provisions will remain in force and will be notified to the textiles monitoring body. The visa arrangement between the United States and Turkey shall also remain in force.

Right to Terminate the Agreement

17. 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 the foregoing conforms to the understanding of the Government of Turkey, this note and the Ministry's note of confirmation on behalf of the Government of Turkey shall constitute an amendment to the 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.

Embassy of the United States of America,  
Ankara, 19 November 1993.

Enclosures: 1. ANNEX A  
2. ANNEX B



ANNEX A

Categories numbered in the:

200 series are of cotton and/or man-made fibre;  
300 series are of cotton;  
400 series are of wool; and  
600 series are of man-made fibre.

Category	Description	Conversion factor	Unit
<u>Yarns</u>			
<u>Cotton and man-made fibre</u>			
200	Yarns put up for retail sale and sewing thread	6.6	kg.
<u>Cotton</u>			
300	Carded yarns, cotton	8.5	kg.
301	Combed yarns, cotton	8.5	kg.
<u>Man-made fibre</u>			
604	Yarn containing 85% or more by weight synthetic staple fibre	7.6	kg.
<u>Fabric</u>			
<u>Cotton and man-made fibre</u>			
219	Duck	1.0	m <sup>2</sup>
<u>Cotton</u>			
313	Sheeting	1.0	m <sup>2</sup>
314	Poplin and broadcloth	1.0	m <sup>2</sup>
315	Printcloth	1.0	m <sup>2</sup>
317	Twills	1.0	m <sup>2</sup>
326	Sateens	1.0	m <sup>2</sup>
<u>Wool</u>			
410	Woven fabrics containing 36% or more by weight wool	1.0	m <sup>2</sup>
<u>Man-made fibre</u>			
617	Twills and sateens	1.0	m <sup>2</sup>
624	Woven man-made fibre fabric, containing more than 15% but less than 36% wool	1.0	m <sup>2</sup>
625	Poplin and broadcloth	1.0	m <sup>2</sup>
626	Printcloth	1.0	m <sup>2</sup>
627	Sheeting	1.0	m <sup>2</sup>
628	Twills and sateens	1.0	m <sup>2</sup>

Category	Description	Conversion factor	Unit
<u>Apparel</u>			
335	W & G coats	34.5	doz.
336	Dresses	37.9	doz.
338	M & B knit shirts	6.0	doz.
339	W & G knit shirts and blouses	6.0	doz.
340	M & B shirts, not knit	20.1	doz.
341	W & G shirts and blouses, not knit	12.1	doz.
342	Skirts	14.9	doz.
347	M & B trousers, slacks and shorts	14.9	doz.
348	W & G trousers, slacks and shorts	14.9	doz.
350	Dressing gowns, etc.	42.6	doz.
351	Nightwear and pyjamas	43.5	doz.
<u>Wool</u>			
448	W & G trousers, slacks and shorts	15.0	doz.
<u>Man-made fibre</u>			
636	Dresses	37.9	doz.
638	M & B knit shirts	15.0	doz.
639	W & G knit shirts and blouses	12.5	doz.
640	M & B shirts, not knit	20.1	doz.
641	W & G shirts and blouses, not knit	12.1	doz.
642	Skirts	14.9	doz.
651	Nightwear and pyjamas	43.5	doz.
<u>Made ups and miscellaneous</u>			
<u>Cotton</u>			
361	Sheets	5.2	Nos.
369	Cotton manufactures, not specified (NSPF)	8.5	kg.

ANNEX B

Category	Unit	Specific limits for:	
		1994	1995
Fabric group	m <sup>2</sup>	132,202,776	140,134,943
219	m <sup>2</sup>	30,211,029	32,023,691
313	m <sup>2</sup>	36,924,591	39,140,067
314	m <sup>2</sup>	21,483,398	22,772,402
315	m <sup>2</sup>	28,868,318	30,600,417
317	m <sup>2</sup>	30,211,029	32,023,691
326	m <sup>2</sup>	3,356,780	3,558,187
617	m <sup>2</sup>	20,140,687	21,349,128
625	m <sup>2</sup>	3,356,780	3,558,187
626	m <sup>2</sup>	3,356,780	3,558,187
627	m <sup>2</sup>	3,356,780	3,558,187
628	m <sup>2</sup>	3,356,780	3,558,187
200	kg.	1,274,720	1,351,202
300/301	kg.	6,206,522	6,578,913
335	doz.	267,979	284,058
336/636	doz.	631,238	669,113
338/339/638/639	doz.	3,930,353	4,166,174
(338/339/638/639-S)	doz.	(1,965,176)	(2,083,087)
340/640	doz.	1,293,594	1,345,338
(340/640-Y)	doz.	(367,916)	(382,633)
341/641	doz.	1,277,485	1,328,584
(341/641-Y)	doz.	(447,120)	(465,005)
342/642	doz.	702,699	744,861
347/348	doz.	3,823,161	4,052,551
(347/348-T)	doz.	(1,329,862)	(1,409,654)
350	doz.	398,538	422,450
351/651	doz.	637,194	675,426
361	Nos.	1,339,893	1,420,287
369-S	kg.	1,385,194	1,468,306
410/624	m <sup>2</sup>	1,050,907	1,061,416
(410)	m <sup>2</sup>	(679,999)	(686,799)
418	doz.	36,061	36,422
604	kg.	1,598,921	1,694,856

Republic of Turkey  
Ministry of Foreign Affairs

EUUE-I/760.038.A/4116-284

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the Embassy of the United States of America (USA) and has the honour to refer to Latter's Note No. 961 dated 19 November 1993, concerning the amendment and extension of the Agreement between the Republic of Turkey and the USA on Bilateral Textile Trade.

The Ministry has the honour to inform that the Republic of Turkey agrees to the conditions proposed in the above-mentioned Note.

The Ministry of Foreign Affairs of the Republic of Turkey avails itself of this opportunity to renew to the Embassy of the USA the assurances of its highest consideration.

Ankara, 17 December 1993

Embassy of the United  
States of America,  
Ankara