

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

RESTRICTED  
**COM.TEX/SB/1978\***  
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**Textiles Surveillance Body**

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension of the Bilateral Agreement between  
the United States and Sri Lanka

The Textiles Surveillance Body received a notification from the United States of an extension of its agreement with Sri Lanka for the period 1 July 1994 to 30 June 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, an amendment and extension are contained in COM.TEX/SB/1444, 1510 and 1977.

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

\*English only/Anglais seulement/Inglés solamente

Embassy of the United States of America

No. 106

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka and has the honour to refer to the Arrangement Regarding International Trade in Textiles, done at Geneva on 20 December 1973, as extended (hereinafter the Arrangement); to the Agreement, as amended, between the Democratic Socialist Republic of Sri Lanka and the United States of America relating to trade in cotton, wool, man-made, silk blend and other vegetable fibre textile and textile products, effected by exchange of notes on 23 and 24 May 1988, in Colombo, as amended and extended (hereinafter The Agreement); and to discussions between Representatives of the Government of the Democratic Socialist Republic of Sri Lanka and Representatives of the Government of the United States of America, held in Washington 10-11 February 1994.

The Embassy has the further honour to refer to the Memorandum of Understanding signed 11 February 1994, as a result of those discussions. In conformance with the provisions of the Memorandum of Understanding, the Embassy proposes that the Agreement be amended and extended to read as follows:

**AGREEMENT BETWEEN THE GOVERNMENT OF THE  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA  
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
CONCERNING TRADE IN COTTON, WOOL, MAN-MADE, SILK BLEND  
AND OTHER VEGETABLE FIBRE TEXTILE AND TEXTILE PRODUCTS**

**AGREEMENT TERM**

1. (A) The Agreement shall be extended for a period of one year, through 30 June 1995. Each "Agreement Period" shall be a twelve-month period from 1 July of a given year to 30 June of the following year with the exception of the six-month period 1 July 1993 through 1 December 1993, and the 18-month period 1 January 1994 through 30 June 1995.

**CLASSIFICATION**

- 2 (A) Textiles and textile products subject to this Agreement are those set forth in Annex A. Tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products, which derive their chief characteristics from the 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 of 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 forgoing 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) 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.
- (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) (IV) (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.

### IMPLEMENTATION

3. The system of categories and the rates of conversion into square meters equivalent listed in Annex A shall apply in implementing this Agreement. For purposes of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex A shall be applied.

### MERGED CATEGORIES

4. For purposes of this Agreement, and in recognition of the patterns of trade between Sri Lanka and the United States, the categories below are merged and treated as single categories, as indicated (with specific limits and sub-limits as listed in Annex B). The rates of conversion for individual categories set out in Annex A shall be applied, except as stated below:

Merged Categories	Conversion Factors
331/631	2.9
333/633	30.3
334/634	34.5
335/835	34.5
336/636/836	37.9
338/339	6.0
340/640	20.1
341/641	12.1
342/642/842	14.9
345/845	30.8
347/348/847	14.9
350/650	42.6
351/651	43.5
352/652	11.3
359/659-C	10.1
638/639/838	13.0
645/646	30.8
647/648	14.9

### PART-CATEGORIES

5. For purposes of this Agreement, and in recognition of the patterns of trade between Sri Lanka and the United States, the following categories summarized in Annex A contain part-categories. The rates of conversion for the individual categories set out in Annex A shall be applied.

Category	Designation in Agreement	Description
369	369-D	Dishtowels
369	369-S	Shoptowels
369	369-O	Other
340	340-Y	Mens' and Boys' Shirts made of fabric with two or more colours in the warp and/or filling
340	340-O	Other
640	640-Y	Men's and Boys' Shirts made of fabric with two more colours in the warp and/or filling
640	640-O	Other
359/659	359-C/659-C	Coveralls
359/659	359-O/659-O	Other
347/348/847	347-T/348-T/847-T	Trousers, Slacks and Shorts
347/348/847	347-O/348-O/847-O	Other

(Note: As of 1 January 1994, the sub-limits on Category 347/348/847 have been eliminated.)

#### **SPECIFIC LIMITS**

6. (A) Commencing with the first Agreement period and during the subsequent term of this Agreement period and during the Agreement, the Government of Sri Lanka shall limit annual exports of textiles and textile products of Sri Lanka to the United States to the specific limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 7 and 8. The specific limits and sub-limits in Annex B include growth, but do not include flexibility under paragraphs 7 and 8. Exports of textiles and textile products of Sri Lanka are subject to limits for the Agreement period in which exported.

(B) Notwithstanding paragraph 6 (A), commencing with the first Agreement period and during the subsequent terms of the Agreement, the Government of Sri Lanka may export an additional five (5) per cent to the United States of garments made from locally-woven, hand-loomed fabric in categories 334/634, 336/636/836, and 342.

#### **FLEXIBILITY (CARRYOVER/CARRY FORWARD)**

7. (A) The extent to which any specific limit or sub-limit set out in Annex B may be exceeded in any Agreement period by carryover (the use of any unused quantity (shortfall) of the corresponding limit from the previous period and/or carry forward (borrowing a portion of the corresponding limit from the succeeding Agreement period) is 11 per cent, of which carry forward shall not constitute more than six per cent.

(B) For purposes of this Agreement, a shortfall occurs when exports of textiles or textile products of Sri Lanka to the United States during an Agreement period (plus any charges for overshipments made in the preceding years) are below any applicable limit set out in Annex B, as decreased pursuant to paragraphs 6 and 7, or adjusted downward for overshipments or other mutually agreed upon amendments. In the Agreement period following the shortfall, such products of Sri Lanka exported to the United States of America may be permitted to exceed the applicable limits subject to conditions set forth above, by carryover or shortfall in the following manner:

- (I) The carryover shall not exceed the amount of shortfall in any applicable limit;
- (II) The shortfall shall be used in the category in which the shortfall occurred; and
- (III) Carryover of shortfall may be used as available up to 11 per cent of the receiving Agreement period's applicable limit or sub-limit.

(C) No carryover shall be available for application during the first Agreement period. No carry forward shall be available for application during the last Agreement period. Carryover and carry forward shall be available between the 1/7/93-31/12/93 and the 1/1/94-30/6/95 Agreement periods.

#### FLEXIBILITY (SWING)

8. (A) Any specific category limit and sub-limit may be exceeded in any Agreement period by not more than seven (7) per cent (five per cent for wool categories) swing provided that the amount of the increase is compensated for by an equivalent decrease in square metres equivalent) in one or more other specific limits. When informing the United States of adjustments under the provisions of this paragraph, Sri Lanka shall indicate the category or categories to be decreased by commensurate quantities.

(B) A special shift of twenty (20) per cent, calculated on the base level of the receiving category and converted to square metres equivalent, shall be available between category 335/835 and category 334/634.

(C) A special shift of ten (10) per cent, calculated on the base level of the receiving category and converted to square metres equivalent, shall be available between category 338/339 and 638/639/838.

(D) A special shift of twenty (20) per cent, calculated on the base level of the receiving category and converted to square metres equivalent, shall be available between category 347/348/847 and 359-C/659-C.

(E) A special shift of ten (10) per cent, calculated on the base level of the receiving category and converted to square metres equivalent, shall be available between category 351/651 and 352/652.

(F) A special shift of fifteen (15) per cent, calculated on the base level of the receiving category and converted to square metres equivalent, shall be available between category 840 and category 340/640.

### AUTOMATIC FLEXIBILITY

9. The Government of the United States of America may apply flexibility under paragraph 7 to any specific limit and sub-limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of this Agreement. The Government of the United States shall inform the Government of Sri Lanka of adjustments implemented under the provisions of this paragraph. 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 Agreement period's limit. This procedure will not prejudice the outcome of any consultations that may be held between the two governments concerning the amounts of available carryover and the carry forward used.

### CONSULTATION MECHANISM

10. (A) In the event that the Government of the United States believes that imports of cotton, wool, man-made fibre textiles and textile products, and garments made of silk blends or vegetable fibre other than cotton of Sri Lanka in any category or any product not covered by specific limits listed in Annex A are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of Sri Lanka with a view to avoiding such market disruption or the threat thereof. The Government of the United States, at the time of the request, shall provide the Government of Sri Lanka with a detailed factual statement of the reasons and justification for its request for consultations, with current data, which in the view of the Government of the United States demonstrates:

- (I) The existence or threat of market disruption, as defined in Annex A of the Arrangement, and
- (II) The rôle of products of Sri Lankan origin in that disruption or threat of disruption.

(B) Both Governments agree to consult within 30 days of receipt of a request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless this period is extended by mutual agreement.

(C) (I) Upon the receipt of the request for consultations, and for the period remaining in the Agreement year in which the request is made, the Government of Sri Lanka agrees to hold its shipments to the United States of America of textiles or textile products in the category or categories subject to these consultations to a level no greater than 20 per cent (six per cent for wool product categories) above the amount entered, as reported in US general import statistics, during the first twelve of the most recent fourteen months preceding the month in which the request for consultations was made, prorated for the number of months remaining in the year.

(II) Where three or fewer months remain in an Agreement year at the time of the request for consultations, upon receipt of the request for consultations the Government of Sri Lanka agrees to hold its shipments to the United States of textiles or textile products in the category or categories subject to these consultations for the remaining months of the Agreement year plus the subsequent Agreement year to a level no greater than 20 per cent (six per cent for wool product categories) above the amount entered, as

reported in US general import statistics, during the first twelve of the most recent fourteen months preceding the month in which the request for consultations was made, prorated for the remaining month of the Agreement year plus the subsequent Agreement year.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, consultations shall continue and the Government of the United States may continue the limits for textiles or textile products in the category or categories subject to these consultations for the duration of the Agreement.

(E) (I) The first term of any restraint limit established under the preceding subparagraph will be effective for the period beginning on the date of the request for consultations and ending on the last day of the Agreement year in which the restraint limit was established, or where three or fewer months remained in the Agreement year at the time of the request for consultations, for the period ending on the last day of the subsequent Agreement year.

(II) For each remaining Agreement year any restraint limit established under this provision will be increased by six per cent growth per year (one per cent in the case of wool product categories). The subsequent restraint limits shall have any available swing, carryover or carry forward as is provided for specific limits under paragraphs 7 and 8 of this Agreement. Carryover will not be available in the first Agreement year.

#### **OVERSHIPMENT CHARGES**

11. (A) Imports of textiles and textile products of Sri Lanka in excess of authorized levels in any Agreement period may be denied entry into the United States. Any such shipments denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding Agreement period. The Government of the United States shall inform the Government of Sri Lanka of any such charges.

(B) Any action taken pursuant to this paragraph shall not prejudice the rights of either government regarding consultations.

#### **SPACING PROVISION**

12. (B) The Government of Sri Lanka shall use its best efforts to space exports of its textiles and textile products to the United States within each category evenly throughout the Agreement period, taking into consideration normal seasonal factors.

#### **US ASSISTANCE IN IMPLEMENTATION OF THE LIMITATION PROVISION**

13. Both Governments shall take appropriate measures of export and import control to implement the limitation provisions of the Agreement. The Government of the United States may assist the Government of Sri Lanka in implementing the limitation provisions of the Agreement by controlling its imports of textiles covered by the Agreement.

### EXCHANGE OF DATA

14. Upon request, the Government of the United States of America shall promptly supply the Government of Sri Lanka with monthly data on imports into the United States of textiles and textile products of Sri Lanka. Upon request, the Government of Sri Lanka shall promptly supply the Government of the United States of America with data on monthly exports of textiles and textile products of Sri Lanka to the United States. Each government agrees to supply promptly any other available statistical data necessary for the implementation of this Agreement.

### ADMINISTRATIVE ARRANGEMENTS

15. 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

16. The Government of the United States of America and the Government of Sri Lanka, upon request of the other, agree to consult on any question arising in the implementation of this Agreement.

### RIGHT TO PROPOSE REVISIONS TO THE AGREEMENT

17. The Government of the United States and the Government of Sri Lanka may at any time propose revisions in the terms of this Agreement. Each government 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.

### CONSULTATIONS IN CASE OF INEQUITY VIS-A-VIS A THIRD COUNTRY

18. If the Government of Sri Lanka considers that, as a result of limitations specified in this Agreement, Sri Lanka is being placed in an inequitable position in relation to a third country, the Government of Sri Lanka may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as a reasonable modification of this Agreement.

### AGREEMENT CIRCUMVENTION

19. (A) The Government of the United States and the Government of Sri Lanka agree to take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention of the 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. Upon completion of such visits during each trip, the visiting party shall report its findings to the respective government officials of the other party.

(C) If either party believes that the 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 receipt by a party of a written request accompanied by an explanation for the request from the other party and concluding within 90 days, unless extended by mutual agreement, and to cooperate fully in terms of the elements set out in paragraph B above.

(D) Should the parties be unable to reach a mutually satisfactory solution in the course of the consultations called for under paragraph C, then the Governments of Sri Lanka and the United States agree that in cases where clear evidence regarding circumvention has been provided, the United States may deduct from the quantitative limits for that Agreement period amounts equivalent to the amount of transshipped products of Sri Lanka origin. The amounts transshipped shall be the amounts and the country of origin shall be the country of origin so determined by US Customs. In addition, the Governments of Sri Lanka and the United States agree that deductions from the quantitative limits established under the Agreement may be made in those instances in which: A) the US possess information showing a substantial likelihood that circumvention has occurred; B) the US has requested from Sri Lanka 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 Sri Lanka and C) and the Government of Sri Lanka has not provided such information or cooperation within the period for consultation outlined in paragraph 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 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 clear evidence showing that goods originating in another country have been shipped through Sri Lanka to the United States as though they were products of Sri Lanka, the Governments of Sri Lanka 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 the Agreement for shipments originating in Sri Lanka. 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 receipt by a party of a written request accompanied by an explanation for the request from the other 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 Sri Lanka and the United States agree that in cases where clear evidence 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 the Agreement an amount equivalent to the amount of product transshipped through Sri Lanka.

(G) Parties agree that false declaration concerning fibre content, quantities, description or classifications of merchandise also frustrates the objective of the 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 the 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 receipt by a party of a written request accompanied by an explanation for the request from the other party, and concluding within 90 days, unless extended by a mutual agreement. Should the parties be unable to reach a satisfactory solution, then the Governments of Sri Lanka 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 products 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.

(H) Parties note that some cases of circumvention may involve shipments transitting through countries or places with no changes or alterations made to the goods contained in such shipment in the places of transit. They note that it may not be generally practicable for such places of transit to exercise control over such shipments.

(I) Both parties agree to continue cooperation in the implementation of the Bilateral Electronic Data Exchange System.

### **ARTICLE THREE OF THE ARRANGEMENT**

20. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request consultations to restrain export of cotton, wool and man-made fibre textiles and textile products and garments of silk blends and vegetable fibres other than cotton covered by this Agreement. Each government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

### **CORRECT CATEGORY/CORRECT QUANTITY VISA SYSTEM**

21. (A) Both governments agree to continue the correct category/correct quantity administrative visa arrangement.

(B) Subject to the establishment of a mutually agreed upon certification system, and in accordance with Article 12, Paragraph 3 of the Arrangement, exports of Sri Lankan handloom fabrics of the cottage industry or of handmade cottage industry products made of such handloom fabrics, or items in an agreed list of traditional folklore handicraft textile products, will not be subject to the provisions of the Agreement.

(C) Both governments recognize that under the Agreement the purchase of textiles and textile products to be delivered subject to the restrictions under the Agreement implies that the delivery of goods will be accompanied by a valid visa.

### **RIGHT TO TERMINATE THE AGREEMENT**

22. Either government may terminate this Agreement, effective at the end of any Agreement period by written notice to the other Government, to be given at least 90 days prior to the end of such Agreement period.

**AFFIRMATION OF PARAGRAPH 18, 1986 PROTOCOL  
OF EXTENSION**

23. The United States and Sri Lanka reaffirm the importance of full consultations, as necessary and appropriate, under the provisions of Paragraph 18 of the 1986 Protocol of Extension to the Multi-fibre Arrangement and Article 4, Paragraphs 2 and 4 of the Uruguay Round Agreement on Textiles and Clothing.

**CONTINUATION OF ADMINISTRATIVE PROVISIONS  
AFTER ENTRY INTO FORCE OF THE  
URUGUAY ROUND AGREEMENT ON TEXTILES**

24. The Governments of Sri Lanka and the United States agree that the following paragraphs will be directly relevant to the ability of both governments to implement the Uruguay Round Agreement on Textiles and Clothing: 2, 3, 4, 5, 7, 8, 9, 12, 13, 14, 15, 16, 17, 20, and 22. Therefore, upon entry into force of the Uruguay Round Agreement, these provisions will remain in force and will be notified to the Textiles Monitoring Body.

25. The annexes to this Agreement shall form an integral part of this Agreement.

If the foregoing conforms to the understanding of the Government of the Democratic Socialist Republic of Sri Lanka, then this Note and the Note of Acceptance on the part of the Government of the Democratic Republic of Sri Lanka shall constitute an Agreement between our two governments.

The Embassy of the United States of America avails itself of this occasion to assure the Government of the Democratic Socialist Republic of Sri Lanka of its highest considerations.

Embassy of the United States of America,  
Colombo, 7 April 1994

Enclosures: Annexes A and 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.

600 Series are of man-made fibre.

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

Category	Description	Conversion Factor	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	Yarns containing 85 or more by weight artificial staple fibre	6.3	kg.
604	Yarns containing 85 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 <sup>2</sup>
219	Duck	1.0	m <sup>2</sup>
220	Fabric of special weave	1.0	m <sup>2</sup>
222	Knit fabric	12.3	kg.
223	Non-woven fabrics	14.0	kg.
224	Pile and tufted fabrics	1.0	m <sup>2</sup>
225	Denim	1.0	m <sup>2</sup>
226	Cheesecloth, batistes, lawns or voiles	1.0	m <sup>2</sup>
227	Oxford cloth	1.0	m <sup>2</sup>
229	Special purpose fabric	13.6	kg.
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>
410	Woven fabrics	1.0	m <sup>2</sup>
414	Other wool fabrics	2.8	kg.

Category	Description	Conversion Factor	Unit
	<u>Fabric (cont'd)</u>		
611	Woven man-made fibre fabric containing 85% or more by weight	1.0	m <sup>2</sup>
	<u>Artificial Staple Fibres</u>		
613	Sheeting	1.0	m <sup>2</sup>
614	Poplin and broadcloth	1.0	m <sup>2</sup>
615	Printcloth	1.0	m <sup>2</sup>
617	Twills and sateens	1.0	m <sup>2</sup>
618	Woven artificial filament	1.0	m <sup>2</sup>
619	Polyester filament fabric, less than 5 oz. per syd.	1.0	m <sup>2</sup>
620	Other synthetic	1.0	m <sup>2</sup>
	<u>Filament Fabric</u>		
621	Impression fabric	14.0	kg.
622	Glass fibre fabric	1.0	m <sup>2</sup>
624	Woven man-made fibre fabric, containing more than 15 per cent but less than 36 per cent wool	1.0	m <sup>2</sup>
	<u>Staple/Filament Combination:</u>		
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>
629	Other MMF	1.0	m <sup>2</sup>
	<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

Category	Description	Conversion Factor	Unit
	<u>Apparel</u> (cont'd)		
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
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

Category	Description	Conversion Factor	Unit
	<u>Apparel</u> (cont'd)		
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
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, etc.	42.6	Doz
851	Nightwear and pyjamas	43.5	Doz
852	Underwear	11.3	Doz

Category	Description	Conversion Factor	Unit
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	Bedsread 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 <sup>2</sup>
469	Wool manufactures, NSPF	3.7	kg.
665	Floor coverings	1.0	m <sup>2</sup>
666	Other furnishings	14.4	kg.
669	Man-made fibre manufactures, NSPF	14.4	kg.
670	Flat goods, handbags, luggage	3.7	kg.

ANNEX BSpecific Limits

<b>CATEGORY</b>	<b>1.7.93-31.12.93 BASE LEVEL</b>	<b>1.1.94-30.6.95 BASE LEVEL</b>	<b>GROWTH (PER CENT)</b>
237	113,749 doz	354,897	6.0
314	1,800,000 m <sup>2</sup>	5,616,000	6.0
331/631	1,097,093 dpr	3,510,697	6.0
333/633	21,412 doz	66,805	6.0
334/634	250,918 doz	782,863	6.0
335/835	110,404 doz	344,460	6.0
336/636/836	165,271 doz	515,646	6.0
338/339	501,835 doz	1,565,724	6.0
340/640	473,903 doz	1,516,489	4.0
340/640-Y	189,561 doz	606,596	4.0
341/641	787,500 doz	2,441,250	5.0
341	525,000 doz	1,627,500	5.0
641	525,000 doz	1,627,500	5.0
342/642/842	260,954 doz	814,176	6.0
345/845	67,581 doz	210,853	6.0
347/348/847	526,274 doz	1,684,077	2.0
347/348/847-T	315,765 doz	NA	
350/650	46,838 doz	146,134	6.0
351/651	125,013 doz	390,040	6.0
352/652	535,291 doz	1,670,107	6.0
359/659-C	515,386 kg.	1,608,003	6.0
360	NA	1,836,000	6.0
363	4,851,068 nos	15,135,331	6.0
369-D	364,206 kg.	1,136,322	6.0
369-S	303,504 kg.	946,932	6.0
435	NA	22,575	1.0
611	NA	7,191,000	6.0
635	147,205 doz	459,280	6.0
638/639/838	357,597 doz	1,115,702	6.0
644	200,734 nos	626,290	6.0
645/646	80,294 doz	250,516	6.0
647/648	430,505 doz	1,343,175	6.0
840	NA	396,500	5.0

Letter from the Democratic Socialist Republic of Sri Lanka

The Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka presents its compliments to the Embassy of the United States of America and has the honour to refer to the Note No. 106 regarding the US-Sri Lanka Bilateral Textile Agreement, the recent Memorandum of Understanding on the extension of that Agreement and the amendment to the Memorandum of Understanding, consequent to the discussions held between the two Governments in Washington, D.C., on 10th and 11th February 1994.

Further to the discussions held between the Embassy of the United States of America and the relevant authorities in Sri Lanka, the Ministry of Foreign Affairs agrees that the amended Agreement is in conformity with the provisions of the Memorandum of Understanding signed on 11 February 1994.

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

Colombo, July 1994

Embassy of the United States of America  
Galle Road  
Colombo 3