

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension of the Bilateral Agreement
between the United States and Thailand

The Textiles Surveillance Body received a notification from the United States of an extension of its agreement with Thailand for the period 1 January 1994 to 31 December 1995.¹

The TSB, pursuant to its procedures regarding notifications received under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The agreement and a previous amendment are contained in COM.TEX/SB/1649 and 1801.

²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Inglés solamente

Embassy of the United States of America

No. 511

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Kingdom of Thailand and has the honour to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on 20 December 1973, as extended (the Arrangement), and to the Agreement on Trade in Cotton, Wool, Man-made Fibre, Non-cotton Vegetable Fibre and Silk-blend Textiles and Textile Products between the Royal Thai Government and the Government of the United States of America dated 3 September 1991, as amended (the Agreement).

The Embassy of the United States of America has the further honour to refer to discussions between representatives of the Royal Thai Government and the Government of the United States of America in Washington 15-16 November 1993, 22-23 February 1994, and 31 March - 1 April 1994, concerning exports to the United States of cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre textiles and textile products manufactured in Thailand and to the memorandum of understanding signed by representatives of our two governments on 1 April 1994.

As a result of the above mentioned discussions and memorandum of understanding, and in conformity with Article 4 of the Arrangement, the Embassy proposes on behalf of the Government of the United States of America, the amendment and extension of the Agreement between the Royal Thai Government and the Government of the United States of America to read as follows:

Agreement Term

1. The term of this Agreement will be the period from 1 January 1991 through 31 December 1994. If the Uruguay Round Agreement on Textiles and Clothing has not been implemented by 1 January 1995, then the agreement will be extended for one additional year, from 1 January 1995 through 31 December 1995 unless the bilateral agreement is superseded by the Uruguay Round Agreement on Textiles and Clothing at an earlier date. Each "Agreement Period" or "Agreement Year" shall be a twelve-month period from 1 January of a given year to 31 December of the same year.

Coverage

2. (A) The textiles and textile products covered by this Agreement are those summarized in Annex A. Beginning with the 1994 Agreement Year, textiles and textile products covered by this Agreement shall be classified in three groups as follows:
- i Yarn, fabric, made-ups and miscellaneous textile products of cotton, wool man-made fibre, silk-blend and non-cotton vegetable fibre (categories 200-229, 300-326, 360-369, 400-414, 464-469, 600-629, 665-670, 800-810 and 863-899).
 - ii Apparel textile products of cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre (categories 237, 330-359, 431-459, 630-659 and 831-859) not including category 239.

- iii Infants' apparel (category 239). Separate from Group II beginning with the 1994 Agreement Year.
- (B) (1) The system of categories and the rates of conversion into square meters equivalent (SME) listed in Annex A shall apply in implementing this Agreement, except as provided for in paragraph 2 (B) (2).
- (2) For the purpose of this Agreement the categories below are merged as indicated and treated as single categories, with limits for categories and sub-categories as set out in Annex B.

<u>Categories Merged</u>	<u>Designation in the Agreement</u>	<u>Sub-categories</u>
317, 326	317/326	---
331, 631	331/631	---
334, 634	334/634	---
335, 635, 835	335/635/835	---
336, 636	336/636	---
338, 339	338/339	---
341, 641	341/641	---
342, 642	342/642	---
347, 348, 847	347/348/847	---
351, 651	351/651	---
359-H, 659-H	359-H/659-H	---
613, 614, 615	613/614/615	614 613/615
625, 626, 627, 628, 629	625/6/7/8/9	625
638, 639	638/639	---
645, 646	645/646	---
647, 648	647/648	---

For the purposes of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex A shall be applied, except as stated below:

<u>Category</u>	<u>Conversion Factor</u>
359-H/659-H	11.5
638/639	12.96

The following category has a sub-category:

<u>Category</u>	<u>Sub-Category</u>	<u>Description</u>
604	604-A	(Plied Acrylic Spun Yarn)

- (3) For purposes of this Agreement the following categories are divided into part-categories:

<u>Category</u>	<u>Designation in the Agreement</u>	<u>Description</u>
301	301-P	C.W.C combed yarn, less than 85 per cent cotton
301	301-O	C.W.C combed yarn, 85 per cent or more cotton
359	359-H	Cotton headwear
359	359-O	Other cotton apparel, N.E.S.
369	369-D	Cotton dish towels
369	369-S	Cotton shop towels
369	369-O	Other cotton made-ups, N.E.S.
604	604-A	Plied acrylic spun yarn
604	604-O	Other staple fibre yarn, 85 per cent or more synthetic
659	659-H	Man-made fibre headwear
659	659-O	Other man-made fibre apparel, N.E.S.

C.W.C. — Chief weight cotton

N.E.S. --- Not elsewhere specified.

Specific Limits

3. Commencing with the first Agreement Period and during each subsequent term of this Agreement, the Royal Thai Government 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 Thailand to the Group Limit and Specific Limits set out in Annex B, as it may be amended under paragraph 4, and as such Group Limit and Specific Limits may be adjusted in accordance with paragraphs 5, 6 and/or 19.

Consultation Mechanism

4. (A) In the event that the Government of the United States of America believes that imports from Thailand classified in any category or categories not covered by specific limits 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 of America may request consultations with the Royal Thai Government with a view to easing or avoiding such market disruption. The Government of the United States of America will provide the Royal Thai Government at the time of the request with the data which in the view of the Government of the United States of America shows:

- (1) The existence of market disruption, or the threat thereof, and
- (2) The rôle of exports from Thailand in that disruption.

- (B) The Royal Thai Government agrees to consult with the Government of the United States of America within thirty (30) days of receipt of the request for consultations. Both governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue

within ninety (90) days of the receipt of such request, unless this period is extended by mutual agreement.

(C) If no mutually satisfactory solution is reached during these consultations, the Government of the United States of America may establish a specific limit for the duration of this Agreement in accordance with paragraph 4 (D) for shipments in the category or categories concerned exported on and after the date on which the request for consultations was made. This limit will not be less than the amount of imports, as reported in US General Imports Statistics, which were entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 15.5 per cent for cotton, man-made fibre, silk-blend and non-cotton vegetable fibre categories, and six (6) per cent for wool product categories.

(D) If a specific limit is established under paragraph 4 (C) in the course of an Agreement Year, it will be prorated to correspond to the time period between the date of the request for consultations and the expiration date of the existing Agreement Year. Any flexibility available during this period will be calculated on this prorated limit. Carryover and carry forward will be available as set out in the relevant paragraph of the Agreement. Carryover will not be available in the first Agreement Period following the request for consultations. Swing for non-apparel specific limits established under this paragraph will be available as set out in paragraph 5 (B) of this Agreement. New apparel specific limits may be exceeded by seven (7) per cent swing for cotton, man-made fibre, silk-blend and non-cotton vegetable fibre categories and five (5) per cent swing for wool categories, subject to the apparel group limit. For the second and each succeeding Agreement Year, specific limits established under paragraph 4 (C) will be increased by six (6) per cent annual growth for cotton, man-made fibre, silk-blend and non-cotton vegetable fibre products, and by one (1) per cent for wool products.

Flexibility Adjustments

5. (A) There is no swing into the Group II limit. Swing out of the Group II limit will be permitted only for swing into category 239. There is no swing out of category 239 and swing into category 239 will be permitted from the Group II limit only. The limit for category 239 set out in Annex B may be increased by up to seven (7) per cent swing provided that the amount of the increase is compensated for by an equal square metre equivalent decrease to the Group II limit. Apparel specific limits within Group II in Annex B may be exceeded by seven (7) per cent, except for specific limits for wool products, which shall receive five (5) per cent swing, subject to the Group II limit. Apparel specific limits established under paragraph 4 of this Agreement will have swing as set out in paragraph 4 (D).

(B) Any non-apparel specific limit or sub-limit set out in Annex B and any non-apparel specific limit established pursuant to paragraph 4 of this Agreement may be exceeded by no more than seven (7) per cent swing (five (5) per cent for wool categories), provided that the amount of the increase is compensated for by an equal square metre equivalent decrease in another specific limit within the same group.

(C) In any Agreement Year the following special shifts may be allowed:

- Up to 10 per cent special shift between categories 340 and 640.
- Up to 15 per cent special shift calculated in dozens between categories 338/339 and 638/639.
- Up to 10 per cent special shift between categories 347/348/847 and 647/648.

Swing and special shift are calculated against the base limit of the receiving category.

(D) The Royal Thai Government will notify the Government of the United States of America of its intention to use any available swing or special shift and, when applicable, of the category or categories to be decreased accordingly.

Carryover and Carry Forward

6. (A) In addition to adjustments under paragraph 5, in any Agreement Year, exports may exceed by a maximum of 11 per cent, the apparel group limit and any category specific limit or sub-limit (as specified in Annex B) by allocating to such limit for that Agreement Year an unused portion ("shortfall") of the corresponding limit for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carry forward"), subject to the following conditions:

- (i) Carryover may be used as available up to 11 per cent of the receiving Agreement Year's applicable group or specific limit. No carryover is available in the first Agreement Year;
- (ii) The combination of carryover and carry forward shall not exceed 11 per cent of the receiving Agreement Year's applicable group or specific limit in any Agreement Year;
- (iii) Carry forward may be used up to six (6) per cent of the receiving Agreement Year's applicable group or specific limit. The immediately following Agreement Year's corresponding limit will be adjusted downward by the amount of carry forward used. No carry forward shall be available in the last Agreement Year.
- (iv) The Royal Thai Government will notify the Government of the United States of America when it wishes to apply carryover or carry forward.

(B) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Thailand to the United States of America during an Agreement Year (plus charges applicable for overshipments made in the preceding years) are below:

- any applicable non-apparel specific limit and sub-limit,
- the specific limit for category 239, or
- any applicable apparel specific limit and the apparel group limit set out in Annex B;

as decreased pursuant to paragraph 5 or adjusted downward for overshipments or other mutually agreed upon amendments. In the Agreement Year following the shortfall, such exports from Thailand to the United States of America may be permitted to exceed the applicable group or specific limit, subject to conditions set forth above, by carryover of shortfall in the following manner:

- (i) The carryover shall not exceed the amount of shortfall in either the apparel group limit or any applicable specific limit and sub-limit;
- (ii) In the case of shortfall in a category subject to a specific limit or sub-limit, the shortfall shall be used in the category in which the shortfall occurred.

Classification

7. (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 vegetable fibres, or blends thereof, in which any of all of these fibres in combination represent the chief weight of the product, are subject to this Agreement. Components of an article which are not considered relevant to the classification under the General Rules of Interpretation or the Legal Notes to Section XI of the Harmonized System are likewise to be disregarded here.
- (B) For the purposes of this Agreement, textile products covered by sub-paragraph (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 (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 fibre, unless:
- (a) Cotton with wool and/or man-made fibres in the aggregate equal or exceed 50 per cent by weight of the cotton 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.
- (C) Notwithstanding the above, garments which contain 70 per cent or more by weight silk (unless they also contain over 17 per cent by weight wool), and products other than garments

which contain 85 per cent or more by weight silk are not subject to this Agreement. Silk-blend and non-cotton vegetable fibre sweaters, as determined above, shall be divided into "silk blend" sweaters and "non-cotton vegetable fibre" sweaters. For the purposes of this provision, sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fibre component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fibre" sweaters. Garments containing 70 per cent or more by weight silk and over 17 per cent by weight wool shall be classified as wool textiles, under sub-paragraph (B) (iv) (b).

(D) Coverage under this paragraph is intended to be identical with the terms of the Arrangement and in conformance with the 31 July 1986, Protocol of Extension. In the event of a question regarding whether a product is covered by this Agreement by virtue of being in chief weight of cotton, wool, man-made fibre, silk blend, or non-cotton vegetable fibre, the chief value of the fibres may be considered.

Mutually Satisfactory Administrative Arrangements

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

Exchange of Data

9. (A) The Government of the United States shall promptly supply the Royal Thai Government with data on monthly imports of cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre textiles and textile products of Thailand into the United States.

(B) The Royal Thai Government 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 Thailand to the United States.

Spacing Provisions

10. The Royal Thai Government shall use its best efforts to space exports of its products to the United States within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

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

11. If the Royal Thai Government considers that as a result of limitations specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Royal Thai Government 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.

Article 3 Procedures

12. 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 restraint on the export of cotton, wool, man-made fibre, silk-blend and non-cotton vegetable fibre textiles and textile products covered by this Agreement from Thailand to the United States of America. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

Implementation of the Limitation Provisions

13. The Royal Thai Government shall administer its export control system under the Agreement. The Government of the United States may assist the Royal Thai Government 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.

Exemptions from Agreement

14. In conformity with Article 12, paragraph (3) of the Arrangement, this Agreement shall not apply to exports of handloom fabrics of the cottage industry of Thailand, or handmade cottage industry products made of such handloom fabrics in Thailand, or to folklore handicraft textile products traditional to Thailand, provided that such products are properly certified under arrangements established between the two Governments pursuant to paragraph 8 of this Agreement and the 16 August 1976 exchange of letters between the two Governments regarding certification of exempt items.

Visa and Exempt Certification Arrangements

15. Both Governments agree to maintain the exempt certification system referred to in paragraph 14 and the export visa arrangement established by the exchange of letters dated 7 September and 16 September 1982, as amended, and as extended by letters of 17 November 1988, and updated and modernized by the exchanges of letters dated 9 January and 13 January 1992, and 4 March and 10 March 1993.

Conforming Clause

16. Either Government may request consultations with a view to bringing the provisions of this Agreement and any subsequent amendment thereof into conformity with the Arrangement (and any extension thereof) or with any subsequent international régime for textile trade modifying, extending or replacing the Arrangement.

Consultations on Implementation Questions

17. The Government of the United States and the Royal Thai Government 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

18. The Government of the United States and the Royal Thai Government 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.

Overshipment Charges

19. (A) Products of Thailand shipped in excess of authorized limits in any Agreement Period may be denied entry into the United States. Any such shipments denied entry may be permitted into the United States and charged to the applicable group or specific limit in the succeeding Agreement Year.

(B) Products of Thailand shipped in excess of applicable limits in any Agreement Period will, if allowed entry into the United States during that Agreement Period, be charged the applicable limit in the succeeding Agreement Period.

(C) Any action taken pursuant to sub-paragraph 19 (A) and 19 (B) above, will not prejudice the rights of the other side regarding consultations.

Cooperation Against Fraud and Circumvention

20. The Royal Thai Government and the Government of the United States reaffirm the importance of ensuring the integrity of the bilateral agreement and the Multi-fibre Arrangement and successor systems regarding international trade in textiles and apparel. As such, the two governments confirm their commitments to close cooperation on a bilateral and multilateral basis in the prevention of circumvention. They further agree as follows:

(A) The Government of the United States and the Royal Thai Government 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 such as by transshipment, rerouting, false declaration concerning country of origin, or falsification of official documents.

(B) (i) Both parties agree to cooperate fully, consistent with the domestic laws and procedures, in instances of circumvention of alleged circumvention of the Agreement to address problems arising from circumvention and to establish the relevant facts in 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 or joint plant visits and contacts, upon request and on a case-by-case basis and in accordance with the procedures set out in sub-paragraph (ii).

(ii) When either party wishes to visit certain plants, the party seeking the plant visit or visits shall give written notice, including the reasons for such visits to the authorities of the other party 10 days in advance stating therein the number of plants they intend to visit and the proposed dates of the visits. When the visit occurs, permission from a responsible person at the plant shall be obtained at the time of each visit. If the permission is denied, then the visit will not go forward. Such visits will be conducted by authorized personnel of both governments in accordance with domestic laws and procedures. Upon completion of such plant visits, the party making the request for the visit shall brief the respective Government officials of the other party on the results of such plant visits.

(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 the receipt of a written request by a party accompanied by an explanation 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) (i) Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under paragraph C, then the Royal Thai Government and the Government of 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 not more than the amount of transshipped products of Thai origin. In addition, the Royal Thai Government and the Government of the United States agree that deductions from the quantitative limits established under this Agreement may be made in those instances in which:

- (a) clear evidence regarding circumvention has been provided by the Government of the United States to the Royal Thai Government; or;
 - (b) the Government of the United States has provided factual information to the Royal Thai Government demonstrating a substantial likelihood that circumvention has occurred and has requested from Thailand cooperation or information relevant to the possible circumvention that is of a type that is available to or could reasonably be obtained by the Royal Thai Government, and the Royal Thai Government, without adequate reason, has not provided such information or cooperation. Any such action shall be notified to the TSB or successor entity with full justification.
- (ii) If, after charges have been made, evidence is developed that clearly establishes that the charges were in error because the goods in question were in fact not of Thai origin, and there is clear evidence demonstrating the true country of origin, then the United States shall restore Thailand's quantitative restraints equivalent to the amount deducted under this provision immediately after the United States holds consultations with the true country of origin and charges the goods to that country.

(E) Both parties recognize that the preferred resolution of cases of circumvention is for both parties to take strong action against the particular companies, individuals or practices involved in the circumvention. Should the United States choose to exercise the provisions under paragraph D to deduct an amount or amounts from the quantitative limits of Thailand where not less than three instances of circumvention have been demonstrated within the current or immediately preceding agreement year and no or inadequate measures are being applied by Thailand to address the problem of repeated circumvention and the United States possesses clear evidence of the particular charge, 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. Any such action shall be notified to the TSB or successor entity with full justification. The provisions of this paragraph will not be invoked if the TSB has affirmatively recommended that the United States rescind the charge upon which the triple charge is based.

(F) Where there is clear evidence showing that goods originating in another country have been shipped through Thailand to the United States as though they were products of Thailand, the Royal Thai Government and the Government of the United States agree to take appropriate action. Any such actions, together with their timing and scope, may be taken only after consultation held with a view to arriving at a mutually satisfactory solution and shall be notified to the TSB or successor entity with full justification. Such consultations should be held promptly, beginning within 30 days of receipt of a written 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 Royal Thai Government and the Government of 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 in the relevant category or categories established under this Agreement for that period an amount equivalent to the amount of product transshipped through Thailand. As soon as Thailand has sufficiently established that the goods in question have not been transshipped through Thailand, then:

- (i) the United States shall immediately remove any restraint imposed pursuant to this provision, or
- (ii) the United States shall immediately restore Thailand's quantitative restraints in an amount equivalent to the amount deducted pursuant to this provision after the United States has held consultations with the true country of origin and charged the goods to that country.

(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 clear 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 receipt of a written request by a party 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 Royal Thai Government and the Government of the United States agree that in cases where clear evidence regarding such false declarations has been provided, 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. Any such action shall be notified to the TSB or successor entity with full justification. 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 Thailand with no changes or alterations made to the goods contained in such shipments in Thailand. They note that it may not be generally practicable for the Royal Thai Government to exercise control over such shipments.

(I) No deductions to Thailand's quantitative limits will apply to each particular instance of circumvention if the Royal Thai Government has provided the Government of the United States with clear evidence or intelligence of circumvention sufficient to allow the United States to deny entry to the particular circumventing goods prior to their entry into the customs territory of the United States. In such instances, the parties agree that the preferred course would be for the Royal Thai Government to inform the Government of the United States that any visa issued on such shipment is invalid.

Continuation of Administrative Provisions after Entry into Force of the
Uruguay Round Agreement on Textiles and Clothing

21. The provisions set out in paragraphs 2, 5, 6, 7, 8, 9, 10, 13, 14, 15, 17, 19 and 20, and the visa arrangement will be directly relevant to the ability of the United States and the Royal Thai Government to implement the Uruguay Round textiles agreement. 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.

Affirmation of Paragraph 18, 1986 Protocol of Extension

22. The United States and Thailand 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.

Right to Terminate the Agreement

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

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

If the foregoing conforms with the understanding of the Royal Thai Government, this note and a note of confirmation on behalf of the Royal Thai Government shall constitute an agreement between the 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.

Enclosures:

Annex A and B

Embassy of the United States of America
Bangkok, 3 June 1994

ANNEX A**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 Number	Description	Conversion Factor	Unit
<u>Yarn</u>			
Cotton and Man-Made Fibre:			
200	Yarns put up for retail sale, and sewing thread	6.6	kg.
201	Specialty yarns	6.5	kg.
Cotton:			
300	Carded yarns, cotton	8.5	kg.
301	Combed yarns, cotton	8.5	kg.
Wool:			
400	Wool yarn	3.7	kg.
Man-Made Fibre:			
600	Textured filament yarns	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	20.1	kg.
607	Other staple fibre yarn	6.5	kg.
Silk-Blend and Non-Cotton Vegetable Fibre:			
800	Silk-blend or non-cotton vegetable fibre yarn	8.5	kg.

Fabric

Cotton and Man-Made Fibre:			
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 fabric	14.0	kg.
224	Pile and tufted fabrics	1.0	m ²
225	Blue denim	1.0	m ²

Category Number	Description	Conversion Factor	Unit
	<u>Fabric</u> (cont'd)		
226	Cheesecloth, batistes, lawns or voiles	1.0	m ²
227	Oxford cloth	1.0	m ²
229	Special purpose fabric	13.6	kg.
Cotton:			
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
Wool:			
410	Woven fabrics containing 36 per cent or more by weight wool	1.0	m ²
414	Other wool fabrics	2.8	kg.
Man-Made Fibre:			
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 fabric	1.0	m ²
619	Polyester filament fabric, less than 170 Gr. per m ²	1.0	m ²
620	Other synthetic filament fabric	1.0	m ²
621	Impression fabric	14.4	kg.
622	Glass fibre fabric	1.0	m ²
624	Woven man-made fibre fabric, containing more than 15 per cent but less than 36 per cent wool	1.0	m ²
Staple/Filament Combination:			
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
Silk-Blend and Non-Cotton Vegetable Fibre:			
810	Woven fabric of silk blends and non-cotton vegetable fibre	1.0	m ²

Category Number	Description	Conversion Factor	Unit
<u>Apparel</u>			
Cotton and Man-Made Fibre:			
237	Playsuits, sunsuits, etc.	19.2	Doz
239	Infants' apparel	6.3	kg.
Cotton:			
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
337	Playsuits, sunsuits, etc.	20.9	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
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.
Wool:			
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.

Category Number	Description	Conversion Factor	Unit
<u>Apparel</u> (cont'd)			
Man-Made Fibre:			
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
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.
Silk-Blends and Non-Cotton Vegetable Fibre:			
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 blend	30.8	Doz
847	Trousers, slacks, 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.

Category Number	Description	Conversion Factor	Unit
<u>Made-up and Miscellaneous Textiles</u>			
Cotton:			
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.
Wool:			
464	Blankets	2.4	kg.
465	Floor coverings	1.0	m ²
469	Wool manufactures, NSPF	3.7	kg.
Man-Made Fibre:			
665	Floor coverings	1.0	m ²
666	Other furnishings	14.4	kg.
669	Other man-made fibre manufactures, NSPF	14.4	kg.
670	Flat goods, handbags, luggage	3.7	kg.
Silk-Blends and Non-Cotton Vegetable Fibre:			
863	Towels	0.4	Nos
870	Luggage	3.7	Kg.
871	Flatgoods and Handbags	3.7	kg.
899	Other silk-blend and non-cotton vegetable fibre manufactures	11.1	kg.

ANNEX B**Specific Limits**

The limits shown below are the limits for the 1994 and 1995 (if applicable) Agreement Years.

All Annual growth rates below are 6 per cent, except:

- 1 per cent for wool categories
- 1 per cent for category 611
- 4 per cent for category 338/339
- 4 per cent for category 638/639
- 5 per cent for category 218

<u>CATEGORY</u>	<u>UNIT</u>	<u>GROWTH</u>	<u>1994</u>	<u>1995</u>
Group I:				
Yarn				
200	kg.	6%	893,262	946,858
300	kg.	6%	3,573,048	3,787,431
301-P	kg.	6%	3,573,048	3,787,431
301-O	kg.	6%	714,610	757,487
604	kg.	6%	557,315	590,754
(604-A Sub-limit)	kg.	6%	357,305	378,743
607	kg.	6%	2,382,032	2,524,954
Fabric				
218	m ²	5%	15,000,000	15,750,000
219	m ²	6%	4,764,064	5,049,908
313	m ²	6%	16,674,224	17,674,677
314	m ²	6%	38,112,512	40,399,263
315	m ²	6%	23,820,320	25,249,539
317/326	m ²	6%	10,000,000	10,600,000
611	m ²	1%	12,363,612	12,487,248
613/614/615	m ²	6%	36,000,000	38,160,000
(613/615 Sub-limit)	m ²	6%	(20,961,882)	(22,219,595)
(614 Sub-limit)	m ²	6%	(20,961,882)	(22,219,595)
617	m ²	6%	13,000,000	13,780,000
619	m ²	6%	5,359,572	5,681,146
620	m ²	6%	5,359,572	5,681,146
625/6/7/8/9	m ²	6%	10,500,000	11,130,000
(625 Sub-limit)	m ²	6%	(8,337,112)	(8,837,339)

<u>CATEGORY</u>	<u>UNIT</u>	<u>GROWTH</u>	<u>1994</u>	<u>1995</u>
Made-up and Miscellaneous				
363	nos	6%	15,483,208	16,412,200
369-D	kg.	6%	170,316	180,535
369-S	kg.	6%	238,203	252,495
669-P	kg.	6%	5,023,900	5,325,334
Group II				
Apparel (except 239)	SME	6%	220,382,880	233,605,853
331/631	dpr	6%	1,300,130	1,378,138
334/634	doz	6%	464,496	492,366
335/635/835	doz	6%	369,215	391,368
336/636	doz	6%	238,203	252,495
338/339	doz	4%	1,574,810	1,637,802
340	doz	6%	214,383	227,246
341/641	doz	6%	506,182	563,553
342/642	doz	6%	440,676	467,117
345	doz	6%	226,293	239,871
347/348/847	doz	6%	622,306	659,644
351/651	doz	6%	178,652	189,371
359-H/659-H	kg.	6%	1,045,016	1,107,717
433	doz	1%	9,181	9,273
434	doz	1%	11,333	11,446
435	doz	1%	51,500	52,015
438	doz	1%	17,000	17,170
442	doz	1%	19,741	19,938
638/639	doz	4%	1,856,026	1,930,267
640	doz	6%	393,035	416,617
645/646	doz	6%	238,203	252,495
647/648	doz	6%	848,003	898,883
Group III				
239	kg.	6%	4,700,000	4,982,000

Category 239 is separated from Group II beginning with the 1994 Agreement Year.

No. 0503/44034

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and, with reference to the latter's Note No. 511 dated 3 June 1994, proposing the amendment and extension of the Agreement between the Royal Thai Government and the Government of the United States of America on Trade in Cotton, Wool, Man-made Fibre, Non-cotton Vegetable Fibre and Silk-blend Textiles and Textile Products, has the honour to inform the latter that Thailand has no objection to the proposed amendment and extension of the Agreement.

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

Ministry of Foreign Affairs
Saranrom Palace

5 July 1994

The Embassy of the United States of America,
Bangkok