

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

**RESTRICTED**  
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**Textiles Surveillance Body**

**Original: English**

**ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES**

**Notification under Articles 7 and 8**

**Bilateral Agreement between  
the United States and Laos**

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

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

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

**AGREEMENT  
RELATING TO TRADE IN COTTON, WOOL, MAN-MADE FIBRE,  
NON-COTTON VEGETABLE FIBRE AND  
SILK BLEND TEXTILES AND TEXTILE PRODUCTS  
BETWEEN  
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC  
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA**

**Agreement Term**

1. The term of this Agreement will be the period from 1 January 1993, through 31 December 1995. 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 of Agreement and Classification by Fibre**

2. The textiles and textile products covered by this Agreement are those summarized in Annex A. The system of categories and the rates of conversion into square metres equivalent (SME) listed in Annex A shall apply in implementing this Agreement.

3. (A) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, silk blends, non-cotton vegetable fibres, or blends thereof, in which any or all of these fibres in combination represent the chief weight of the product, are subject to this Agreement. Components of an article which are not considered relevant to the classification under the General Rules of Interpretation or the Legal Notes to Section 11 of the Harmonized System are likewise to be disregarded here.

(B) For the purposes of this Agreement, textile products covered by paragraph (2) above shall be classified as:

- (i) Man-made fibre textiles, if the product is in chief weight of man-made fibres, unless:
  - (a) the product is knitted or crocheted apparel in which wool equals or exceeds 23 per cent by weight of all fibres, in which case the product will be a wool textile; or
  - (b) the product is apparel, not knitted or crocheted, in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile;
  - (c) the product is a woven fabric in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile.
- (ii) Cotton textiles, if not covered by subparagraph (B)(i) and if the product is in chief weight of cotton, unless the product is a woven fabric in which wool equals or exceeds 36 per cent by weight of all fibres, in which case the product will be a wool textile.
- (iii) Wool textiles, if neither of the foregoing applies, and the product is in chief weight of wool.

- (iv) Silk 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 component fibres thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fibre components, in which case the product will be a cotton textile.
  - (b) if not covered by (B)(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 (B)(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 fibres" sweaters. For the purposes of this provision sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-cotton vegetable fibre component (if any). Sweaters not classified as "silk blend" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fibre" sweaters. Garments containing 70 per cent or more by weight silk and over 17 per cent by weight wool shall be classified as wool textiles, under subparagraph (B)(iv)(b).

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

#### Specific Limits

4. Commencing with the first Agreement Period, and during each subsequent term of this Agreement, the Government of the Lao People's Democratic Republic shall limit annual exports to the United States of cotton, wool, man-made fibre, silk blend and non-cotton vegetable fibre textiles and textile products of Lao People's Democratic Republic origin to the Specific Limits set out in Annex B, as such Specific Limits may be adjusted in accordance with paragraph 5.

#### Flexibility Adjustments

##### Swing

- 5. (A) (i) The Specific Limits set out in Annex B do not include any adjustments permitted under paragraph 5.
- (ii) During any Agreement Period, the Specific Limits set out in Annex B may be increased by not more than 6 per cent swing provided that a corresponding reduction in square metres equivalent is made in one or more other Specific Limit during the same Agreement Period.

- (iii) No Specific Limit may be decreased pursuant to paragraph 5(A)(ii) to a level which is below the level of exports charged against that category's limit for that Agreement Year.
- (iv) The Government of the Lao People's Democratic Republic shall indicate to the Government of the United States the Specific Limits or sub-limits it would like increased and those which it would like decreased by commensurate quantities in square metres equivalent.

Carryover and Carry forward

- (B) (i) The extent to which any Specific Limit set out in Annex B may be exceeded in any Agreement Period by carry forward (borrowing a portion of the corresponding Specific Limit from the succeeding Agreement Period) and/or carryover (the use of any unused meterage (shortfall) of the corresponding Specific Limit for the previous Agreement Period) is 11 per cent, of which carry forward shall not constitute more than 6 per cent.
- (ii) No carryover shall be available for application in the first Agreement Period. No carry forward shall be available for application in the final Agreement Period.

(C) For the purposes of the Agreement, a shortfall occurs when exports of textiles or textile products of Lao People's Democratic Republic to the United States during an Agreement Period are below any Specific Limit as set out in Annex B, (or, in the case of any limit decreased pursuant to paragraph 5, when such exports are below the limit as decreased).

(D) The Government of the Lao People's Democratic Republic will notify the Government of the United States when it wishes to use unused meterage (shortfall) available in categories for carryover, or for use by other categories for swing, subject to the provisions set out above. However, the Government of the United States may supply adjustments under this Section to any Specific Limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the Agreement. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover and carry forward, in that order. Any unused carry forward will be re-credited to the following Period's limit. This procedure will not prejudice the outcome of any consultations that may be held between our Governments concerning the amounts of available carryover and carry forward.

Overshipment Charges

6. (A) Products of Lao People's Democratic Republic shipped in excess of authorized limits in any Agreement Period may be denied entry into the United States. Any such shipment denied entry may be permitted into the United States and charged to the applicable limit in the succeeding Agreement Period.

(B) Products of Lao People's Democratic Republic shipped in excess of applicable limits in any Agreement Period will, if allowed entry into the United States during that Agreement Period, be charged to the applicable limit in the succeeding Agreement Period.

(C) Any action taken pursuant to subparagraph 6(A) and (B) above, will not prejudice the rights of the other side regarding consultations.

Spacing Provision

7. The Government of the Lao People's Democratic Republic shall use its best efforts to space exports of its products to the United States within each category, sub-category, or part-category, evenly throughout each Agreement Period, taking into consideration normal seasonal factors.

US Assistance in Implementation  
of the Limitation Provision

8. The Government of the Lao People's Democratic Republic shall administer its export control system under the Agreement. The Government of the United States may assist the Government of the Lao People's Democratic Republic in implementing the limitation provisions of this Agreement by controlling, by the date of export, imports of textiles and textile products covered by this Agreement.

Correct Category/Quantity Visa System

9. (A) The provisions of the Visa Arrangement will govern the licensing of exports from the Lao People's Democratic Republic. Visas issued in a particular Agreement Year shall be valid only for textile and apparel products exported during that Agreement Year.

(B) The Parties 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.

Commercial Samples and Personal Shipments

10. Merchandise imported for the personal use of the importer and not for resale, regardless of value, and properly marked commercial sample shipments valued at US\$250 or less do not require a visa for entry and shall not be subject to the limits established under this Agreement.

Exchange of Information

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

Exchange of Data

12. (A) The Government of the United States shall promptly supply the Government of the Lao People's Democratic Republic with data on monthly imports of cotton, wool, man-made fibre, silk blend and non-cotton vegetable fibre textiles and textile products of the Lao People's Democratic Republic into the United States.

(B) The Government of the Lao People's Democratic Republic shall promptly supply the Government of the United States with data on monthly exports of cotton, wool, man-made fibre, silk blend, and non-cotton vegetable fibre textiles and textile products of Lao People's Democratic Republic to the United States.

Cooperation in the Prevention of Circumvention

13. (A) The Government of the United States and the Government of the Lao People's Democratic Republic recognize that circumvention of bilateral agreements covering international trade in textiles

and apparel exists and agree that this circumvention is undesirable. The Government of the Lao People's Democratic Republic agrees to take measures necessary to prevent this circumvention by transshipment, re-routing and false declaration concerning country of origin, and falsification of official documents.

(B) Accordingly, the Government of the Lao People's Democratic Republic shall establish the necessary legal provision and/or administrative procedures to guarantee full compliance with the Agreement. Both Parties agree that, consistent with their domestic laws and procedures, they will cooperate fully to address problems arising from circumvention.

(C) The Government of the Lao People's Democratic Republic agrees that this cooperation includes, but is not limited to, providing documents, correspondence, reports and other relevant information to the extent available; permitting representatives of the United States Government to conduct unannounced factory visits for the inspection of production capacity, equipment, labour force, shipment documents, and production records, upon request and with at least two weeks notice of a visit to the Lao People's Democratic Republic.

(D) Where, as a result of investigation, there is sufficient evidence that circumvention has occurred (e.g., where evidence is available concerning the place of true origin, and circumstances of such circumvention), both Parties agree to take appropriate action to the extent necessary to address the problem. Such action may include the denial of entry of goods or, where goods have entered, having due regard to the actual circumstances and the involvement of the country of true origin, the adjustment of charges to restraint levels to reflect the true country of origin. Also, where there is evidence that the goods have been transshipped through Laos, such action may include the introduction of restraints.

(E) Parties agree that false declaration concerning fibre content, quantities, description or classification of merchandise also frustrates the objective of this Agreement. Where there is evidence that any such false declaration has been made, both Parties agree to take appropriate measures, consistent with domestic laws and procedures, against the exporters and importers involved.

#### Mutually Satisfactory Administrative Arrangements

14. 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

15. The Government of the United States and the Government of the Lao People's Democratic Republic 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

16. The Government of the United States and the Government of the Lao People's Democratic Republic may at any time propose revisions to the terms of this Agreement. Each agrees to consult promptly with the other about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

Right to Terminate the Agreement

17. 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.

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For the Government of the  
United States of America

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For the Government of the  
Lao People's Democratic Republic

15 September 1994  
Washington, D.C.

## Annex A

**U.S TEXTILE AND APPAREL CATEGORY SYSTEM  
UNDER THE HARMONIZED SYSTEM**

Categories numbered in the:

200 series are of cotton and/or man-made fibre

300 series are of cotton

400 series are of wool

600 series are of man-made fibre

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

Category	Description	Unit	Conversion Factor to square metres
<u>Yarn:</u>			
200	Yarns put up for retail sale, and sewing thread	kg.	6.6
201	Speciality yarns	kg.	6.5
300	Carded cotton yarn	kg.	8.5
301	Combed cotton yarn	kg.	8.5
400	Wool yarn	kg.	3.7
600	Textured filament yarn	kg.	6.5
603	Yarn containing 85% or more by weight artificial staple fibre	kg.	6.3
604	Yarn containing 85% or more by weight synthetic staple fibre	kg.	7.6
606	Non-textured filament yarn	kg.	20.1
607	Other staple fibre yarn	kg.	6.5
800	Silk blends or non-cotton vegetable fibre yarn	kg.	8.5
<u>Fabric:</u>			
218	Of yarns of different colours	m <sup>2</sup>	1.0
219	Duck	m <sup>2</sup>	1.0
220	Fabric of special weave	m <sup>2</sup>	1.0
222	Knit fabric	kg.	12.3
223	Non-woven fabric	kg.	14.0
224	Pile and tufted fabric	m <sup>2</sup>	1.0
225	Blue denim	m <sup>2</sup>	1.0
226	Cheesecloth, batistes, lawn, voile	m <sup>2</sup>	1.0
227	Oxford cloth	m <sup>2</sup>	1.0
229	Special purpose fabric	kg.	13.6
313	Sheeting	m <sup>2</sup>	1.0
314	Poplin and broadcloth	m <sup>2</sup>	1.0
315	Printcloth	m <sup>2</sup>	1.0
417	Twills	m <sup>2</sup>	1.0



Category	Description	Unit	Conversion Factor to square metres
<u>Fabric:</u> (cont'd)			
326	Sateens	m <sup>2</sup>	1.0
410	Woven fabrics	m <sup>2</sup>	1.0
414	Other wool fabric	kg.	2.8
611	Woven fabric containing 85% or more by weight artificial staple	m <sup>2</sup>	1.0
613	Sheeting	m <sup>2</sup>	1.0
614	Poplin and broadcloth	m <sup>2</sup>	1.0
615	Printcloth	m <sup>2</sup>	1.0
617	Twills and sateens	m <sup>2</sup>	1.0
618	Woven artificial filament fabric	m <sup>2</sup>	1.0
619	Polyester filament fabric	m <sup>2</sup>	1.0
620	Other synthetic filament fabric	m <sup>2</sup>	1.0
621	Impression fabric	kg.	14.4
622	Glass fibre fabric	m <sup>2</sup>	1.0
624	MMF fabric, woven, containing more than 15% but less than 36% wool	m <sup>2</sup>	1.0
625	Poplin and broadcloth of staple/filament fibre combinations	m <sup>2</sup>	1.0
626	Printcloth of staple/filament combinations	m <sup>2</sup>	1.0
627	Sheeting of staple/filament fibre combinations	m <sup>2</sup>	1.0
628	Twills and sateens of staple/filament fibre combinations	m <sup>2</sup>	1.0
629	Other fabrics of staple/filament fibre combinations	m <sup>2</sup>	1.0
810	Woven fabric, silk blend and non-cotton vegetable fibre	m <sup>2</sup>	1.0
<u>Apparel:</u>			
237	Playsuits, sunsuits, etc.	doz.	19.2
239	Babies' garments and clothing accessories	kg.	6.3
330	Handkerchiefs	doz.	1.4
331	Gloves and mittens	dpr.	2.9
332	Hosiery	dpr.	3.8
333	M&B suit-type coats	doz.	30.3
334	Other M&B coats	doz.	34.5
335	W&G coats	doz.	34.5
336	Dresses	doz.	37.9
338	M&B knit shirts	doz.	6.0
339	W&G knit shirts and blouses	doz.	6.0
340	M&B shirts, not knit	doz.	20.1

Category	Description	Unit	Conversion Factor to square metres
<u>Apparel:</u> (cont'd)			
341	W&G shirts and blouses, not knit	doz.	12.1
342	Skirts	doz.	14.9
345	Sweaters	doz.	30.8
347	M&B trousers, breeches and shorts	doz.	14.9
348	W&G trousers, breeches and shorts	doz.	14.9
349	Brassieres and body supporting garments	doz.	4.0
350	Robes, dressing gowns, etc.	doz.	42.6
351	Nightwear and pyjamas	doz.	43.5
352	Underwear	doz.	9.2
353	M&B down-filled coats	doz.	34.5
354	W&G down-filled coats	doz.	34.5
359	Other cotton apparel	kg.	8.5
431	Gloves and mittens	dpr.	1.8
432	Hosiery	dpr.	2.3
433	M&B suit-type coats	doz.	30.1
434	Other M&B coats	doz.	45.1
435	W&G coats	doz.	45.1
436	Dresses	doz.	41.1
438	Knit shirts and blouses	doz.	12.5
439	Babies' garments and clothing accessories	kg.	6.3
440	Shirts and blouses, not knit	doz.	20.1
442	Skirts	doz.	15.0
443	M&B suits	No.	3.76
444	W&G suits	No.	3.76
445	M&B sweaters	doz.	12.4
446	W&G sweaters	doz.	12.4
447	M&B trousers, breeches and shorts	doz.	15.0
448	W&G trousers, breeches and shorts	doz.	15.0
459	Other wool apparel	kg.	3.7
630	Handkerchiefs	doz.	1.4
631	Gloves and mittens	dpr.	2.9
632	Hosiery	doz.	3.8
633	M&B suit-type coats	doz.	30.3
634	Other M&B coats	doz.	34.5
635	W&G coats	doz.	34.5
636	Dresses	doz.	37.9
638	M&B knit shirts	doz.	15.0
639	W&G knit shirts and blouses	doz.	12.5
640	M&B shirts, not knit	doz.	20.1
641	W&G shirts and blouses, not knit	doz.	12.1

Category	Description	Unit	Conversion Factor to square metres
<u>Apparel: (cont'd)</u>			
642	Skirts	doz.	14.9
643	M&B suits	No.	3.76
644	W&G suits	No.	3.76
645	M&B sweaters	doz.	30.8
646	W&G sweaters	doz.	30.8
647	M&B trousers, breeches and shorts	doz.	14.9
648	W&G trousers, breeches and shorts	doz.	14.9
649	Brassieres and other body supporting garments	doz.	4.0
650	Robes, dressing gowns, etc.	doz.	42.6
651	Nightwear and pyjamas	doz.	43.5
652	Underwear	doz.	13.4
653	M&B down-filled coats	doz.	34.5
654	W&G down-filled coats	doz.	34.5
659	Other man-made fibre apparel	kg.	14.4
831	Gloves and mittens	dpr.	2.9
832	Hosiery	dpr.	3.8
833	M&B suit-type coats	doz.	30.3
834	Other M&B coats	doz.	34.5
835	W&G coats	doz.	34.5
836	Dresses	doz.	37.9
838	Knit shirts and blouses	doz.	11.7
839	Babies' garments and clothing accessories	kg.	6.3
840	Shirts and blouses, not knit	doz.	16.7
842	Skirts	doz.	14.9
843	M&B suits	No.	3.76
844	W&G suits	No.	3.76
845	Sweaters of non-cotton vegetable fibres	doz.	30.8
846	Sweaters, of silk blends	doz.	30.8
847	Trousers, breeches and shorts	doz.	14.9
850	Robes, dressing gowns, etc.	doz.	42.6
851	Nightwear and pyjamas	doz.	43.5
852	Underwear	doz.	11.3
858	Neckwear	kg.	6.6
859	Other apparel	kg.	12.5
<u>Made-up and Miscellaneous Textiles:</u>			
360	Pillowcases	No.	0.9
361	Sheets	No.	5.2
362	Bedspreads and quilts	No.	5.8

Category	Description	Unit	Conversion Factor to square metres
<u>Made-up and Miscellaneous Textiles:</u> (cont'd)			
363	Terry and other pile towels	No.	0.4
369	Other cotton manufactures	kg.	8.5
464	Blankets	kg.	2.4
465	Floor coverings	m <sup>2</sup>	1.0
469	Other wool manufactures	kg.	3.7
665	Floor coverings	m <sup>2</sup>	1.0
666	Other man-made fibre furnishings	kg.	14.4
669	Other man-made fibre manufactures	kg.	14.4
670	Flat goods, handbags, and luggage	kg.	3.7
863	Towels	No.	0.4
870	Luggage	kg.	3.7
871	Flat goods and handbags	kg.	3.7
899	Other silk and vegetable fibre manufactures	kg.	11.1

**Annex B**

1 January 1993 - 31 December 1993

340/640                      125,000 dozen

1 January 1994 - 31 December 1994

340/640                      131,250 dozen

1 January 1995 - 31 December 1995

340/640                      137,813 dozen