

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1605*

28 June 1991

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension and Modification of the Bilateral Agreement between the United States and Korea

The Textiles Surveillance Body received a notification from the United States of a further extension, with modifications, of its agreement with Korea for the two year period 1 January 1990 to 31 December 1991.¹

The TSB, pursuant to its procedures regarding notifications made under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous extension and modification of the agreement is contained in COM.TEX/SB/1267.

²See COM.TEX/SB/35, Annex B

³For the TSB's observation on this notification see COM.TEX/SB/1619.

* English only/Anglais seulement/Inglés solamente

Textiles Division
PUBLIC RELEASE

United States Department of State
Bureau of Economic and Business Affairs
Washington D.C.

20 February 1991

UNITED STATES AND KOREA SIGN NEW BILATERAL TEXTILE AGREEMENT
BY EXCHANGE OF NOTES ON 14 SEPTEMBER 1990

The United States and Korea exchanged notes in Washington to establish a new bilateral textile agreement between the two governments. Texts of the notes follows:

UNITED STATES NOTE

Department of State
Washington

14 September 1990

Excellency,

I have the honour to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on 20 December 1973, as extended by protocols adopted respectively on 14 December 1977, 22 December 1981 and 31 July 1986 (the Arrangement), and to the Bilateral Textile Agreement between the Governments of the United States and of the Republic of Korea effected by exchange of letters dated 21 November 1986, as amended (the Agreement).

His Excellency
Tong-Jin Park
Ambassador of the Republic of Korea

For more
information
contact:

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I have the further honour to refer to discussions between representatives of our Governments on 11-15 December 1989, in Washington, concerning exports of cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from Korea to the United States. As a result of those discussions, I propose on behalf of the Government of the United States the Agreement attached to this note. If the Agreement is acceptable to the Government of the Republic of Korea, this note and Your Excellency's note in reply shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurance of my highest consideration.

For the Acting Secretary of State:

Attachment:

Textile Agreement

ATTACHMENT

1. This Agreement modifies and extends the Agreement between the Government of the Republic of Korea and the Government of the United States of America dated 21 November 1986. For the sake of clarity it has been decided that the 1986 Agreement, as amended, should be rewritten to incorporate the modifications and extensions which have been agreed. This Agreement represents the outcome of that effort and, accordingly, shall be the bilateral instrument which governs textile trade between the Republic of Korea and the United States.

Term

2. (a) The term of this Agreement shall be from 1 January, 1990, through 31 December, 1991, except as provided in paragraph 15.
- (b) An "agreement year" shall be a calendar year commencing on 1 January and ending on 31 December.

Coverage and structure

3. Textiles and textile products covered by this Agreement are as follows. The determination of whether a textile or textile product is of cotton, wool, man-made fibre, or silk blend or other non-cotton vegetable fibre shall be made in accordance with the terms of paragraph 8. The categories referred to below are those described in Annex A hereto.

- (a) Group I - being products other than apparel and other than luggage (including yarn, fabric, and other made-up and miscellaneous products) of cotton, wool, and/or man-made fibre (Categories 200, 201, 218, 219, 220, 222, 223, 224, 225, 226, 227, 229, 300, 301, 313, 314, 315, 317, 326, 360, 361, 362, 363, 369 (excluding 369-L), 400, 410, 414, 464, 465, 469, 600, 603, 604, 606, 607, 611, 613, 614, 615, 617, 618, 619, 620, 621, 622, 624, 625, 626, 627, 628, 629, 665, 666, 669, and 670 (excluding 670-L)).
- (b) Group II - being apparel of cotton, wool, and/or man-made fibre (Categories 237, 239, 330, 331, 332, 333, 334, 335, 336, 338, 339, 340, 341, 342, 345, 347, 348, 349, 350, 351, 352, 353, 354, 359, 431, 432, 433, 434, 435, 436, 438, 439, 440, 442, 443, 444, 445, 446, 447, 448, 459, 630, 631, 632, 633, 634, 635, 636, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 659).
- (c) Group III - being apparel of silk blend, and other non-cotton vegetable fibres, except sweaters in Categories 845 and 846 (Categories 831, 832, 833, 834, 835, 836, 838, 839, 840, 842, 843, 844, 847, 850, 852, 858, 859).

- (d) Group IV - being sweaters of silk blend, and other non-cotton vegetable fibres (Categories 845 and 846).
- (e) Group V - products other than apparel and other than luggage (including yarn, fabric, and other made-up and miscellaneous products) of silk blend, and other non-cotton vegetable fibres (Categories 800, 810, 863, 871, 899).
- (f) Group VI - being luggage of cotton, man-made fibre, silk blend and other non-cotton vegetable fibres (Categories and Part-Categories 369-L, 670-L, 870).

Limits

- 4. (a) During the term of this Agreement, the Government of the Republic of Korea shall limit annual exports from Korea of cotton, wool, man-made fibre, and silk blend or other non-cotton vegetable fibre textiles and textile products of Korean origin to the United States of America to the group limits, specific limits and sub-limits set forth in Annex B hereto, as such limits may be adjusted in accordance with paragraphs 5 and 6. The limits set out in Annex B are without such adjustments. All textile and textile products in categories not subject to specific limits may be exported from Korea to the United States only in accordance with paragraph 7.
- (b) Shipments of cotton, wool, man-made fibres, silk blends and other vegetable fibre textiles and textile products produced and manufactured in the Republic of Korea which are 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 or exempt certification for entry and shall not be charged to the Agreement levels. All other commercial shipments of the above-mentioned textile fibres, regardless of value, require a visa or exempt certification for entry into the United States.

Swing

- 5. (a) During any agreement year, the group limits for Groups II, III, and VI set out in Annex 5 (or pursuant to an amendment thereto; as they may be adjusted under paragraph 6, may be exceeded by not more than 1 per cent, provided that the total of the group limits of Groups II, III, and VI is not exceeded. No swing is available to or from Groups I or IV.
- (b) During any agreement year, and within the applicable group limit for such an agreement year as it may be adjusted under paragraphs 5(a) and 6, the specific limits and sub-limits set out in Annex B (or pursuant to an amendment thereto) may be exceeded by not more than the percentages listed in Annex C. If not listed in Annex C, swing shall be 7 per cent.

- (c) Swing shall be calculated on the base limit of the receiving category as specified in Annex B.

Special shift

- (d) In addition to the adjustments pursuant to sub-paragraph 5(b), the following special shift shall be available to these specific limits during any agreement year:
- (i) Category 201 may be increased by up to 5 per cent provided that an equivalent quantity is deducted from category 200.
 - (ii) Category 300/301 may be increased by up to 10 per cent provided that an equivalent quantity is deducted from category 607.
 - (iii) Category 410 may be increased by up to 10 per cent provided that an equivalent quantity is deducted from category 624.
 - (iv) Category 611 may be increased by up to 3 per cent provided that an equivalent amount is deducted from another man-made fibre fabric category covered by a specific limit.
 - (v) Category 341 or category 641 (and 641-Y) may be increased by up to 15 per cent provided that an equivalent quantity is deducted from the other category.
 - (vi) Category 347/8 may be increased by up to 20 per cent provided that an equivalent quantity is deducted from category 647/8.
 - (vii) Category 645/6 may be increased by up to 9.5 per cent provided that an equivalent quantity is deducted from category 846.
 - (viii) Part-categories 640-D and 640-0 may be increased by up to 5 per cent in any agreement year provided that an equivalent quantity is deducted from the other part-category.
 - (ix) Category 340 and sub-limit 340-D, or part-category 640-D may be increased by up to 10 per cent provided that an equivalent quantity is deducted from the other category.
- (e) The above special shifts shall be calculated on the base limit of the receiving category with an equal quantity in SME deducted from the other specific limit.

Carry forward and carry over

6. (a) Any group limit, specific limit or sub-limit set out in Annex B may, after consultations between the Governments of the Republic of Korea and the United States, be exceeded in any agreement year by carry forward and/or carry over as provided in paragraph 5 of Annex B of the Arrangement. No carry forward shall be available for application in the final agreement year.
- (b) Following consultations pursuant to paragraph 6(a) above between the Governments of the Republic of Korea and the United States, it was agreed that any group limit, specific limit and sub-limit set out in Annex B may, in any agreement year, be exceeded by carry forward and/or carry over in the following amounts:
- (i) 3 per cent, of which carry over shall not represent more than 1 per cent in the case of any group limits; and
- (ii) 2 per cent, of which carry over shall not represent more than 1 per cent in the case of any specific limit or sub-limit.
- (c) Carry over shall be available from agreement year 1989 to agreement year 1990 in categories where shortfall exists, except for the group limits and categories 333/4/5, 338/9, 340, 347/8, 443, 611, 619/20, 625-629, 633/4/5, and 657/8.
- (d) For purposes of this Agreement, a shortfall occurs when exports of textiles and textile products from the Republic of Korea to the United States in any agreement year are below any applicable group limit, specific limit or sub-limit as set out in Annex B.
- (e) Carry over and carry forward shall be calculated on the receiving year's base limit as specified in Annex B.
- (f) Adjustments made under this paragraph are in addition.

Export recommendation system

7. (a) Each category and part-category not subject to a specific limit will be subject to the consultation procedures as set forth in sub-paragraphs 7(b) through 7(f) below.
- (b) (i) The Government of the Republic of Korea shall provide weekly reports promptly (i.e. as soon as possible but in no case later than five United States working days following the close of the reporting period) to the Government of the United States on export recommendations (ERs), by category and part-category, issued for export to the United States for each category and part-category not subject to a specific limit.

- (ii) The Government of the Republic of Korea will notify the Government of the United States immediately whenever ER applications for any category or part-category total 15 per cent of the previous agreement year's trade within the reporting period, provided that the issuance of such ERs would bring the total cumulative issuances for the year to 80 per cent of the previous year's trade.
 - (iii) The Government of the Republic of Korea will wait at least five United States working days after notification to the Government of the United States before issuing ERs against the applications in question.
- (c) The Government of the United States may request consultations with a view to agreement on an appropriate level of restraint for any category, part-category, or product not given a specific limit for any agreement year whenever, in the view of the Government of the United States, conditions in the United States market warrant such a limitation on further trade in any such category, part-category, or product in order to eliminate a real risk of market disruption.
- (d) The request for such consultations shall be supported as soon as possible, and in any case within twenty-one days of the date of the request, by a statement of market conditions in the United States which in the opinion of the Government of the United States make necessary the request for consultations. The statement shall include data similar to that contemplated in paragraphs 1 and 2 of Annex A of the Arrangement.
- (e) Upon receipt of a request for such consultations, the Government of the Republic of Korea, as requested by the Government of the United States, shall cease or otherwise limit further issuance of ERs for a period of seven United States working days. The Government of the United States may request the Government of the Republic of Korea to extend the period of seven working days mentioned above and may also request the Government of the Republic of Korea to limit the issuance of ERs to a level different from that specified in paragraph 7(f)(i) and (ii) below, whichever is applicable. The Government of the Republic of Korea shall consider any such request sympathetically and shall respond promptly. Unless agreed otherwise, the Government of the Republic of Korea shall have the right, following the expiration of the period of seven United States working days mentioned above or any agreed extension thereof, to resume the issuance of ERs up to the level specified in paragraph 7(f)(i) or (ii) below, whichever is applicable. ERs thus issued, as well as ERs issued prior to receipt of the request for consultations, may be honoured by the issuance of export licences by the Government of the Republic of Korea. The two parties, unless otherwise agreed, shall consult as soon as possible within thirty days of the request for such consultations and shall make their best efforts to complete such consultations within thirty days of the commencement.

- (f) (i) In the event that consultations do not result in agreement, the Government of the United States shall have the right to request the Government of the Republic of Korea to limit exports of the relevant products during the agreement year in which the request for consultations is made to a level not less than the highest of:
- A. The level of trade in the relevant product, category or part-category for the immediately preceding agreement year plus either 15 per cent of that level (in the case of cotton, man-made fibre, silk blend and other non-cotton vegetable fibre products) or 6 per cent of that level (in the case of wool products);
 - B. The average of the level of trade for those categories which are not affected by conversion to the Harmonized System in the relevant product, category or part-category for all previous years since 1 January 1981; for the 200 category series and 615 and 618, which are affected by conversion to the Harmonized System, in the relevant product, category, or part-category for all previous years since 1 January 1986 (1 January 1987, in the case of silk blend and other non-cotton vegetable fibres) plus either 15 per cent of that average level (in the case of cotton, man-made fibre, silk blend and other non-cotton vegetable fibre products), or 6 per cent of that average level (in the case of wool products); or
 - C. The level of ERs issued at the time of receipt of the request for consultations.
- (ii) Except as provided for in sub-paragraph 7(f)(iii) below, in respect of any product, or category or part-category where a limit has been established for a single agreement year and where, in the immediately subsequent agreement year, the Government of the United States makes another request for consultations under sub-paragraph 7(b) of this Agreement; and, in the event that such consultations do not result in agreement, the Government of the United States shall have the right to request the Government of the Republic of Korea to limit exports of the relevant products during the agreement year in which the request for consultations is made to a level not less than the higher of:
- A. The limit established for the immediately preceding year plus either 8 per cent of that limit (in the case of cotton, man-made fibre, silk blend and other non-cotton vegetable fibre products) or 3 per cent of that limit (in the case of wool products).
 - B. The level of ERs issued at the time of the receipt of request for consultations.

- (iii) In respect of any product, category or part-category for which a limit is established in any one agreement year, either party may, prior to the start of the immediately following agreement year, elect to convert that limit into a specific limit effective as such from 1 January of the immediately following agreement year. Where such a conversion is made, the specific limit so created shall, from the date of effect, be accorded growth at 2.5 per cent per annum for cotton, man-made fibre, silk blend and other non-cotton vegetable fibre products and 1 per cent per annum for wool products. The specific limit so created shall, from the year of effect, be accorded flexibility (as provided for in paragraph 5) at 7 per cent; and in subsequent years the flexibility provisions set out in paragraph 6 of the Agreement shall also apply.
- (iv) Should two requests in respect of the same product, category or part-category be made under paragraph 7(c) hereof during the term of this Agreement but in different non-consecutive agreement years, the provisions of paragraph 7(f)(i) shall apply to the second of the two requests.
- (v) The two parties agree that the provisions of paragraph 7 shall not derogate from the rights of the two parties under paragraph 16 of the Agreement.
- (g) For the purposes of paragraph 7 hereto, the phrase "level of trade" shall mean the level of trade by date of export.
- (h) The Government of the Republic of Korea and the Government of the United States shall consult as early as possible with regard to problems that may arise if the provisions of paragraph 7 hereto are invoked near the end of an agreement year to consider the possibility of avoiding undue hardship to the trade.

Classification

8. (a) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products, all being products which derive their chief characteristics from their textile components of cotton, wool, and man-made fibre; and garments of silk blends, 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 (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; or
 - 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 fibres, unless:
 - A. cotton with wool and/or man-made fibres in the aggregate equal or exceeding 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 (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 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 purpose of this division, sweaters shall be classified as "silk blend" if the silk component exceeds by weight the non-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 Article 12 of the Arrangement 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 chief weight of cotton, wool, man-made fibre, silk blend or non-cotton vegetable fibre, the chief value of the fibres may be considered.

Merged categories

9. (a) The system of categories and the rates of conversion into square metres equivalent listed in Annex A hereto shall apply in implementing this Agreement, except as provided for in paragraph 9 hereof.
- (b) For the purpose of this Agreement and with reference to the particular circumstances of Korea's trade patterns with the United States, the categories and part-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>
300, 301	300/301	None
317, 326	317/326	None
369-L, 670-L, 870	369-L/670-L/870	None
613, 614	613/4	None
619, 620	619/20	None
625, 626, 627,		
628, 629	625-629	None
333, 334, 335	333/4/5	335
338, 339	338/9	None
342, 642	342/642	None
347, 348	347/8	None
353, 354, 653, 654	353/4/653/4	None
445, 446	445/6	None
633, 634, 635	633/4/5	633; 635
638, 639	638/9	None
645, 646	645/6	None
647, 648	647/8	None

- (c) For the purpose of this Agreement, the following categories summarized in Annex A are divided into part categories:

<u>Category</u>	<u>Designation in the Agreement</u>	<u>Description</u>
359	359-H	Headwear
359	359-O	Other
369	369-L	Luggage
369	369-O	Other
459	459-W	Woven headwear
459	459-O	Other
640	640-D	Dress shirts
640	640-O	Other than dress shirts
659	659-H	Headwear
659	659-S	Swimwear
659	659-O	Other
669	669-P	Polypropylene bags
669	669-O	Other
670	670-L	Luggage
670	670-O	Other

- (d) Sub-limits identified elsewhere in this Agreement and its annexes are to apply to products as listed below:

<u>Category</u>	<u>Designation in the Agreement</u>	<u>Description</u>
340	340-D	Dress shirts
641	641-Y	Blouses with two or more colours in the warp and/or filling

- (e) For the purpose 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>
333/4/5	33.75
342/642	14.90
369-L/670-L/870	3.80
633/4/5	34.10
638/639	12.96

Implementation and administration

10. (a) Changes in the implementation and interpretation of this Agreement (such as changes in practices, rules, procedures, categorization, etc.) which have the effect of upsetting the balance of rights and obligations between the parties, or which affect the economic content of this Agreement, or which affect

the ability of either party to use or benefit fully from this Agreement, or which result in any disruption to trade shall normally be avoided. The party initiating the relevant change shall endeavour to consult prior to the time that such action may affect trade between Korea and the United States with a view toward making appropriate adjustments to this Agreement. Should consultation prior to implementation not be feasible, both parties agree to consult at the request of either party at the soonest possible date, with a view toward reaching a mutually satisfactory solution within thirty days of the request.

- (b) 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.
- (c) Exports from Korea in excess of authorized limits in any agreement year 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 year.
- (d) Exports from Korea in excess of authorized limits in any agreement year will, if allowed entry into the United States during that agreement year, be charged to the applicable limit in the succeeding agreement year.
- (e) The Government of the United States will notify the Government of the Republic of Korea as soon as possible of the amount of charges involved pursuant to paragraph 10(d).
- (f) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

Visa system

11. The visa and certification system established by letters dated 29 October 1981, 18 January 1982 and 8 April 1987 will remain in force subject to paragraph 10(b). The system established by those letters shall be consolidated, rewritten for clarity, and the revised version implemented by a separate agreement as soon as possible.

Exchange of information

12. (a) The two parties recognize that the successful implementation of this Agreement depends in large part upon mutual co-operation on statistical questions. The Government of the United States shall promptly supply the Government of the Republic of Korea with data on monthly imports of cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from Korea.

- (b) Each party agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other party.
- (c) The Government of the United States and the Government of the Republic of Korea agree to supply to the other party information within its possession reasonably believed to be necessary to the enforcement of this Agreement.

Spacing

13. The Government of the Republic of Korea shall use its best efforts to space exports from Korea to the United States within each category or sub-category (or combination of categories) evenly throughout each agreement year, taking into consideration normal seasonal factors.

Equity and the Arrangement

- 14. (a) If, having regard to the provisions of the Arrangement (and any extension thereof), the Government of the Republic of Korea considers that Korea is being placed in an inequitable position vis-à-vis a third party (including in relation to any matter concerning coverage under this Agreement), the Government of the Republic of Korea may request consultations with the Government of the United States with a view to taking appropriate remedial action. The Government of the United States shall consult with the Government of the Republic of Korea in the event of such a request.
- (b) Either party may request consultations following any extension of the Arrangement, with the objective of revising this Agreement to ensure conformity with the said extension should that, in either party's view, be necessary.

Termination

15. This Agreement may be terminated either by mutual consent of the two parties at any time, or by either party, effective at the end of an agreement year, upon written notice to the other party to be given at least ninety days prior to the end of such agreement year.

Rights

16. For the textiles and textile products covered by this Agreement, it is agreed that either Government may have recourse to any and all provisions of the Arrangement, except that the Government of the United States shall not invoke Article 3 of the Arrangement to request restraint on the export of cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from Korea to the United States. Both Governments reserve their rights to request consultations with respect to textiles and textile products not subject to this Agreement.

Other consultation provisions

17. In addition to the consultation provisions elsewhere in this Agreement, the Government of the Republic of Korea and the Government of the United States agree to consult, at the request of either party, on any question arising in the application of this Agreement.

18. The Government of the United States and the Government of the Republic of Korea shall, to the extent possible, provide each other any necessary assistance to avoid circumvention of this Agreement.

Attachments:

Annexes A, B, C, D

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; and
- 800 series of silk blend and/or other non-cotton vegetable fibres.

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit</u>
	<u>Yarn</u>		
200	Yarns put up for retail sale, & sewing thread	6.6	Kg.
201	Specialty 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	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, MMF	20.1	Kg.
607	Other staple fibre yarn, MMF	6.5	Kg.
800	Silk blends and non-cotton vegetable fibres	8.5	Kg.
	<u>Fabric</u>		
218	Of yarns of different colours	1.0	M2
219	Duck	1.0	M2
220	Fabric of special weave	1.0	M2
222	Knit fabric	12.3	Kg.
223	Non-woven fabrics	14.0	Kg.
224	Pile & tufted fabrics	1.0	M2
225	Blue Denim	1.0	M2
226	Cheesecloth, batistes, lawns, or voiles	1.0	M2
227	Oxford cloth	1.0	M2
229	Special purpose fabric	13.6	Kg.
313	Sheeting	1.0	M2
314	Poplin and broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
410	Woven fabrics	1.0	M2
414	Other wool fabrics	2.8	Kg.

Fabric (cont'd)

611	Woven man-made fibre fabric containing 85 per cent or more by weight artificial staple fibres	1.0	M2
613	Sheeting	1.0	M2
614	Poplin and broadcloth	1.0	M2
615	Printcloth	1.0	M2
617	Twills and sateens	1.0	M2
618	Woven artificial filament fabric	1.0	M2
619	Polyester filament fabric, less than 5 oz. per square yard.	1.0	M2
620	Other synthetic filament fabric	1.0	M2
621	Impression fabric	14.4	Kg.
622	Glass fibre fabric	1.0	M2
624	Woven man-made fibre fabric, containing more than 15 per cent but less than 36 per cent wool	1.0	M2

Staple/filament combination

625	Poplin and broadcloth	1.0	M2
626	Printcloth	1.0	M2
627	Sheeting	1.0	M2
628	Twills and sateens	1.0	M2
629	Other man-made fibres	1.0	M2
810	Woven fabric of silk blends or non-cotton vegetable fibre	1.0	M2

Apparel

237	Playsuits, sunsuits, etc.	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	Men's and boys' suit-type coats	30.3	Doz.
334	Other men's and boys' coats	34.5	Doz.
335	Women's and girls' coats	34.5	Doz.
336	Dresses	37.9	Doz.
338	Men's and boys' knit shirts	6.0	Doz.
339	Women's and girls' knit shirts and blouses	6.0	Doz.
340	Men's and boys' shirts, not knit	20.1	Doz.
341	Women's and girls' shirts and blouses, not knit	12.1	Doz.
342	Skirts	14.9	Doz.
345	Sweaters	30.8	Doz.
347	Men's and boys' trousers, slacks and shorts	14.9	Doz.

Apparel (cont'd)

348	Women's and girls' trousers, slacks and shorts	14.9	Doz.
349	Brassieres 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	Men's and boys' down-filled coats	34.5	Doz.
354	Women's and girls' 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	Men's and boys' suit-type coats	30.1	Doz.
434	Other men's and boys' coats	45.1	Doz.
435	Women's and girls' 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	Men's and boys' suits	3.76	Nos.
444	Women's and girls' suits	3.76	Nos.
445	Men's and boys' sweaters	12.4	Doz.
446	Women's and girls' sweaters	12.4	Doz.
447	Men's and boys' trousers, slacks and shorts	15.0	Doz.
448	Women's and girls' 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	Men's and boys' suit-type coats	30.3	Doz.
634	Other men's and boys' coats	34.5	Doz.
635	Women's and girls' coats	34.5	Doz.
636	Dresses	37.9	Doz.
638	Men's and boys' knit shirts	15.0	Doz.
639	Women's and girls' knit shirts and blouses	12.5	Doz.
640	Men's and boys' shirts, not knit	20.1	Doz.
641	Women's and girls' shirts and blouses, not knit	12.1	Doz.
642	Skirts	14.9	Doz.
643	Men's and boys' suits	3.76	Nos.
644	Women's and girls' suits	3.76	Nos.
645	Men's and boys' sweaters	30.8	Doz.
646	Women's and girls' sweaters	30.8	Doz.
647	Men's and boys' trousers, slacks and shorts	14.9	Doz.

Apparel (cont'd)

648	Women's and girls' trousers, slacks and shorts	14.9	Doz.
649	Brassieres 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	Men's and boys' down-filled coats	34.5	Doz.
654	Women's and girls' 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	Men's and boys' suit-type coats	30.3	Doz.
834	Other men's and boys' coats and jackets	34.5	Doz.
835	Women's and girls' 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	Men's and boys' suits	3.76	Nos.
844	Women's and girls' suits	3.76	Nos.
845	Sweaters of vegetable fibre	30.8	Doz.
846	Sweaters of silk blend	30.8	Doz.
847	Trousers, slacks and shorts	14.9	Doz.
850	Robes and dressing gowns	42.6	Doz.
851	Night wear and pyjamas	43.5	Doz.
852	Underwear	11.3	Doz.
858	Neckwear	6.6	Kg.
859	Other apparel	12.5	Kg.

Made-up and miscellaneous textiles

360	Pillowcases	0.9	Nos.
361	Sheets	5.2	Nos.
362	Bedspreads 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	M2
469	Wool manufactures, not specified	3.7	Kg.
665	Floor coverings	1.0	M2
666	Other furnishings	14.4	Kg.
669	Man-made fibre manufactures, not specified	14.4	Kg.
670	Flat goods, handbags, luggage	3.7	Nos.

Made-up and Miscellaneous Textiles (cont'd)

863	Towels	0.4	Nos.
870	Luggage	3.7	Kg.
871	Handbags and flat goods	3.7	Kg.
899	Other made-ups	11.1	Kg.

ANNEX B

<u>CATEGORY</u>	<u>UNIT</u>	<u>GROWTH RATE</u>	<u>1990 BASE LEVELS</u>	<u>1991 BASE LEVELS</u>
GROUP I (C, W, MMF Non-app.) (excl. luggage)	SME	1.20	377,000,000	361,524,000
200	Kg.	2.50	370,000	379,250
201	Kg.	6.00	1,300,000	1,378,000
218	SM	2.50	7,500,000	7,687,500
219	SM	2.50	7,000,000	7,175,000
300/301	Kg.	2.50	2,515,860	2,578,757
313	SM	2.50	41,000,000	42,025,000
314	SM	2.50	22,859,802	23,431,297
315	SM	1.50	16,000,000	16,240,000
317/326	SM	2.50	15,236,665	15,617,582
363	NOS	2.50	900,000	922,500
410	SM	1.00	3,250,000	3,282,500
604	Kg.	3.00	298,720	307,682
607	Kg.	2.50	960,000	922,500
611	SM	2.50	3,000,000	3,075,000
613/614	SM	2.50	5,000,000	5,125,000
619/620	SM	1.00	86,500,000	87,365,000
624	SM	2.50	7,500,000	7,687,500
625-629	SM	2.50	12,800,000	13,120,000
669-P	Kg.	2.50	1,887,126	1,934,304
GROUP II (C, W, MMF Apparel)	SME	1.00	559,000,000	564,590,000
237	Doz.	2.50	49,754	50,998
333/334/335 (335)	Doz.	2.50	225,000	230,625
336	Doz.	2.50	115,000	117,875
338/339	Doz.	2.50	47,549	48,738
340	Doz.	2.50	1,000,000	1,025,000
340-D)	Doz.	2.50	520,000	533,000
341	Doz.	2.50	270,000	276,750
342/642	Doz.	1.50	160,000	162,400
345	Doz.	2.50	166,781	170,951
347/348	Doz.	2.50	97,148	99,577
350	Doz.	2.50	370,000	379,250
351	Doz.	2.50	13,829	14,175
352	Doz.	2.50	121,576	124,615
353/4/653/4	Doz.	2.50	147,840	151,536
359-H	Doz.	1.50	236,577	240,126
433	Kg.	2.50	2,129,773	2,183,017
434	Doz.	0.50	13,328	13,395
434	Doz.	0.50	6,836	6,870
435	Doz.	1.00	32,236	32,558
436	Doz.	1.00	13,646	13,782
438	Doz.	1.00	54,712	55,259
440	Doz.	0.50	190,000	190,950

ANNEX B (cont'd)

<u>CATEGORY</u>	<u>UNIT</u>	<u>GROWTH RATE</u>	<u>1990 BASE LEVELS</u>	<u>1991 BASE LEVELS</u>
442	Doz.	1.00	46,117	46,578
443	NOS	0.00	322,056	322,056
444	NOS	1.00	50,251	50,754
445/6	Doz.	0.50	50,000	50,250
447	Doz.	0.50	85,304	85,731
448	Doz.	1.00	32,443	32,767
459-W	Kg.	1.00	87,761	88,639
633/4/5	Doz.	0.30	1,322,769	1,326,737
(633)	Doz.	0.30	150,000	150,450
(635)	Doz.	0.30	559,000	560,677
636	Doz.	1.50	237,736	241,302
638/9	Doz.	0.30	5,150,000	5,165,450
640-D	Doz.	0.50	3,000,000	3,015,000
640-0	Doz.	0.50	2,500,000	2,512,500
641	Doz.	0.60	998,855	1,004,848
(641-Y)	Doz.	0.60	37,730	37,956
643	Doz.	0.60	740,000	744,440
644	Doz.	0.60	1,113,298	1,119,978
645/6	Doz.	0.50	3,436,466	3,453,648
647/8	Doz.	1.00	1,215,166	1,227,318
650	Doz.	2.50	20,236	20,742
659-H	Kg.	1.50	1,173,698	1,191,303
659-S	Kg.	2.50	148,827	152,548
GROUP III (Silk-blends and other vegetable fibres apparel excl. 845 & 846)	SME	0.10	18,066,802	18,084,869
835	Doz.	0.50	27,544	27,682
GROUP IV (Sweaters of silk blend and/or other vegetable fibre)				
845	Doz.	0.00	2,315,056	2,315,056
846	Doz.	0.10	811,512	812,324
GROUP VI (C, MMF, SBOV Luggage, 369-L/670-L/870)	SME	2.50	58,670,271	60,137,028

ANNEX C

<u>Categories and Sub-Categories</u>	<u>Percentage Swing</u>
201	6
218	10
333/4/5	6
338/9	6
340	6
(340-D)	6
341	6
347/8	6
353/4/653/4	6
410	5
433	5
434	5
438	5
440	5
443	5
444	5
445/6	5
447	5
604	2
633/4/5	2
(633)	2
(635)	2
638/9	2
640-0	0
640-D	0
641	5
641-Y	5
643	5
645/6	0
647/8	5
659-H	5
845	0
846	0

ANNEX D

Agreed List of Exempt Items

1. Chima

The long, formless and ample skirt portion of the traditional Korean chima-chogori dress set.

2. Chogori

The short, halter-type blouse or top portion of the traditional Korean chima-chogori dress set.

3. Bosun

The ankle boot-type article, wholly of cloth, worn by Korean women indoors.

4. Fabrics, not to exceed 24 x 28 inches in size, containing hand-embroidered or hand-painted Korean scenes, and used primarily as decorations or art objects.

5. Handmade carpets, i.e. in which the pile was inserted or knotted by hand and classified by the U.S. Customs Service under HS Numbers HTS 5701.10.1600, 5701.10.2010, and 5703.20.1000.

6. Korean-style handbags and other flat goods of the type considered by the U.S. Customs Service to be classified as luggage, women's and children's handbags, and billfolds, card cases, coin purses, eyeglass cases and other flat goods.

7. Martial Arts Uniforms

8. Toys for Animals

KOREA NOTE

Embassy of the Republic of Korea
Washington, D.C.

14 September 1990

Excellency,

I have the honour to acknowledge the receipt of your Excellency's note dated 14 September 1990 concerning the result of discussions between representatives of our Governments on 11 to 15 December 1989 in Washington, about exports of cotton, wool, man-made fibre, silk blends and other non-cotton vegetable fibre textile products from the Republic of Korea to the United States of America.

I have further the honour to inform your Excellency that the proposed textile agreement attached to your Excellency's note is acceptable to the Government of the Republic of Korea, and to confirm on behalf of the Government of the Republic of Korea that your Excellency's note and this note in reply thereto shall constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador,

His Excellency
James A. Baker, III,
Secretary of State

Textiles Division
PUBLIC RELEASE

United States Department of State
Bureau of Economic and Business Affairs
Washington D.C.

22 February 1991

UNITED STATES AND KOREA AMEND BILATERAL TEXTILE AGREEMENT
BY EXCHANGE OF NOTES ON 24 JANUARY 1991 AND 1 FEBRUARY 1991

The United States and Korea amended their bilateral textile agreement.
Texts of the notes follows:

UNITED STATES NOTE

United States Department of State
Washington D.C. 20520

24 January 1991

Mr. Lee Hee Beom
Commercial Attaché
Embassy of the Republic of Korea
2370 Massachusetts Ave. N.W.
Washington D.C. 20008

Dear Mr. Lee,

I refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on 20 December 1973, as extended by protocols (the Arrangement), and to the Bilateral Textile Agreement between the Governments of the United States and of the Republic of Korea effected by exchange of letters dated 14 September 1990, as amended (the Agreement).

As a result of discussions between representatives of our Governments, I propose, on behalf of the United States Government, that paragraph 5(d)(i) and 5(d)(ii) of the Agreement be amended to read as follows:

For more
information
contact:

Tim Neely
EB/TDC/MTA/TEX
Rm. 3336

(202)-647-2181

- (i) Category 200 may be increased by up to 5 per cent provided that an equivalent quantity is deducted from category 201.
- (ii) Category 607 may be increased by up to 10 per cent provided that an equivalent quantity is deducted from category 300/301.

If this proposal is acceptable, this letter and your letter of acceptance shall constitute an amendment to the Agreement.

Sincerely,

John Hoog
Chief, Textiles Division
Bureau of Economic and Business Affairs

KOREA NOTE

Embassy of the Republic of Korea
Washington, D.C.

1 February 1991

Dear Mr. Hoog,

I have the honour to refer to the provisions of the bilateral textile agreement between the Governments of the United States and the Republic of Korea, effected by exchange of notes dated 14 September 1990 as amended (the Agreement). I also have the honour to acknowledge the receipt of your letter of 24 January 1991, concerning the amendment of paragraph 5(d)(i) and 5(d)(ii) of the Agreement.

I have further the honour to inform you that your proposal is acceptable to the Government of the Republic of Korea.

This letter of confirmation and your letter of 24 January 1991 shall constitute an amendment to the Agreement.

Sincerely,

Hee-Beom Lee
Commercial Attaché

Mr. John Hoog
Chief, Textiles Division
Bureau of Economic and Business Affairs
U.S. Department of State
Washington D.C. 20520