

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1630*

15 October 1991

Special Distribution

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 & 8

Bilateral Agreement between the United States and the United Arab Emirates

The Textiles Surveillance Body received a notification from the United States of an agreement concluded with the United Arab Emirates for the period 1 January 1989 to 31 December 1993.

This notification was made pursuant to a request made by the Textiles Committee that participants notify agreements concluded with non-participants.

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

* English only/Anglais seulement/Inglés solamente

5 February 1991

Office of the Minister
Ministry of Economy and Commerce
Abu Dhabi, United Arab Emirates

His Excellency Honourable Edward Walker
The Ambassador of the United States of America
Abu Dhabi, United Arab Emirates

Greetings,

This is in reference to your memo No. 25 dated 1/26/1991 regarding the agreement on textile exports from the United States of America.

I would like to inform you that we agree on the text of the Agreement attached to your memo.

Please accept highest
consideration

Saeed Ahmad Ghobash
Minister of Economy and Commerce

Embassy of the
United States of America

Note No. 025

**BILATERAL TEXTILE AGREEMENT
BETWEEN THE UNITED STATES
AND THE UNITED ARAB EMIRATES**

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Government of the United Arab Emirates and has the honour to refer to consultations held in Abu Dhabi 11-14 March 1989 and in Washington, D.C., 17-18 December 1990 concerning exports of textile products from the United Arab Emirates to the United States of America. On behalf of the Government of the United States, the Embassy proposes the following Agreement.

AGREEMENT TERM

1. The terms of this Agreement will be the period from 1 January 1989 through 31 December 1993. Each Agreement period shall be a twelve-month period from January first of a given year to December thirty-first 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 meters 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 of the legal notes to section XI of the Harmonized System are likewise to be disregarded here.

(B) For the purpose 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 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 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) 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.

4. Commencing with the first Agreement period and during each subsequent term of this Agreement, the Government of the United Arab Emirates 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 the United Arab Emirates to the specific limits set out in Annex B, as it may be amended under paragraph 6, and 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.

(A) (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 meters equivalent is made in one or more other specific limits during the same Agreement period.

(A) (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.

(A) (iv) The Government of the United Arab Emirates 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 meters 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 yardage (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.

(B) (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 the United Arab Emirates to the United States during any 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 United Arab Emirates will notify the Government of the United States when it wishes to use unused yardage (shortfall) available in categories for carryover subject to the provisions set out above. However, the Government of 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 the United Arab Emirates 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 the United Arab Emirates 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 sub-paragraph 6(A) and 6(B) above, will not prejudice the rights of the other side regarding consultations.

SPACING PROVISIONS

7. The Government of the United Arab Emirates 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 PROVISIONS

8. The Government of the United Arab Emirates shall administer its export control system under the Agreement. The Government of the United States will implement 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. The provisions of the Visa Arrangement as effected by exchange of notes dated 4 February 1989 and 2 March 1989 will govern the licensing and/or certification of exports of all textile and apparel products from the United Arab Emirates to the United States.

COMMERCIAL SAMPLES AND PERSONAL SHIPMENTS

10. Properly marked commercial samples, valued at \$250 or less, and items of the personal use of the importer and not for resale regardless of value, need not be accompanied by an export visa 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 United Arab Emirates with data on monthly imports of cotton, man-made fibre, wool, silk blend and non-cotton vegetable fibre textiles and textile products of the United Arab Emirates into the United States.

(b) The Government of the United Arab Emirates 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 the United Arab Emirates to the United States.

MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENT

13. 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

14. The Government of the United States and the Government of the United Arab Emirates 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

15. The Government of the United States and the Government of the United Arab Emirates 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.

COOPERATION IN THE PREVENTION OF CIRCUMVENTION AND FRAUD

16. (A) The Government of the United States of America and the United Arab Emirates agree that the success of this Agreement is dependent on complete adherence, by both parties, to their obligations, as well as on close cooperation in the execution of this Agreement. Accordingly, the two Governments undertake to use all appropriate arrangements to guarantee full commitment.

(B) Whenever either party believes that there is a violation or any attempt to violate this Agreement, that party should consult with the other party with a view to seeking a mutually satisfactory solution. Such consultations should be held promptly, and within thirty days where possible.

(C) Both parties agree to take necessary action to prevent, to investigate, and, where appropriate, to taken legal and/or administrative action against circumvention practices within their territory. Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of this Agreement, to establish the relevant facts in the places of import, export and, where applicable, transshipment. It is agreed that such cooperation, consistent with domestic laws and procedures, will include investigation of circumvention practices which increase restrained exports to the country maintaining such restraints; exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of visits and contacts, upon request and on a case-by-case basis. Both parties should endeavour to clarify the circumstances of any such instances of circumvention or alleged circumvention including the respective rôles of the exporters or importers involved.

(D) An adequate report on any allegation of circumvention, along with details of the measures taken, will be delivered to the party which made the original request for consultations.

(E) Where, as a result of investigations, there is sufficient evidence that circumvention has occurred (e.g., where evidence is available concerning the place of true origin, and the circumstances of such circumvention), both parties agree that appropriate action, to the extent necessary to address their problems, should be taken. 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 of the involvement, of the countries or places through which the goods have been transshipped, such action may include the introduction of new restraints. Any such actions, together with their timing and scope, may be taken after consultation between the parties.

RIGHT TO TERMINATE THE AGREEMENT

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

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 to square metres</u>	<u>Unit</u>
<u>Yarn</u>			
200	Yarns put up for retail sale, and sewing thread, cotton, wool and man-made fibre	6.6	kg.
201	Speciality yarns	6.5	kg.
300	Carded yarn, cotton	8.5	kg.
301	Combed yarns, cotton	8.5	kg.
400	Wool yarn	3.7	kg.
600	Textured filament yarns	6.5	kg.
603	Staple artificial yarn	6.3	kg.
604	Staple synthetic yarn	7.6	kg.
606	Non-textured filament yarn	20.1	kg.
607	Other staple fibre yarn	6.5	kg.
800	Silk blends and non-cotton vegetable fibre yarns	8.5	kg
<u>Fabric</u>			
218	Yarns of different colours, C&MMF	1.0	m^2
219	Duck, C&MMF	1.0	m^2
220	Fabric of special weave, C&MMF	1.0	m^2
222	Knit fabric, C&MMF	12.3	kg.
223	Non-woven fabric, C&MMF	14.0	kg.
224	Pile and tufted fabrics, C&MMF	1.0	m^2
225	Denim, C&MMF	1.0	m^2
226	Cheesecloth, batistes, etc., C&MMF	1.0	m^2
227	Oxford cloth, C&MMF	1.0	m^2
229	Special purpose fabric, C&MMF	13.6	kg.
313	Cotton sheeting	1.0	m^2
314	Cotton poplin and broadcloth	1.0	m^2
315	Cotton printcloth	1.0	m^2
317	Cotton twills	1.0	m^2
326	Cotton sateens	1.0	m^2
410	Wool woven fabrics	1.0	m^2
414	Other wool fabrics	2.8	kg.
611	Stable artificial fabric, by weight, 85% or more	1.0	m^2
613	Sheeting	1.0	m^2
614	Poplin and broadcloth	1.0	m^2

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
<u>Fabric (cont'd)</u>			
615	Printcloth	1.0	m ²
617	Twills and sateens	1.0	m ²
618	Cellulosic filament	1.0	m ²
619	Non-cellulosic filament, poly	1.0	m ²
620	Other non-cellulosic filament	1.0	m ²
621	Impression	14.4	kg.
622	Glass fibre	1.0	m ²
624	Man-made fibre fabric, woven containing more than 15 per cent but not more than 36 per cent wool	1.0	m ²
<u>Staple /filament combination</u>			
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 fabrics		
810	Woven fabric, silk blend and other non-cotton vegetable fibre	1.0	m ²
<u>Apparel</u>			
237	Playsuits, sunsuits, etc.,	19.2	Doz
239	Infants' wear and clothing accessories	6.3	kg.
330	Handkerchiefs	1.4	Doz
331	Gloves and mittens	2.9	Dpr
332	Hosiery	3.8	Doz
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
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 pajamas	43.5	Doz
352	Underwear	9.2	Doz
353	M and B down-filled coats	34.5	Doz
354	W and G down-filled coats	34.5	Doz
359	Other cotton apparel	8.5	kg.
431	Gloves and mittens	1.8	Dpr
432	Hosiery	2.3	Dpr
433	M and B suit-type coats	30.1	Doz

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
<u>Apparel (cont'd)</u>			
434	Other M and B coats	45.1	Doz
435	W and G coats	45.1	Doz
436	Dresses	41.1	Doz
438	Knit shirts and blouses	12.5	Doz
439	Infants' wear	6.3	kg.
440	Shirts and blouses, not knit	20.1	Doz
442	Skirts	15.0	Doz
443	M and B suits	3.76	Nos
444	W and G suits	3.76	Nos
445	M and B sweaters	12.4	Doz
446	W and G sweaters	12.4	Doz
447	M and B trousers, slacks and shorts	15.0	Doz
448	W and G trousers, slacks and shorts	15.0	Doz
459	Other wool apparel	3.7	kg.
630	Handkerchiefs	1.4	Doz
631	Gloves and mittens	2.9	Dpr
632	Hosiery	3.8	Dpr
633	M and B suit-type coats	30.3	Doz
634	Other M and B coats	34.5	Doz
635	W and G coats	34.5	Doz
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 pajamas	43.5	Doz
652	Underwear	13.4	Doz
653	M and B down-filled coats	34.5	Doz
654	W and G down-filled coats	34.5	Doz
659	Other man-made fibre apparel	14.4	kg.
831	Gloves and mittens	2.9	Dpr
832	Hosiery	30.3	Doz
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

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
<u>Apparel (cont's)</u>			
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 non-cotton vegetable fibre	30.8	Doz.
846	Sweaters of silk blends	30.8	Doz.
847	Trousers, slacks, and shorts	14.9	Doz.
850	Robes and dressing gowns	42.6	Doz.
851	Nightwear and pajamas	43.5	Doz.
852	Underwear	11.3	Doz.
858	Neckwear	6.6	kg.
859	Other apparel	12.5	kg.
<u>Made-up and Miscellaneous Textiles</u>			
360	Pillowcases	0.9	Nos
361	Sheets	5.2	Nos
362	Bedsread and quilts	5.8	Nos
363	Terry and other pile towels	0.4	Nos
369	Cotton manufactures, not specified (NSPF)	8.5	kg.
464	Blankets	2.4	kg.
465	Floor coverings	1.0	m ²
469	Wool manufactures, NSPF	3.7	kg.
665	Floor coverings	1.0	m ²
666	Other furnishings	14.4	kg.
669	Other man-made fibre manufactures, NSPF	14.4	kg.
670	Flatgoods, handbags, luggage	3.7	kg.
863	Towels	0.4	Nos.
870	Luggage	3.7	kg.
871	Handbags and flatgoods	3.7	kg.
899	Other made-ups	11.1	kg.

ANNEX B

Category	Unit	1989	1990	1991	1992	1993
334/634	doz		150,000	159,000	168,540	178,652
336/636	doz		130,000	137,800	146,068	154,832
338/339	doz	350,000	371,000	393,260	416,856	441,867
(338/339-S)	doz	233,333	247,333	262,173	277,903	294,577
340/640	doz	230,000	243,800	258,428	273,934	290,370
341/641	doz	190,000	201,400	213,484	226,293	239,871
342/642	doz		160,000	169,600	179,776	190,563
347/348	doz	260,000	275,600	292,136	309,664	328,244
(347/348-T)	doz	130,000	137,800	146,068	154,832	164,122
351/651	doz		115,000	121,900	129,214	136,967
352	doz	200,000	212,000	224,720	238,203	252,495
363	nos		6,857,143	7,268,572	7,704,686	8,166,967
638/639	doz		150,000	159,000	168,540	178,652
647/648	doz		215,000	227,900	241,574	256,068
847	doz		135,000	143,100	151,686	160,787

If this Agreement conforms with the understanding of the Government of the United Arab Emirates, this note and the Ministry's note of confirmation 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.

Embassy of the United States of America

Abu Dhabi, 26 January 1991