

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1678*
31 January 1992

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension with modifications 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 their bilateral agreement with Korea. The agreement was extended for the period 1 January 1992 to 31 December 1993.¹

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.³

¹The previous extensions of the agreement and amendment are contained in COM.TEX/SB/1267, 1605 and 1622.

²See COM.TEX/SB/35, Annex B.

³For the TSB's observation on this notification see COM.TEX/SB/1680.

* English only/Anglais seulement/Inglés solamente

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

31 October 1991

Excellency,

I have the honour to acknowledge the receipt of your Excellency's note dated 31 October 1991 concerning the result of the discussion between representatives of our Governments on 19-22 August 1991, in Washington, D.C., regarding the exports of cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from the Republic of Korea to the United States of America.

I have the honour to further 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 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

Department of State
Washington

31 October 1991

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 (the Arrangement), and to the bilateral textile agreement between the Governments of the United States of America and of the Republic of Korea effected by exchange of notes dated 14 September 1990, as amended (the Agreement).

I have the further honour to refer to the discussions between representatives of our Governments on 19-22 August 1991, in Washington D.C., concerning exports of cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from Korea to the United States of America. As a result of those discussions, I propose on behalf of the Government of the United States of America that the Agreement be amended to be 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 amendment to the Agreement between our two Governments.

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

For the Acting Secretary of State:

Attachment: Textile Agreement

His Excellency
Hong-Choo Hyun
Ambassador of the Republic of Korea

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 14 September 1990, as amended, (hereinafter referred to as the Agreement), incorporating the modifications and extensions which have been agreed upon. It shall be the bilateral instrument which governs textile trade between the Republic of Korea and the United States of America.

Term

2.(a) The term of this Agreement shall be from 1 January 1990, through 31 December 1993, except as provided in

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, 500, 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.(i)(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 of America 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; properly marked commercial sample shipments valued at US 250 dollars or less; and shipments of cotton swabs, 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 of America.

(c) The Agreed limit for 1991 for Category 617 shall be 4,250,000 square meters.

(d) The Agreed limit for 1990 for Category 239 shall be 839,992 kilograms.

(e) Charges to be deducted for cotton swabs exported in 1990 total 318,917 kilograms (2,710,795 sme). All charges for 1990 and 1991 exports of cotton swabs imported into the United States of America will be

(ii)(a) With respect to the following categories in Group I, the Government of the Republic of Korea shall limit annual exports to the United States of America to the specific limits set out in Annex B of the Agreement as may be adjusted by swing, carryover and carry forward: 219, 300/301, 313, 314, 317/326, 410 and 604.

In addition, the Government of the Republic of Korea agrees to limit total exports in square meters equivalent (sme) in the above categories as follows:

1992	1993
118,480,986 sme	121,610,168 sme

It is further agreed that carryover and carry forward of three per cent (of which carryover shall not exceed one per cent) shall apply to the annual levels set out above. This sub-group limit has built-in swing. Group quota not used by the sub-group categories is available to the rest of the Group. Group quota may be used by the sub-group categories up to the sub-group limit. While the sub-group limit has no carryover in 1992 and no carry forward in 1993, the specific limits within the sub-group will still have available all the flexibility permitted under paragraphs 5 and 6 of this Agreement.

(b) With respect to the following categories in Group II, the Government of the Republic of Korea shall limit annual exports to the United States of America up to the specific limits set out in Annex B of the Agreement as may be adjusted by swing, carryover and carry forward: 333/334/335, (335), 336, 341, 350 and 448.

In addition, the Government of the Republic of Korea agrees to limit total exports in the above categories as follows:

1992	1993
11,374,727 sme	11,690,368 sme

It is further agreed that carryover and carry forward of three per cent (of which carryover shall not exceed one per cent) shall apply to the annual levels set out above. This sub-group limit has built-in swing. Group quota not used by the sub-group categories is available to the rest of the Group. Group quota may be used by the sub-group categories up to the sub-group limit. While the sub-group limit has no carryover in 1992 and no carry forward in 1993, the specific limits within the sub-group will still have available all the flexibility permitted under paragraphs 5 and 6 of this Agreement.

Swing

5.(a) During any agreement year, the group limits for Groups II, III, and VI set out in Annex B (or pursuant to an amendment thereto) as they may be adjusted under paragraph 6, may be exceeded by not more than one per cent, provided that the total of the group limits of Groups II, III, and VI is not exceeded.

(b) Beginning in 1991, during any agreement year, the group limits for Groups I or VI set out in Annex B (or pursuant to an amendment thereto) as they may be adjusted under paragraph 6, may be exceeded by not more than two per cent, provided that the amount of the increase is compensated for by an equal square meter equivalent decrease in the other Group. Although the total swing allowed to Group I is two per cent, up to 0.5 per cent may come from Group II.

(c) 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 seven per cent.

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

Special Shift

(e) In addition to the adjustments pursuant to sub-paragraph 5(c), the following special shift shall be available to these specific limits during any agreement year:

- (i) Category 200 may be increased by up to five per cent provided that an equivalent quantity is deducted from Category 201.
- (ii) Category 607 may be increased by up to ten per cent provided that an equivalent quantity is deducted from Category 300/301.
- (iii) Category 410 may be increased by up to ten per cent provided that an equivalent quantity is deducted from Category 624.
- (iv) Category 611 may be increased by up to three 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 347/348 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-O may be increased by up to five 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.
- (x) Category 613/614 may be increased by up to 10 per cent provided that an equivalent quantity is deducted from among the limits of Categories 313, 314, 315 and 317/326. This special shift will be available beginning in the 1992 agreement year.
- (xi) Category 636 may be increased by up to five per cent provided that an equivalent quantity is deducted from Category 336. This special shift will be available beginning in the 1992 agreement year.

(f) 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 Carryover

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 of America, be exceeded in any agreement year by carry forward and/or carryover as provided in paragraph 5 of Annex B of the Arrangement. Carry forward shall be available in 1991, but 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 of America, 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 carryover in the following amounts:

(i) three per cent, of which carryover shall not represent more than one per cent in the case of any group limits, and

(ii) two per cent, of which carryover shall not represent more than one per cent in the case of any specific limit or sub-limit.

(c) Carryover 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 647/8. Carryover shall be available from agreement year 1991 to 1992 in categories where shortfall exists.

(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 of America in any agreement year are below any applicable group limit, specific limit or sub-limit as set out in annex B.

(e) Carryover 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 to those permitted under paragraph 5.

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 US working days following the close of the reporting period), to the Government of the United States of America 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 of America 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 US working days after notification to the Government of the United States of America before issuing ERs against the applications in question.

(c) The Government of the United States of America 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 of America, conditions in the US 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 21 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 of America 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 of America, shall cease or otherwise limit further issuance of ERs for a period of seven US working days. The Government of the United States of America 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 US 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 licenses by the Government of the Republic of Korea. The two parties, unless otherwise agreed, shall consult as soon as possible within 30 days of the request for such consultations and shall make their best efforts to complete such consultations within 30 days of the commencement.

(f) (i) In the event that consultations do not result in agreement, the Government of the United States of America 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 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 six per cent of that level (in the case of wool products).

(B) The average of the level of trade 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 vegetable fibre products) 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 six 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 products 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 of America 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 of America 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 eight per cent of that limit (in the case of cotton, man-made fibre, silk blend and other non-cotton vegetable fibre products) or three 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 one 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 seven 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 of America 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, man-made fibre, 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 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 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-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 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 meters 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 of America, 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.

Categories Merged	Designation in the Agreement	Sub-categories
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
(The merger below begins 1/1/91)		
351, 651	351/651	None

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

Category	Designation in the Agreement	Description
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	Woven Bags
669	669-C	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:

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

(e) 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:

Category	Conversion Factor
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 of America 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 30 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 of America. 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 of America during that agreement year, be charged to the applicable limit in the succeeding agreement year.

(e) The Government of the United States of America 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, as consolidated by letters dated 8 April and 10 April 1991, will remain in force subject to paragraph 10.(b).

Exchange of Information

12.(a) The two parties recognise that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America 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 of America 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 of America 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-a-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 of America with a view to taking appropriate remedial action. The Government of the United States of America 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 90 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 of America shall not invoke Article 3 of the Arrangement to request restraint on the export cotton, wool, man-made fibre, silk blend and other non-cotton vegetable fibre textile products from Korea to the United States of America. 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 of America 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 of America 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.

ANNEX A

Categories numbered in the:

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

300 series are of cotton.

400 series are of wool.

600 series are of man-made fibre.

800 Series are of silk blends 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	6.6	kg.
201	Speciality yarns	6.5	kg.
300	Carded yarns, cotton	8.5	kg.
301	Combed yarns, cotton	8.5	kg.
400	Wool yarn	3.7	kg.
600	Textured filament yarns, MMF	6.5	kg.
603	Yarn containing 85% or more by weight artificial staple fibre	6.3	kg.
604	Yarn containing 85% or more by weight synthetic staple fibre	7.6	kg.
606	Non-textured filament, MMF	20.1	kg.
607	Other staple fibre yarn	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	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 fabrics	14.0	kg.
224	Pile and tufted fabrics	1.0	m ²
225	Blue denim	1.0	m ²
226	Cheesecloth, batistes, lawns or voiles	1.0	m ²
227	Oxford cloth	1.0	m ²
229	Special purpose fabric	13.6	kg.
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
410	Woven fabrics containing 36% or more by weight wool	1.0	m ²
414	Other wool fabrics	2.8	kg.
611	Woven man-made fibre fabric containing 85% 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

<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	Woven artificial filament fabric	1.0	m ²
619	Polyester filament fabric, less than 170 grams per M2	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
<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 MMF	1.0	m ²
810	Woven fabric of silk blends or non-cotton vegetable fibre	1.0	m ²
<u>Apparel</u>			
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	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	Dcz
350	Dressing gowns, etc.	42.6	Dcz
351	Nightwear and pyjamas	43.5	Doz
352	Underwear	9.2	Doz
353	M and B down-filled coats	34.5	Doz
354	W and G down-filled coats	34.5	Doz
359	Other cotton apparel	8.5	kg.
431	Gloves and mittens	1.8	Dpr
432	Hosiery	2.3	Dpr
433	M and B suit-type coats	30.1	Doz

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
	<u>Apparel</u> (cont'd)		
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 pyjamas	43.5	Doz
652	Underwear	13.4	Doz
653	M and B down-filled coats	34.5	Doz
654	W and G down-filled coats	34.5	Doz
659	Other man-made fibre apparel	14.4	kg.
831	Gloves and mittens	2.9	Dpr
832	Hosiery	3.8	Dpr
833	M and B suit-type coats	30.3	Doz
834	Other M and B coats and jackets	34.5	Doz
835	W and G coats and jackets	34.5	Doz
836	Dresses	37.9	Doz
838	Knit shirts, blouses, and tops	11.7	Doz
839	Infants wear	6.3	kg
840	Not knit shirts and blouses	16.7	Doz

<u>Category</u>	<u>Description</u>	<u>Conversion Factor to square metres</u>	<u>Unit</u>
<u>Apparel (cont'd)</u>			
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 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	Man-made fibre manufactures, nspf	14.4	kg.
670	Flat goods, handbags, luggage	3.7	kg.
863	Towels	0.4	Nos
870	Luggage	3.7	kg.
871	Hangbags and flatgoods	3.7	kg.
899	Other manufactures	11.1	kg.

ANNEX B

Category	Unit	Growth Rate	1990 Base Levels	1991 Base Levels
Group I	sme	1.20	377,000,000	381,524,000
(C, W, MMF Non-Apparel)				
(excluding luggage)				
200	kg	2.50	370,000	379,250
201	kg	6.00	1,300,000	1,378,000
218	m2	2.50	7,500,000	7,687,500
219	m2	2.50	7,000,000	7,175,000
300/301	kg	2.50	2,515,860	2,578,757
313	m2	2.50	41,000,000	42,025,000
314	m2	2.50	22,859,802	23,431,297
315	m2	1.50	16,000,000	16,240,000
317/326	m2	2.50	15,236,665	15,617,582
363	nos	2.50	900,000	922,500
410	m2	1.00	3,250,000	3,282,500
604	kg	3.00	298,720	307,682
607	kg	2.50	900,000	922,500
611	m2	2.50	3,000,000	3,075,000
613/4	m2	2.50	5,000,000	5,125,000
619/20	m2	1.00	86,500,000	87,365,000
624	m2	2.50	7,500,000	7,687,500
625-629	m2	2.50	12,800,000	13,120,000
669-P	kg	2.50	1,887,126	1,934,304
Group II	sme	1.00	559,000,000	564,590,000
(C, W, MMF Apparel)				
237	doz	2.50	49,754	50,998
239	kg	2.50	---	851,767
333/4/5	doz	2.50	225,000	230,625
(335)	doz	2.50	115,000	117,875
336	doz	2.50	47,549	48,738
338/9	doz	2.50	1,000,000	1,025,000
340	doz	2.50	520,000	533,000
(340-D)	doz	2.50	270,000	276,750
341	doz	1.50	160,000	162,400
342/642	doz	2.50	166,781	170,951
345	doz	2.50	97,148	99,577
347/8	doz	2.50	370,000	379,250
350	doz	2.50	13,829	14,175
351	doz	2.50	121,576	---
651	doz	2.50	68,407	---
351/651	doz	2.50	---	194,732
352	doz	2.50	147,840	151,536
353/4/653/4	doz	1.50	236,577	240,126
359-H	kg	2.50	2,129,773	2,183,017
433	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

Annex B (cont'd)

Category	Unit	Growth Rate	1990 Base Levels	1991 Base Levels
438	doz	1.00	54,712	55,259
440	doz	0.50	190,000	190,950
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
631	doz	2.50	249,624	255,865
632	dpr	2.50	1,322,364	1,355,423
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-O	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	sme	0.10	18,066,802	18,084,869
(Silk-blends and other vegetable fibre apparel excluding 845 & 846)				
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	dcz	0.10	811,512	812,324
Group VI	sme	2.50	58,670,271	60,137,028
(C,MMF,SBOV Luggage, 369-L/670-L/870)				

Annex B

Category	Unit	Growth Rate	1992 Base Levels	1993 Base Levels
Group I	sme	1.20	386,102,288	390,735,515
(C, W, MMF Non-Apparel)				
(excluding luggage)				
200	kg	2.50	388,731	398,449
201	kg	6.00	1,460,680	1,548,321
218	m2	2.50	7,879,688	8,076,680
219	m2	2.50	7,354,375	7,538,234
300/301	kg	2.50	2,643,226	2,709,307
313	m2	2.50	43,075,625	44,152,516
314	m2	2.50	24,017,079	24,617,506
315	m2	1.50	16,483,600	16,730,854
317/326	m2	2.50	16,008,022	16,408,223
363	nos	2.50	945,563	969,202
410	m2	1.00	3,315,325	3,348,478
604	kg	3.00	316,912	326,419
607	kg	2.50	945,563	969,202
611	m2	2.50	3,151,875	3,230,672
613/4	m2	2.50	5,253,125	5,384,453
617	m2	2.50	4,356,250	4,465,156
619/20	m2	1.00	88,238,650	89,121,037
624	m2	2.50	7,879,688	8,076,680
625-629	m2	2.50	13,448,000	13,784,200
669-P	kg	2.50	1,982,562	2,032,229
Group II	sme	1.00(1)	554,523,713	560,068,950
(C, W, MMF Apparel)				
237	doz	2.50	52,273	53,580
239	kg	2.50	873,061	894,888
333/4/5	doz	2.50	236,391	242,301
(335)	doz	2.50	120,822	123,843
336	doz	2.50	49,956	51,205
338/9	doz	2.50	1,050,625	1,076,891
340	doz	2.50	546,325	559,983
(340-D)	doz	2.50	283,669	290,761
341	doz	1.50	164,836	167,309
342/642	doz	2.50(1)	190,000	194,750
345	doz	2.50	102,066	104,618
347/8	doz	2.50	388,731	398,449
350	doz	2.50	14,529	14,892
351/651	doz	2.50	199,600	204,590
352	doz	2.50	155,324	159,207
353/4/653/4	doz	1.50	243,728	247,384
359-H	kg	2.50	2,237,592	2,293,532
433	doz	0.50	13,462	13,529
434	doz	0.50	6,904	6,939
435	doz	1.00	32,884	33,213
436	doz	1.00	13,920	14,059

Annex B (cont'd)

Category	Unit	Growth Rate	1992 Base Levels	1993 Base Levels
438	doz	1.00	55,812	56,370
440	doz	0.50	191,905	192,865
442	doz	1.00	47,044	47,514
443	nos	0.00	322,056	322,056
444	nos	1.00	51,262	51,775
445/6	doz	0.50	50,501	50,754
447	doz	0.50	86,160	86,591
448	doz	1.00	33,095	33,426
459-W	kg	1.00	89,525	90,420
631	dpr	2.50	262,262	268,819
632	dpr	2.50	1,389,309	1,424,042
633/4/5	doz	0.30	1,330,717	1,334,709
(633)	doz	0.30	150,901	151,354
(635)	doz	0.30	562,359	564,046
636	doz	1.50	244,922	248,596
638/9	doz	0.30	5,180,946	5,196,489
640-D	doz	0.50	3,030,075	3,045,225
640-0	doz	0.50	2,525,063	2,537,688
641	doz	0.60	1,010,877	1,016,942
(641-Y)	doz	0.60	38,184	38,413
643	nos	0.60	748,907	753,400
644	doz	0.60	1,126,698	1,133,458
645/6	doz	0.50	3,470,916	3,488,271
647/8	doz	1.00	1,239,591	1,251,987
650	doz	2.50	21,261	21,793
659-H	kg	1.50	1,209,173	1,227,311
659-S	kg	2.50	156,362	160,271
Group III sme (Silk-blends and other vegetable fibre apparel excluding 845 & 846)		0.10	18,102,954	18,121,057
835	doz	0.50	27,820	27,959
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	813,136	813,949
Group VI sme (C, MMF, SBOV Luggage, 369-L/670-L/870)		2.50	61,640,454	63,181,465

(1) This rate does not apply for growth to 1992 from the 1991 restraint level.

ANNEX C

Categories and Sub-Categories	Percent Swing
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 in 1990-1991); (7 in 1992-1993)
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 48 inches in size, containing hand-embroidered or handpainted 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 US 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 US 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".