Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Modification of the bilateral agreement between
the United States and Macau

The Textiles Surveillance Body received a notification from the United States of a modification of its bilateral agreement with Macau. Reductions in certain limits for the period 1 January to 31 December 1991 were agreed in order to deal with certain problems of circumvention of the agreement.

This notification was made pursuant to Article 8:4, under which participating countries are required to communicate any arrangements made in order to deal with problems of circumvention.

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

1 The bilateral agreement, previous modifications and extension thereof are contained in COM.TEX/SB/959, 1300, 1498 and 1499.
2 For the TSB's review of this notification see COM.TEX/SB/1632.

*English only/Anglais seulement/Inglés solamente

91-1419
(Complimentary opening) and has the honour to refer to the Agreement between the Government of the United States and the Government of Macau concerning exports to the United States of cotton, wool, man-made fibre and silk-blend and other vegetable fibre textiles and textile products manufactured in Macau effected by exchange of notes dated 28 December 1983 and 9 January 1984, as amended (the Agreement).

The Consulate General also has the honour to refer to the discussions on our textile trade held between representatives of the Government of the United States and the Government of Macau in Washington 26-28 November 1990.

As a result of understandings reached in these discussions, the United States hereby withdraws its notice of intent to terminate the Agreement. The United States also proposes the Agreement be amended as follows:

A. Notwithstanding the limits specified in Annex B, the following limits will be established for calendar year 1991:

<table>
<thead>
<tr>
<th>Category</th>
<th>Limits</th>
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</thead>
<tbody>
<tr>
<td>Category 345</td>
<td>19,000 Dozen</td>
</tr>
<tr>
<td>Category 445/446</td>
<td>37,510 Dozen</td>
</tr>
<tr>
<td>Category 645/646</td>
<td>90,959 Dozen</td>
</tr>
</tbody>
</table>

Following determination by the Government of the United States that measures have been effectively implemented by the Government of Macau to prevent circumvention of the bilateral agreement. The Government of the United States will restore 1991 quota levels for these three categories, as currently contained in Annex B of the bilateral agreement.

B. Category 845/846 will be deleted from Annex B and added to Annex C with a designated consultation level of 30,452 dozen. Reflecting this change, the aggregate limit and Group I limit will each be reduced by 5,314,940 square meters equivalent. The Government of Macau may request increases to this category level pursuant to Paragraph 5(B) of the bilateral agreement. The Government of the United States will take into consideration the previous limits when reviewing such a request in this category and whether such an increase should be made permanent.

C. It is agreed that if the Uruguay Round proposed textile arrangement is approved, both governments agree to consult with a view to bringing the bilateral agreement into conformity with all provisions of the new arrangement.
D. Paragraph 15 of the agreement shall be replaced with the following substitute paragraph 15:

The Government of Macau shall cooperate with the Government of the United States in ensuring that the Agreement is not circumvented by transshipment, re-routing, misdescription, underinvoicing or by other means.

Subject to domestic laws, the competent authorities of Macau and those of the United States, within the spirit of cooperation undertaken by both parties hereto, will set up investigations where the true origin of goods is in question. The Governments of Macau and of the United States shall assist and share with each other in securing documents, correspondence and reports considered relevant to such investigations.

The two governments shall also cooperate in verifying production of goods where the true origin is in question. To that end, upon request from the Government of the United States or upon its own initiative, the competent authorities of Macau will provide to the competent authorities of the United States any information available that will enable the determination of the origin of the goods in question.

Where as a result of investigations, information available to the Government of the United States or to the Government of Macau constitutes evidence that products subject to this agreement have been transhipped, re-routed misdescribed, underinvoiced or otherwise traded in circumvention of this agreement on invoking appropriate quota adjustments. Such consultations shall take place and be concluded within 120 days of such request, assuming that the pertinent information will be provided to both governments at the time of the request.

If these proposed changes are acceptable to the Government of Macau, then this note and the Government of Macau note of acceptance shall constitute an amendment to the bilateral agreement.

(Complimentary close)
The Government of Macau presents its compliments to the Government of the United States through its consulate general in Hong Kong and has the honour to refer to previous discussions on our textile trade, namely the Government of the United States of America's diplomatic note 006 of 10 December 1990, and further correspondence on the Memorandum of Understanding on the Agreement between our two governments.

The Government of Macau has the honour of hereby accepting the terms of the proposed draft agreement under the above-mentioned diplomatic note 006, and it has the further honour of acknowledging that it shall constitute an amendment to the bilateral agreement.

The Government of Macau avails itself of this opportunity to renew to the Government of the United States of America, through its consulate general in Hong Kong, the assurances of its highest consideration.

(Signed)

Francisco Luis Murteira Nabo
Acting Governor