ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement between the United States and Sri Lanka

Note by the Chairman

Attached is a notification received from the United States of a modification of its bilateral agreement with Sri Lanka concerning limits on Category 336 (cotton skirts).

The bilateral agreement is contained in COM.TEX/SB/913

*English only/Anglais seulement/Inglés solamente
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Mr. Chairman:

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform the Textiles Surveillance Body of the establishment of a specific limit for category 336 (cotton skirts) and, thereby, the further amendment of the bilateral textile agreement between the Government of the United States of America and the Government of Sri Lanka.

The U.S. requested consultations with Sri Lanka on April 30, 1984, pursuant to para 6 of the bilateral agreement in order to deal with a real risk of market disruption posed by imports from Sri Lanka of this product. When the initial round of talks failed to reach agreement, the U.S. imposed a restraint according to the formula level contained in para 6 of the bilateral. This level was in turn increased to a mutually-agreed higher level. The relevant restraints were as follows:

(1) April 30-May 31, 1984 -- 2,966 dozen, which equals a notional annual level of 33,919 dozen, which in turn is 120 percent of the rollback level of 28,266,682.
(2) June 1, 1984-May 31, 1985 -- 35,954 dozen, which was superseded by an agreed specific limit of 60,000 dozen.

As will be noted from the two sets of enclosed notes, the agreement was amended twice, the second amendment being undertaken to bring the restraint into correspondences with the terms of the bilateral.

Sincerely,

Robert E. Shepherd
Minister-Counselor

Enclosure: As stated
If the foregoing is acceptable to your government, this note and your response on behalf of the Democratic Socialist Republic of Sri Lanka shall constitute an amendment to The Agreement.

Accept, Sir, the renewed assurances of my highest consideration.
UNITED STATES AND SRI LANKA AMEND BILATERAL TEXTILE AGREEMENT

The United States and Sri Lanka exchanged letters in Colombo to effect amendment to their bilateral textile agreement. Texts of the letters dated May 31 and June 14, 1985, respectively, follow.

UNITED STATES LETTER

Colombo
May 31, 1985

The Honorable
M.S. Amarasiri
Minister of Trade and Shipping
Colombo

Dear Mr. Minister:

I have the honor to refer to the exchange of notes between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of the United States of America dated February 26 and March 20, 1985 regarding the textile agreement between our governments of May 10, 1983 (hereinafter referred to as The Agreement).

I wish to propose that we amend and extend the terms of the exchange of notes to correspond with the existing bilateral agreement.
His Excellency Mr. John H. Reed,
Ambassador of the United States of America,
Colombo

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's letter dated 31st May, 1985, which reads as follows:

"I have the honour to refer to the exchange of notes between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of the United States of America dated February 26 and March 20, 1985 regarding the textile agreement between our governments of May 10, 1983 (hereinafter referred to as The Agreement.)

I wish to propose that we amend and extend the terms of the exchange of notes to correspond with the existing bilateral agreement.

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>6/1/84</th>
<th>6/1/85</th>
<th>6/1/86</th>
<th>6/1/87</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dozen</td>
<td>336</td>
<td>60,000</td>
<td>63,600</td>
<td>67,416</td>
<td>71,461</td>
</tr>
</tbody>
</table>

If the foregoing is acceptable to your government, this note and your response on behalf of the Democratic Socialist Republic of Sri Lanka shall constitute an amendment to The Agreement."

I wish to confirm that the above proposed amendment is acceptable to my Government.

Accept, Excellency, the assurances of my highest consideration.

(M.S. Amarasiri) M.P.
MINISTER OF TRADE AND SHIPPING.
UNITED STATES AND SRI LANKA AMEND
BILATERAL TEXTILE AGREEMENT

The United States and Sri Lanka exchanged notes in Colombo to effect amendment of their bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE

Colombo
February 26, 1985

Mr. M. S. Amarasiri
Minister
Ministry of Trade and Shipping
Colombo

Dear Sir:

I have the honor to refer to the Arrangement regarding international trade in textiles, with annexes, done at Geneva on December 10, 1973, and extended by Protocol adopted on December 22, 1981 at Geneva (hereinafter referred to as The Arrangement), to consultations between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of the United States of America in Colombo on June 28, 1984, July 9, 1984, August 13,

As a result of the consultations and in conformity with The Arrangement, I have the honor to propose amending The Agreement as follows:

(1) That Annex B shall be amended to include the following specific limits:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>1984</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>336</td>
<td>Dozen</td>
<td>60,000</td>
<td>63,600</td>
<td>67,416</td>
</tr>
</tbody>
</table>

If the foregoing conforms with the understanding of your government, this note and your response on behalf of the Democratic Socialist Republic of Sri Lanka shall constitute an amendment to The Agreement.

Accept, Sir, the renewed assurances of my highest consideration.
SRI LANKA NOTE

Colombo
March 20, 1985

His Excellency
Mr. John H. Reed
Ambassador of the United States of America
Colombo

Your Excellency:

I have the honour to acknowledge the receipt of your Excellency's letter dated 26th February 1985 which reads as follows:


As a result of the consultations and in conformity with The Arrangement, I have the honor to propose amending The Agreement as follows:

(1) That Annex B shall be amended to include the following specific limits:

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>1984</th>
<th>1985</th>
<th>1986</th>
</tr>
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<td>Dozen</td>
<td>60,000</td>
<td>63,600</td>
<td>67,416</td>
</tr>
</tbody>
</table>

If the foregoing conforms with the understanding of your government, this note and your response on behalf of the Democratic Socialist Republic of Sri Lanka shall constitute an amendment to The Agreement."
I confirm that the above letter has correctly set out the understanding reached between our two Governments.

Accept, Excellency, the assurances of my highest consideration.

M.S.Amarasiri, M.P.
Minister/Trade & Shipping
Democratic Socialist Republic
of Sri Lanka.