ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension and Amendment of the Agreement between the United States and Malaysia

Note by the Chairman

Attached is a notification received from the United States of a further extension with amendments of its bilateral agreement with Malaysia for the period 1 January 1993 to 31 December 1994.¹

¹The bilateral agreement, previous amendments and extensions are contained in COM.TEX/SB/1118, 1166, 1332, 1333, 1334, 1508 and 1787.

*English only/Anglais seulement/Inglés solamente
October 4, 1994

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textile Surveillance Body
General Agreement on Tariffs and Trade
Rue de Lausanne
1211 Geneva

Dear Ambassador Raffaelli:

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 Textile Surveillance Body of an extension of the bilateral textile agreement between the Government of the United States and the Government of Malaysia.

Copies of the notes affecting this extension are enclosed.

Sincerely,

William Tagliani
Attache
May 18, 1994

UNITED STATES AND MALAYSIA
AMEND THEIR BILATERAL TEXTILE AGREEMENT
BY EXCHANGE OF NOTES

The United States and Malaysia exchanged notes in Kuala Lumpur on January 12, 1994 and January 28, 1994 to amend the bilateral textile agreement between their two Governments. Text of the notes is attached.

For more information contact: EB/TEX: David DiGiovanna (202) 647 - 1978

Received Time 3. Oct. 21:33
The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of Malaysia and has the honor to refer to the diplomatic note no. CU 109/93 dated 28 December 1993 regarding the proposed extension of the Bilateral Agreement Relating to Trade in Cotton, Wool, Man-made fibre, Silk blend and other Non-Cotton Vegetable Fibre Textiles and Textile Products between the Government of Malaysia and the Government of the United States of America.

The Embassy has the honor to propose, on behalf of the Government of the United States of America, to incorporate a slight change to the proposal by the Government of Malaysia for para 19(B) to read as follows:

19. (B) Subject to domestic laws, the competent authorities of Malaysia shall cooperate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by whatever means. To this end, the competent authorities of Malaysia and those of the United States shall assist each other in securing documents, correspondence and reports considered relevant to investigations.

The two governments shall also cooperate in verifying production capacity for goods where the origin of the goods is in question. To that end, upon request from the Government of the United States, or upon its own initiative, the competent authorities of Malaysia will
submit to the competent authorities of the United States necessary information that will enable the determination of the origin of the goods in question.

If the foregoing conforms with the understanding of the Government of Malaysia, this reply shall constitute an Agreement between our two governments.

The Embassy of the United States of America avails itself of the opportunity to renew to the Ministry of Foreign Affairs of the Government of Malaysia the assurances of its highest consideration.

Embassy of the United States of America,
The Ministry of Foreign Affairs of Malaysia has the honour to refer to the diplomatic note No. 019 dated January 12, 1994 from the Embassy of the United States of America regarding the proposed extension of the Bilateral Agreement Relating to Trade in Cotton, Wool, Man-made Fibre, Silk Blend and Non-Cotton Vegetable Textiles, and Textile Products between the Government of Malaysia and the Government of the United States of America.

The Government of Malaysia has the further honour to inform the Government of the United States of America that it is agreeable to the proposed amendment to paragraph 19(B) as contained in the above mentioned diplomatic note.

The draft proposal on the extension of the Agreement as contained in your diplomatic note no. 673 dated December 4, 1992 together with the mutually agreed amendments shall constitute an agreement between the Government of Malaysia and the United States with respect to trade in Cotton, Wool, Man-made Fibre, Silk Blend and other Non-Cotton Vegetable Fibre Textile and Textile Products.
The Ministry of Foreign Affairs avails itself of the opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Wisma Putra
Kuala Lumpur.

28 January, 1994

[Signature]

Philip C. French
American Consul

Received Time 3. Oct. 21:33
Agreement Term

1. The term of this agreement shall be extended for two more calendar years through December 31, 1994. Each "agreement year" shall be a twelve-month period from January 1 of a given year to December 31 of the same year.

Should the Uruguay Round textile transition arrangement for the integration of the textile sector into gatt come into effect before December 31, 1994, the Uruguay round textile transition arrangement will supersede the provisions of this agreement.

Coverage of Agreement

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A.

2. (B) 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 fiber, silk blends, and non-cotton vegetable fibers, or blends thereof, in which any or all of those fibers 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 or the legal notes to Section XI of the Harmonized Commodity Code are likewise to be disregarded here. For the purposes of this Agreement, textile products covered by paragraph 2(A) above shall be classified as:

(I) Man-made fiber textiles if the product is in chief weight of man-made fibers, unless:

(A) The product is knitted or crocheted apparel in which wool equals or exceeds 23 percent by weight of all fibers, 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 percent by weight of all fibers, in which case the product will be a wool textile;

(C) The product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, in which case the product will be a wool textile.
(II) Cotton textiles if not covered by (1) and if the product is in chief weight of cotton, unless the product is a woven fabric in which wool equals or exceeds 36 percent by weight of all fibers, 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.

2. (C) Apparel of silk or non-cotton vegetable fiber, if none of the foregoing applies and the product is in chief weight of silk or non-cotton vegetable fiber, unless:

(I) Cotton with wool and/or man-made fibers in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the cotton component equals or exceeds the weight of each of the total wool and/or man-made fiber component, in which case the products will be a cotton textile.

(II) If not covered by 2(C)(I) and wool exceeds 17 percent by weight of all component fibers, in which case the product will be considered a wool textile.

(III) If not covered by (2)(C)(I) or (2)(C)(II) and man-made fibers in combination with cotton and/or wool in the aggregate equal or exceed 50 percent by weight of the component fibers thereof and the man-made fiber component exceeds the weight of the total wool and/or total cotton component, in which case the product will be considered a man-made fiber textile.

Notwithstanding the above, garments which contain 70 percent or more by weight silk (unless they also contain over 17 percent by weight wool), are not subject to this Agreement. Silk and non-cotton vegetable fiber sweaters, as determined above, shall be divided into "silk" sweaters and "non-cotton vegetable fiber" sweaters. For the purpose of this division, sweaters shall be classified as "silk" if the silk component exceeds by weight the non-cotton vegetable fiber component (if any). Sweaters not classified as "silk" sweaters in accordance with the foregoing shall be classified as "non-cotton vegetable fiber" sweaters. Garments containing 70 percent or more by weight silk and over 17 percent by weight wool shall be classified as wool textiles, under sub-paragraph B(IV)(8).

2. (D) Coverage under this paragraph is intended to be identical with the terms of Article 12 of the Arrangement regarding international trade in textiles and in conformance with paragraph 24 of the July 31, 1986 protocol of extension. 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 fiber, silk blend, or non-cotton vegetable fiber, the chief value of the fibers may be considered.

3. (A) The system of categories and the rates of conversion into square meters equivalent listed in Annex A shall apply in implementing this Agreement. Special conversion factors will apply to the following merged categories.

<table>
<thead>
<tr>
<th>Category</th>
<th>conversion factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>638/639</td>
<td>12.96</td>
</tr>
<tr>
<td>333/334/335/835</td>
<td>34.5</td>
</tr>
</tbody>
</table>

3. (B) For 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 specified in 3. (a).

3. (C) For purposes of this Agreement, the categories listed below are merged and treated as single categories and sub-categories as indicated:

<table>
<thead>
<tr>
<th>Categories Merged</th>
<th>Designation in Agreement</th>
<th>Sub-Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>300, 301</td>
<td>300/301</td>
<td>None</td>
</tr>
<tr>
<td>613, 614, 615, 617</td>
<td>613/614/615/617</td>
<td>None</td>
</tr>
<tr>
<td>331, 631</td>
<td>331/631</td>
<td>None</td>
</tr>
<tr>
<td>333, 334, 335, 835</td>
<td>333/334/335/835</td>
<td>333, 334, 335, 835</td>
</tr>
<tr>
<td>336, 636</td>
<td>336/636</td>
<td>None</td>
</tr>
<tr>
<td>338, 339</td>
<td>338/339</td>
<td>None</td>
</tr>
<tr>
<td>340, 640</td>
<td>340/640</td>
<td>None</td>
</tr>
<tr>
<td>341, 641</td>
<td>341/641</td>
<td>341</td>
</tr>
<tr>
<td>342, 642, 842</td>
<td>342/642/842</td>
<td>None</td>
</tr>
<tr>
<td>347, 348</td>
<td>347/348</td>
<td>None</td>
</tr>
<tr>
<td>347-w, 348-w</td>
<td>347-w/348-w</td>
<td>None</td>
</tr>
<tr>
<td>350, 650</td>
<td>350/650</td>
<td>None</td>
</tr>
<tr>
<td>351, 651</td>
<td>351/651</td>
<td>None</td>
</tr>
</tbody>
</table>

Received Time: 3. Oct. 21:49
4. (a) The Government of Malaysia shall limit annual shipments of exports which are the products of Malaysia to the United States of America of cotton, wool, and man-made fiber textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton to the group and specific limits set out in Annex B, as such group and specific limits may be adjusted in accordance with paragraph 5.

4. (b) Adjustments which affect 1992 quota levels are as follows:

i. 1992 limit of 105,000 dozen was established in group i for the called category 350/650. standard flexibility and six percent growth apply.

ii. Adjustments to account for the migration of knit pants:

In 1992, the following arrangements for cotton and man-made fiber knit trousers:

<table>
<thead>
<tr>
<th>Category</th>
<th>1992 Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>347/348</td>
<td>371,718 dozen</td>
</tr>
<tr>
<td>(347W/348W)</td>
<td>314,033 dozen)</td>
</tr>
<tr>
<td>647/648</td>
<td>1,206,027 dozen</td>
</tr>
<tr>
<td>(647K)</td>
<td>844,219 dozen</td>
</tr>
<tr>
<td>(648K)</td>
<td>844,219 dozen</td>
</tr>
</tbody>
</table>

Growth to the limits for 1993 and 1994 for categories 347/348 and 647/648 (including 647K and 648K) shall be from the unadjusted 1992 base levels, i.e., 347/348: 314,033 dozen; 647/648: 1,202,905 dozen (647K: 842,033 dozen; 648K: 842,033 dozen).
Flexibility Adjustments

5. (A)(i) The group and specific limits set out in Annex B do not include any adjustments permitted under paragraph 5.

5. (A)(ii) During any agreement year, the specific limits set out in Annex B may be increased by not more than 7 percent (swing) provided that a corresponding reduction in square meters equivalent is made in one or more other specific limits in the same group or from the Group II limit during the same agreement year.

5. (A)(iii) The group II limit may be increased by not more than 10 percent (swing), provided that a corresponding reduction in square meters equivalent is made in one or more specific limits in group I during the same agreement year.

5. (A)(iv) The Government of Malaysia shall indicate to the Government of the United States the specific limits or sub-limits it would like to increase and which it would like decreased.

5. (A)(v) Within the Group II limit, as it may be adjusted pursuant to paragraph 5(A)(iii) and 5(B)(i), any specific limit within Group II may be exceeded by not more than 7 percent swing, in addition to carryover and carryforward permitted pursuant to paragraph 5(B)(ii), provided that the Group II limit as adjusted is not exceeded in any one agreement year.

5. (B)(i) The extent to which the group II limit set forth in Annex B may be exceeded in any agreement period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

5. (B)(ii) The extent to which any specific limit may be exceeded in any agreement period by carryforward and/or carryover is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

5. (B)(iii) No carryover shall be available for application in the first agreement year. No carryforward shall be available for application in the final agreement year. Carryover shall be available in the 1992 agreement year.
5. (C) For the purposes of the Agreement, a shortfall in a specific limit or Group II limit occurs when exports of textiles or textile products from Malaysia to the United States of America during any agreement year are below any specific limit or Group II 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 specific limit or Group II limit as decreased.

5. (D) The Government of Malaysia will notify the Government of the United States when it wishes to use unused quantity (shortfall) available in categories for carryover, or for use by other categories for swing; subject to the provisions set out above. However, the Government of the United States may apply adjustments under this paragraph to any specific limit or the Group II 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 carryforward, in that order. Any unused carryforward will be re-credited to the following period's limit. In case of such adjustments, the Government of the United States would immediately notify the Government of Malaysia. This procedure will not prejudice the outcome of any consultations that may be held between our Governments concerning the amounts of available carryover and carryforward.

5. (E) Special flexibility:

5.(E) i. categories 338/339, 638/639, and 347/348 will have available 15 percent special carryforward in the 1992 and 1993 periods.

5.(E) ii. special shift of 10 percent will be allowed from category 647/648 to category 347/348 beginning in 1993. Unlike special swing and standard swing which are calculated in square meter equivalents, special shift is calculated in dozens. The percentage of special shift is calculated on the base level of the receiving category, i.e. 347/348.

5.(E) iii. special shift of 10 percent will be allowed from category 333/334/335/835 to category 634/635, beginning in 1993. Special shift is calculated in dozens.
5.(E) iv. special swing of 5 percent will be allowed for categories 338/339, 638/639 and 347/348, beginning in 1993. Special swing is calculated in square meters equivalent.

5.(E) v. special swing of 3 percent will be allowed for categories 336/636, 345, 351/651 and 340/640, beginning in 1993. Special swing is calculated in square meters equivalent.

5.(E) vi. special swing of 5 percent will be allowed for the fabric group, beginning in 1993.

5.(E) vii. Flexibility for the 1992 limit for 347/348 and 347-W/348-W will be as follows:

a. Swing, carryover, carryforward and special carryforward available in 1992 to category 347/348 shall not exceed the quantity in dozens available to the sublimit 347-W/348-W.

b. Carryforward and special carryforward used in 1991 by the limit for 347/348 will be deducted from the 1992 limit for 347-W/348-W.

c. In 1993, the year the sublimit of 347-W/348-W is dropped, the total carryover available into category 347/348 shall not exceed the available shortfall in 347-W/348-W.

5.(E) viii. For 1992 only:

categories Exceptional carryforward

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>338/339</td>
<td>90,000 dozen</td>
</tr>
<tr>
<td>638/639</td>
<td>20,000 dozen</td>
</tr>
<tr>
<td>347/348</td>
<td>20,000 dozen</td>
</tr>
</tbody>
</table>

Exceptional carryforward described in 5 (E) viii. may be borrowed at a rate of 1.25 dozen in 1993 for every dozen used in 1992.

Consultation Mechanism

6. (A) In the event that the Government of the United States of America believes that imports of textile and apparel products from Malaysia in categories listed in Annex A to this Agreement (textiles and textile products made of cotton, wool and man-made fiber and apparel made of silk blends and vegetable fibers other than cotton) and not covered by specific limits under this Agreement are, due to market disruption or
the real risk thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States of America may request consultations with the Government of Malaysia with a view to eliminating market disruption or the real risk of market disruption. The Government of the United States of America will provide the Government of Malaysia, at the time of the request, with a statement of reasons for its request for consultations which, in the view of the Government of the United States, demonstrate:

(i) The existence of the real risk of market disruption; and

(ii) The role of exports from Malaysia in that disruption or risk of disruption.

6. (B) The Government of Malaysia agrees to consult with the Government of the United States of America within 30 days of the receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless extended by mutual agreement.

6. (C) During the 90 day consultation period, the Government of Malaysia agrees to hold its shipments to the United States, whether direct or indirect, of cotton, wool or man-made fiber textiles or textile products or apparel made of silk blends and vegetable fibers other than cotton in the category or categories subject to these consultations to a level no greater than 35 percent of the amount entered, as reported in U.S. general import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.

6. (D) If no mutually satisfactory solution is reached during the 90 day consultation period, the Government of the United States of America may establish annual specific limits for shipments of cotton, wool, or man-made fiber products or apparel made of silk blends and vegetable fibers other than cotton in the product or categories concerned for the duration of this agreement. The amount will not be less than the amount, as reported in U.S. general import statistics, entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent for cotton, man-made and silk blends and vegetable fiber product categories, and 6 percent for wool product categories.

6. (E) The first term of any specific limit established under sub-paragraph 6(D) will be effective for the period beginning on the first day following the conclusion of the 90 day consultation period and ending on the last day of the
agreement year in which the specific limit was established. If a specific limit is established, the specific limit and any available swing/carryforward will be prorated to correspond to the period of time remaining in the existing agreement year. Carryover will not be available in the first agreement year following the 90 day consultation period. For each remaining agreement year the specific limit established under sub-paragraph 6(D) will be increased 6.0 percent annual growth per year in the case of cotton, man-made and silk blend and other vegetable fiber categories and by 1 percent per year in the case of wool categories.

Overshipment Charges

7. (A) Products of Malaysia 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.

7. (B) Products of Malaysia 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.

7. (C) Any action taken pursuant to sub-paragraph 7(A) and 7(B) above, will not prejudice the rights of either side regarding consultations.

Exports of Certified Hand-loomed Folklore Products

8. In accordance with Article 12, paragraph 3 of the Arrangement, and subject to the visa certification system, Malaysian exports of hand-loomed fabrics of the cottage industry or hand-made cottage industry products made of such hand-loomed fabrics, or traditional folklore handicraft textile products, will not be subject to the provisions of the Agreement.

Spacing Provisions

9. The Government of Malaysia shall to the best of its abilities space exports from Malaysia to the United States of America within each category, sub-category or part-category evenly throughout each agreement year, taking into consideration normal seasonal factors.

Implementation of the Limitation Provisions

10. The Government of Malaysia shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of Malaysia in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.
Exchange of Information

11. With regard to fraud and circumvention, each government agrees to cooperate and to supply to the other government any information within its possession which it reasonably believes to be necessary for the enforcement of this Agreement.

Exchange of Data

12. (A) The Government of the United States of America shall promptly supply the Government of Malaysia with data on monthly imports of cotton, man-made fiber, and wool textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton into the United States of America from Malaysia.

12. (B) The Government of Malaysia shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber, and wool textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton from Malaysia to the United States of America.

12. (C) Each government agrees to supply any other available statistical data necessary to the implementation of this Agreement requested by the other government.

Mutually Satisfactory Administrative Arrangements

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.

Consultations on Implementation Questions

14. The Government of the United States of America and the Government of Malaysia 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 of America and the Government of Malaysia may at any time propose revisions in 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.
Consultations in Case of Inequity Vis-a-Vis a Third Country

16. If the Government of Malaysia considers that as a result of provisions specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Government of Malaysia may request consultations with the Government of the United States of America with a view to taking appropriate remedial actions, such as reasonable modification of this Agreement. The Government of the United States of America shall consult with the Government of Malaysia in the event of such a request.

Article 3 Procedures

17. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool, man-made fiber textiles and textile products and apparel made of silk blends and vegetable fibers other than cotton of Malaysia covered by this Agreement. The Government of the United States and the Government of Malaysia reserve their rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

Correct Category/Quantity Visa System

18. The provisions of the Visa Agreement as listed in Annex C between the Government of the United States of America and the Government of Malaysia will govern the certification of exports from Malaysia.

Agreement Circumvention


(B) Subject to domestic laws, the competent authorities of Malaysia shall cooperate with the competent authorities of the United States in ensuring that the agreement is not circumvented by whatever means. To this end, the competent authorities of Malaysia and those of the United States shall assist each other in securing documents, correspondence and reports considered relevant to investigations. The two governments shall also cooperate in verifying production capacity for goods where the origin of those goods is in question. To that end, upon request from the Government of the United States, or upon its own initiative, the competent authorities of Malaysia will submit to the competent authorities of the United States necessary information that will enable the determination of the origin of the goods in question.
(C) Where information available to the Government of the United States or to the Government of Malaysia as a result of investigations, constitutes evidence that products subject to this agreement have been transshipped, rerouted, misdescribed, under-invoiced or otherwise traded in circumvention of this agreement, either government may request consultations, with a view to invoking quota adjustments, as appropriate. Such consultations shall take place and be concluded within 120 days of such request.

Termination Clause

20. Either Government may terminate this Agreement, effective at the end of agreement year, by written notice to the other Government, to be given at least 90 days prior to the end of such agreement year.

Closing Paragraph

21. If the foregoing conforms with the understanding of the Government of Malaysia, this note and the note of confirmation on behalf of the Government of Malaysia shall constitute an agreement between our two Governments.

Enclosure: Annexes A, B, C
# Annex A

## U.S. Textile and Apparel Category System Under the Harmonized System

Categories Numbered in the:

- **200 series** are of cotton and/or man-made fiber
- **300 series** are of cotton
- **400 series** are of wool
- **600 series** are of man-made fiber
- **800 series** are of silk blends or other non-cotton vegetable fibers

<table>
<thead>
<tr>
<th>Category Number</th>
<th>Description</th>
<th>Unit</th>
<th>Conversion Factor to Square Meter Equivalent</th>
</tr>
</thead>
</table>

### Yarn:

- **Cotton and Man-Made fiber:**
  - **200** Yarns put up for retail sale, and sewing thread
  - **201** Specialty Yarns

- **Cotton:**
  - **300** Carded Yarns, Cotton
  - **301** Combed Yarns, Cotton

- **Wool:**
  - **400** Wool Yarn

- **Man-Made Fiber:**
  - **600** Textured Filament Yarns
  - **603** Yarn containing 85 percent or more by weight artificial staple fiber
  - **604** Yarn containing 85 percent or more by weight synthetic staple fiber
  - **606** Non-textured filament
  - **607** Other staple fiber yarn

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FABRIC:

Cotton and Man-Made Fiber:

- **218** Of Yarns of different colors
- **219** Duck
- **220** Fabric of Special Weave
- **222** Knit Fabric
- **223** Non-Woven Fabrics
- **224** Pile & Tufted Fabrics
- **225** Blue Denim
- **226** Cheesecloth, Batistes, Lawns, or Voiles
- **227** Oxford Cloth
- **229** Special Purpose Fabric

Cotton:

- **313** Sheeting
- **314** Poplin & Broadcloth
- **315** Printcloth
- **317** Twills
- **326** Sateens

Wool:

- **410** Woven Fabrics containing 36 percent or more by weight wool
- **414** Other Wool Fabrics

Man-Made Fiber:

- **611** Woven Man-Made Fiber Fabric containing 85 percent or more by weight artificial staple fibers
- **613** Sheeting
- **614** Poplin & Broadcloth
- **615** Printcloth
- **617** Twills & Sateens
- **618** Woven Artificial Filament Fabric
- **619** Polyester Filament Fabric, less than 170 Gr. per M2
- **620** Other Synthetic Filament Fabric
- **621** Impression Fabric
- **622** Glass Fiber Fabric
- **624** Woven Man-made Fiber Fabric containing more than 15 percent but less than 36 percent wool

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### Staple/Filament Combination:
- **625 Poplin & Broadcloth**: M2, 1.0
- **626 Printcloth**: M2, 1.0
- **627 Sheeting**: M2, 1.0
- **628 Twills & Sateens**: M2, 1.0
- **629 Other MMF**: M2, 1.0

### APPAREL:

#### Cotton and Man-Made Fiber:
- **237 Playsuits, Sunsuits, etc.**: DOZ, 19.2
- **239 Infants' Apparel**: KG, 6.3

#### Cotton:
- **330 Handkerchiefs**: DOZ, 1.4
- **331 Gloves & Mittens**: DPR, 2.9
- **332 Hosiery**: DPR, 3.8
- **333 M & B Suit-Type Coats**: DOZ, 30.3
- **334 Other M & B Coats**: DOZ, 34.5
- **335 W & G Coats**: DOZ, 34.5
- **336 Dresses**: DOZ, 37.9
- **338 M & B Knit Shirts**: DOZ, 6.0
- **339 W & G Knit Shirts & Blouses**: DOZ, 6.0
- **340 M & B Shirts, Not Knit**: DOZ, 20.1
- **341 W & G Shirts & Blouses, Not Knit**: DOZ, 12.1
- **342 Skirts**: DOZ, 14.9
- **345 Sweaters**: DOZ, 30.8
- **347 M & B Trousers, Slacks, & Shorts**: DOZ, 14.9
- **348 W & G Trousers, Slacks, & Shorts**: DOZ, 14.9
- **349 Brassieres & Body Supporting Garments**: DOZ, 4.0
- **350 Dressing Gowns, etc.**: DOZ, 42.6
- **351 Nightwear & Pajamas**: DOZ, 43.5
- **352 Underwear**: DOZ, 9.2
- **353 M & B Down-Filled Coats**: DOZ, 34.5
- **354 W & G Down-Filled Coats**: DOZ, 34.5
- **359 Other Cotton Apparel**: KG, 8.5

#### Wool:
- **431 Gloves & Mittens**: DPR, 1.8
- **432 Hosiery**: DPR, 2.3
- **433 M & B Suit-Type Coats**: DOZ, 30.1
- **434 Other M & B Coats**: DOZ, 45.1
- **435 W & G Coats**: DOZ, 45.1
- **436 Dresses**: DOZ, 41.1

*Received Time: 3 Oct, 22:13*
Knit Shirts & Blouses
Infants' Wear
Shirts & Blouses, Not Knit
Skirts
M & B Suits
W & G Suits
M & B Sweaters
W & G Sweaters
M & B Trousers, Slacks & Shorts
W & G Trousers, Slacks & Shorts
Other Wool Apparel
Man-Made Fiber:
Handkerchiefs
Gloves & Mittens
Hosiery
M & B Suit-type Coats
Other M & B Coats
W & G Coats
Dresses
M & B Knit Shirts
W & G Knit Shirts & Blouses
M & B Shirts, Not Knit
W & G Shirts & Blouses, Not Knit
Skirts
M & B Suits
W & G Suits
M & B Sweaters
W & G Sweaters
M & B Trousers, Slacks & Shorts
W & G Trousers, Slacks & Shorts
Brassieres & Body Supporting Garments
Dressing Gowns, etc.
Nightwear & Pajamas
Underwear
M & B Down-Filled Coats
W & G Down-Filled Coats
Other Man-Made Fiber Apparel
Silk-Blends and Non-Cotton Vegetable Fiber:
Gloves & Mittens
Hosiery
M & B Suit-Type Coats
Other M & B Coats & Jackets
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<thead>
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<th>Item</th>
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<td>Dresses</td>
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<td>Not Knit Shirts &amp; Blouses</td>
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<tr>
<td>846</td>
<td>Sweaters of Silk Blend</td>
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<td>847</td>
<td>Trousers, Slacks, &amp; Shorts</td>
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<td>14.9</td>
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<td>Robes &amp; Dressing Gowns</td>
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<td>851</td>
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<td>852</td>
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<td>Neckwear</td>
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<td>859</td>
<td>Other Apparel</td>
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**MADE-UP & MISCELLANEOUS TEXTILES**

**Cotton:**
- Pillowcases: NOS 0.9
- Sheets: NOS 5.2
- Bedspread & Quilts: NOS 5.8
- Terry & Other Pile Towels: NOS 0.4
- Cotton Manufactures, Not Specified (NSPF): KG 8.5

**Wool:**
- Blankets: KG 2.4
- Floor Coverings: M2 1.0
- Wool Manufactures, NSPF: KG 3.7

**Man-Made Fiber:**
- Floor Coverings: M2 1.0
- Other Furnishings: KG 14.4
- Man-Made Fiber Manufactures, NSPF: KG 14.4
- Flat Goods, Handbags, Luggage: KG 3.7
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<th>1992 BASE LEVEL</th>
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<td>29,092,103 m²</td>
<td>35,000,000 m²</td>
<td>37,100,000 m²</td>
</tr>
</tbody>
</table>

| GROUP I APPAREL: | | | |
| | 290,519 doz | 285,690 doz | 302,831 doz |
| | 1,456,672 dpr | 1,546,192 dpr | 1,636,964 dpr |
| | 167,279 doz | 177,316 doz | 187,955 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 83,639 doz | 106,390 doz | 112,773 doz |
| | 305,309 doz | 344,261 doz | 364,917 doz |
| | 766,852 doz | 812,863 doz | 861,635 doz |
| | 937,895 doz | 994,169 doz | 1,053,819 doz |
| | 1,215,547 doz | 1,288,480 doz | 1,365,789 doz |
| | 433,647 doz | 459,666 doz | 487,246 doz |
| | 291,150 doz | 308,619 doz | 327,136 doz |
| | 111,645 doz | 118,344 doz | 125,444 doz |
| | 371,718 doz | 332,875 doz | 352,848 doz |
| | 314,033 doz | | |

<p>| Received Time | 3 Oct. 22:13 |</p>
<table>
<thead>
<tr>
<th></th>
<th>638/639</th>
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<th>647-K</th>
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<tr>
<td>334,202 doz</td>
<td>255,618 doz</td>
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<td>354,254 doz</td>
<td>270,955 doz</td>
<td>1,275,079 doz</td>
<td>892,555 doz</td>
<td>829,555 doz</td>
<td>34,296,752 sme</td>
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</tr>
<tr>
<td>375,509 doz</td>
<td>287,212 doz</td>
<td>1,351,584 doz</td>
<td>946,108 doz</td>
<td>946,108 doz</td>
<td>36,354,557 sme</td>
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</tbody>
</table>

Received Time 3. Oct. 22:13
ANNEX C

Visa and Exempt Certification Arrangement
Between the Government of Malaysia
and the Government of the United States of America
Concerning Textiles and Textile Products

1. Definition:

A. For the purpose of this Arrangement, the term "textiles" means textiles and textile products of cotton, wool and man-made fibers, other vegetable fibers, blends of any of the foregoing fibers and blends containing silk, but does not include garments which contain 70 percent or more silk by weight, or products other than garments which contain 85 percent or more silk by weight.

B. The term "category" includes part categories and merged categories as established in the Bilateral Agreement.

2. Visa Requirements:

A. Each shipment of textiles or textile products produced or manufactured in Malaysia and exported to the United States which are subject to the terms of the MFA, and as defined in paragraph 1, above, regardless of value, of cotton, wool, man-made fiber, vegetable fibers other than cotton, and silk blend textiles and textile products in categories 200-239, 300-369, 400-469, 600-670 and 831-859, including part categories and merged categories, and those categories which are not eligible for the exemptions noted in the exempt certification requirements in Section 3 below and those shipments not excluded by Section 5 below, shall be visaed by the Government of Malaysia. This visa shall be presented to the U.S. Customs Service before entry, or withdrawal from warehouse for consumption, into the customs territory of the United States, (the 50 States, The District of Columbia and Puerto Rico).

B. Shipments covering merchandise in categories 800-810 and 863-899 do not require a visa. However, should additional categories, merged categories or part categories be added to the bilateral agreement the entire category or categories shall be automatically included in the coverage of the visa arrangement. Merchandise exported on or after the date the category(s) is added to the Agreement shall require a visa.
C. A shipment shall be visaed by the stamping of the original circular visa in blue ink on the front of the original commercial invoice. The original visa shall not be stamped on duplicate copies of the invoice. The original of the invoice with the original visa stamp will be required to enter the shipment into the United States. Duplicates of the invoice and/or visa may not be used for this purpose.

D. Each visa stamp will include the following information:

i. The Visa Number:

The visa number shall be in the standard nine digit letter format beginning with one numeric digit for the last digit of the year of export, followed by the two character alpha country code specified by the International Organization for Standardization-(ISO)-(the code for Malaysia is "MY"), and a six digit numeric serial number identifying the shipment; e.g., 7MY123456).

ii. The Date of Issuance:

The date of issuance shall be the day, month and year on which the visa was issued.

iii. The Signature of the Issuing Official:

The signature shall be that of the issuing official of the Malaysian Government.

iv. Category and Quantity Information

The correct category(s), merged category(s), part category(s), quantity(s), and unit(s) of quantity in the shipment in the unit(s) of quantity provided for in the U.S. Department of Commerce correlation and in the U.S. Tariff Schedules of the United States Annotated (HTSUSA) shall be reported in the spaces provided within the visa stamp, e.g., "Cat.340-510DZ". Quantities must be stated in whole numbers. Decimals or fractions will not be accepted. Merged category quota merchandise may be accompanied by either the appropriate merged category visa or the correct category visa corresponding to the actual shipment. (For example, quota category 347/348 may be visaed as "Cat.347/348" or if the shipment consists solely of category 347 merchandise, the shipment may be visaed as "Cat.347", but not as "Cat.348".)
E. If the quantity indicated on the visa is less than that of the shipment, entry shall not be permitted.

F. If the quantity indicated on the visa is more than that of the shipment, entry shall be permitted.

G. The visa will not be accepted and entry will not be permitted if the shipment does not have a visa, or if the visa number, date of issuance, signature, category, quantity or units of quantity are missing, incorrect, illegible or have been crossed out or altered in any way.

H. The categories and quantities shall be those determined by the U.S. Customs Service.

I. If the visa is not acceptable then a new visa must be obtained from the Malaysian Government or a visa waiver issued by the U.S. Department of Commerce at the request of the Malaysian Government and presented to the U.S. Customs Service before any portion of the shipment will be released. The waiver, if used, only waives the requirement to present a visa with the shipment. It does not waive the quota requirement.

J. If the visaed invoice is deficient, the U.S. Customs Service will not return the original document after entry, but will provide a certified copy of that visaed invoice for use in obtaining a new correct original visaed invoice, or a visa waiver.

K. If import quotas are in force, only the actual quantity in the shipment and the correct category will be charged to the restraint level.

L. If a shipment from Malaysia has been allowed entry into the commerce of the United States with either an incorrect visa or no visa and redelivery is requested but cannot be made, the shipment will be charged to the correct category limit whether or not a replacement visa or visa waiver is provided.

M. The Government of the United States of America will make available to the Government of Malaysia upon request, information on the amounts and categories involved for all items subject to quota administered by the U.S. Customs Service including items covered in 2(L) above.
3. Exempt Certification Requirements:

A. Shipments of certified hand printed batik, defined as fabric to which the design has been applied by hand in units of the Malaysian cottage industry, shall be exempt from the levels of the Bilateral Agreement if they are certified prior to leaving Malaysia, by the placing of the original rectangular-shaped stamped marking in blue ink on the front of the original commercial invoice. The original exempt certification shall not be affixed to duplicate copies of the invoice. The original copy of the invoice with the original exempt certification will be required to enter the shipment into the United States. Duplicate copies of the invoice and/or exempt certification may not be used.

B. Requirements for Exempt Certification Stamp:

Each Exempt Certification Stamp will include the following information:

i. Date of Issuance

ii. Signature of issuing Official

iii. The Basis for the Exemption, which shall be noted as:

A. Handprinted Batik,

B. The name of the particular traditional folklore handicraft product (Malaysian item) as cited in a list to be agreed upon by the Government of Malaysia and the Government of the United States.

C. Should a shipment be exported from Malaysia with an incorrect exempt certification (i.e. the date of issuance, signature or basis for exemption is missing, incorrect or illegible or has been crossed out or altered in any way), then the exempt certification will not be accepted and entry shall not be permitted until a replacement certification is issued.

D. Should a shipment be exported from Malaysia without an exempt certification being issued prior to the date of exportation or if the merchandise does not qualify for the exemption, then an exempt certification will not be accepted and entry shall not be permitted. In such a case, a visa or a visa waiver must be obtained prior to release of any portion of the shipment. If quotas are in force, the shipment will be charged to the appropriate quota level.
4. The Government of Malaysia shall provide the Government of the United States every six months with a list of all shipments certified exempt by the Government of Malaysia during the previous six months. The list shall contain the following information for each shipment: description of items, units, and quantities.

5. Shipments not requiring visas:

Merchandise imported for the personal use of the importer and not for resale, regardless of value, and properly marked commercial sample shipments valued at 250 US dollars or less do not require a visa for entry and shall not be charged to Agreement levels.

6. Other Provisions:

A. The Government of the United States shall publish a notice in the Federal Register regarding the visa and certification systems hereby established. The Government of Malaysia shall provide the Government of the United States with two identical original facsimiles of the visa and exempt certification stamp markings and the signature of each official authorized to issue and sign them. A maximum of 10 officials will be designated by the Government of Malaysia. Any change to the stamped markings must be approved by the Government of the United States prior to its use, to be effective sixty days after approval. The Government of Malaysia shall notify the Government of the United States of any changes of authorized officials.

B. List of part-categories and merged categories currently included in the arrangement:

Part-Categories:

```
347-w
348-w
369-S
369-0
438-W
438-0
647-K
648-K
```
Merged Categories:

300/301
613/614/615/617
331/631
333/334/335/635
336/636
338/339
340/640
341/641
342/642/842
347/348
347-w/348-w
350/650
351/651
445/446
634/635
638/639
645/646
647/648

C. Except as provided in paragraph 5 of this Arrangement and as stated in paragraphs 2D and 2F of this Arrangement, any shipment which is not accompanied by a valid and correct visa or exempt certification in accordance with the foregoing provisions shall be denied entry by the Government of the United States unless the Government of Malaysia authorizes the entry and any charges to the Agreement levels.

D. An invoice may cover visaed merchandise or exempt certification merchandise but not both.

E. This Arrangement shall be effective for merchandise exported on or after September 1, 1987.

F. Either Government may terminate, in whole or in part, the above arrangement by giving ninety days written notice to the other.