

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1355*

2 July 1987

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and modifications of the bilateral agreement between the United States and Macao

Note by the Chairman

Attached is a notification received from the United States of an extension and modifications of the agreement with Macao. The expiry date of the agreement was extended by three years to 31 December 1991. The modifications included the addition of other vegetable fibre and silk blend products in the coverage, new specific limits, and designated consultation levels, and modifications in aggregate group and specific limits, and one DCL resulting from the enlarged product coverage. These modifications came into effect on 1 January 1987.¹

* English only/Anglais seulement/Inglés solamente

¹ The bilateral agreement is contained in COM.TEX/SB/959.



847

ANSWERED	DOC. ISSUED 100.58/1355	FOLIO
REG 30 JUIN 1987		
For	Action	Comment
DIRECTOR GENERAL		
Info. Service		
OFFICE LEGAL AFF.		
Secs. / Council Aff. Div.		
CHAIRMAN TSB	X	
GNS/PAI POL. Aff. Div.		

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX

1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

June 29, 1987

The Honorable
 Ambassador Marcelo Raffaelli
 Chairman, Textiles Surveillance Body
 GATT
 Rue De Lausanne 154
 1211 Geneva

DEPT.	Action	Comment	Int.
OPER. DEPT. A			X
NTM & Surv. Div.			
Development Div.			
Trade & Fin. Div.			
Tech. Coop. Div.			
Spec. Proj. Div.			
GNS Div.			
OPER. DEPT. B			
Econ. & Admin. Unit.			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
Planning Div.			
Int. Admin.			
Int. Aff. Div.			
Int. Sec. Div.			

Dear Ambassador Raffaelli:

Pursuant to paragraph 4 of Article 4 of the Arrangement, I am instructed by my government to notify the TSB of the modification and extension until December 31, 1991 of the current bilateral agreement between the United States and Macau, thereby superceding the last two years of the previous bilateral.

The extension and modifications were sought by the U.S. to address problems of market disruption or real risk, thereof, while at the same time ensuring the orderly development of trade from Macau to the United States.

The basic structure of the agreement was maintained with the following modifications:

- 1) extension of coverage to include mmf luggage and products of silk blends and other vegetable fibers.
- 2) an increase in the aggregate and Group I limits to take account of this extension.
- 3) the modification and addition of a member of specific limits and designated consultation levels.
- 4) modification of the definition of products covered by the agreement and an annex relating to the planned adoption by the U.S. of the Harmonized Commodity Code.

Additional data to facilitate preparation of a fact sheet will be provided separately.

The Honorable
Ambassador Marcelo Raffaelli
June 29, 1987
Page Two

Attached hereto are copies of the notes giving effect to this extension and modification.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Shepherd", is written over the typed name and title. The signature is fluid and cursive, with a large initial "R" and "S".

Robert E. Shepherd
Minister Counsellor

Attachment



Textiles Division

Public Release

United States Department of State
Bureau of Economic and Business Affairs
Washington, D.C.

June 1, 1987

UNITED STATES AND MACAU AMEND BILATERAL TEXTILE AGREEMENT

The United States and Macau amended their bilateral textile agreement by exchange of notes on April 14, 1987 and April 28, 1987. Text of the notes follows:

UNITED STATES NOTE

No. 03

Hong Kong, April 14, 1987

The Consulate General of the United States of America presents its compliments to the Government of Macau and has the honor to refer to the bilateral Agreement Relating to Trade in Textiles and Textile Products, effected by exchange of notes dated December 28, 1983 and January 9, 1984, as amended, (hereinafter referred to as the Agreement). Reference is also made to the Arrangement Regarding International Trade in Textiles, done at Geneva on December 20, 1973 and extended by protocols adopted at Geneva on December 17, 1977, December 22, 1981 and July 31, 1986 (The Arrangement). The Consulate General also has the honor to refer to the recent discussions between representatives of our Governments in Washington, D.C.

For more
information
contact:

EB/TEX:PHILLIP ANTO

(202) 647-3000

It is the understanding of the United States Government, that the following has been agreed to between our two Governments:

(1) The Agreement shall be extended through December 31, 1991.

(2) Paragraph 2 of the Agreement should be amended to include the following subparagraphs:

"(D) Tops, yarns, piece goods, made up articles, garments and other textile manufactured products, being products which derive their chief characteristics from their textile components of:

(I) Vegetable fiber or

(II) Blends of vegetable fiber with cotton, wool and man-made fiber, or

(III) Blends of silk with cotton, wool, man-made fiber or vegetable fiber, in which (I) or (II) or (III) above is either the chief value or 50 percent or more by weight, are subject to this Agreement."

"For the purposes of the Agreement, such products shall be classified as silk blend and other vegetable fiber. Notwithstanding the above, garments which contain 70 percent or more silk by weight in silk blend, and products other than apparel which contain 85 percent or more silk by weight in a blend, are not subject to this Agreement."

(3) Paragraph 3 (B) of the Agreement should be amended to include the following list of merged categories and additional paragraph immediately following the list:

<u>Categories</u>	<u>Designation In</u>	
<u>Merged</u>	<u>Agreement</u>	<u>Sub-Categories</u>
331,831	331/831	
333,334,335,833	333/4/5/833/4/5	(333/335/833/
834,835		835)
336,836	336/836	
347,348,847	347/8/847	
350,850	350/850	
351,851	351/851	
359,859	359/859	
445,446	445/446	
632,832	632/832	
633,634,635	633/634/635	
638,639,838	638/9/838	
641,840	641/840	
642,842	642/842	
645,646	645/646	
647,648	647/648	
652,852	652/852	
845,846	845/6	

"For the purposes of computing charges to the Aggregate Group and Specific Limits and sublimits for the categories and sub-categories cited above, rates of conversion set out in Annex A under the heading of merged categories shall be applied."

(4) Cotton, wool, man-made fiber, silk blend and other vegetable fiber shipments valued at less than U.S. 250 dollars shall be subject to the terms of the Agreement, unless they are valid commercial samples or items for the personal use of the importer.

(5) The conversion factors in Annex A of the Agreement shall be amended as follows:

<u>Category</u>	<u>Conversion Factor</u>
333	36.2
334	41.3
335	41.3
633	36.2
638	18.0
639	15.0

(6) Annex A of the Agreement shall also be amended to include the following:

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>YARN:</u>			
<u>Silk Blend and Other Vegetable Fiber</u>			
800	Yarn, Thread	4.6	Lb.

FABRIC:

Silk Blend and Other Vegetable Fiber

810

Fabrics

1.0

SYD.

<u>Category</u>	<u>Description</u>	<u>Conversion</u> <u>Factor</u>	<u>Unit of</u> <u>Measure</u>
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MADE-UPS AND MISCELLANEOUS:

670	Luggage, Handbags, Flat Goods	2.0	Lb.
863	Towels	0.5	No.
870	Luggage	2.0	Lb.
871	Handbags and Flat Goods	2.0	Lb.
899	Other Silk Blend and Other Vegetable Fiber Manufactures	6.0	Lb.

APPAREL:

Silk Blend and Other Vegetable Fiber

831	Gloves	3.5	DPr.
832	Hosiery	4.6	DPr.
833	Suit-Type Coats, M and B	36.2	Dz.
834	Other Coats, M and B	41.3	Dz.
835	Coats, W, G and I	41.3	Dz.
836	Dresses	45.3	Dz.
838	Knit Shirts and Blouses	14.0	Dz.
840	Shirts and Blouses, not Knit	20.0	Dz.
842	Skirts	17.8	Dz.

843	Suits, M & B	54.0	Dz.
844	Suits, W, G and I	54.0	Dz.
845	Sweaters, Other vegetable Fiber	36.8	Dz.
846	Sweaters, Silk Blend	36.8	Dz.
847	Trousers, Slacks and Shorts (Outer)	17.8	Dz.
850	Dressing Gowns	51.0	Dz.
851	Pajamas & Other Nightwear	52.0	Dz.
852	Underwear	13.5	Dz.
858	Neckties	3.6	Lb.
859	Other Apparel	6.8	Lb.

(7) Annex A shall be amended further to include the following list of merged categories and conversion factors:

<u>Merged Categories</u>	<u>Conversion Factor</u>
331/831	3.5
333/334/335/833/834/835 (333/335/833/835)	41.0
336/836	41.0
347/348/847	45.3
350/850	17.8
351/851	51.0
359/859	52.0
445/446	4.6
632/832	14.8
633/4/5	4.6
638/639/838	41.3
641/840	15.5
642/842	14.5
645/646	17.8
647/648	36.8
652/852	17.8
845/846	16.0
	36.8

(8) Annex B of the Agreement shall be amended as follows:

Aggregate And Group I Limit

	1987	1988	1989	1990	1991
	Agreement	Agreement	Agreement	Agreement	Agreement
	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
Aggregate	81,000,000 SYE	86,062,500 SYE	91,441,406 SYE	97,156,494 SYE	103,228,775 SYE
Group I	78,000,000 SYE	82,875,000 SYE	88,054,688 SYE	93,558,106 SYE	99,405,488 SYE

Specific Limits

<u>Category</u>	1987	1988	1989	1990	1991
	Agreement	Agreement	Agreement	Agreement	Agreement
	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
333/334/335/ 833/834/835	138,000 DOZ.	146,625 DOZ.	155,789 DOZ.	165,526 DOZ.	175,871 DOZ.
(333/335/833/835)	(75,000 DOZ.)	(79,688 DOZ.)	(84,669 DOZ.)	(89,961 DOZ.)	95,584 DOZ.
345	30,000 DOZ.	31,875 DOZ.	33,867 DOZ.	35,984 DOZ.	38,233 DOZ.
347/348/847	420,500 DOZ.	446,781 DOZ.	474,705 DOZ.	504,374 DOZ.	535,897 DOZ.
638/639/838	910,000 DOZ.	966,875 DOZ.	1,027,305 DOZ.	1,091,512 DOZ.	1,159,732 DOZ.
641/840	115,000 DOZ.	122,188 DOZ.	129,825 DOZ.	137,939 DOZ.	146,560 DOZ.
642/842	53,000 DOZ.	56,313 DOZ.	59,832 DOZ.	63,572 DOZ.	67,545 DOZ.
845/846	200,000 DOZ.	201,000 DOZ.	202,005 DOZ.	203,015 DOZ.	204,030 DOZ.

(The Aggregate Limit, Group I and Specific Limits listed above shall have the standard annual growth rates and flexibility provisions as in the current agreement, as amended, except Category 845/846, which shall have 0.5 percent annual growth).

(9) Annex C of the Agreement should be amended as follows:

Designated Consultation Levels

<u>Category</u>	<u>Level</u>
331/831	300,000 DPr.
336/836	23,000 Doz.
350/850	18,000 Doz.
351/851	27,000 Doz.
359/859	304,000 Lbs.
652/852	160,000 Doz.
670	750,000 Lbs.

(10) The following shall become Annex D of The Agreement:

"In relation to the planned adoption of the Harmonized Commodity Code, both Governments recognize that:

(A) The adoption of the code by the U.S. may result in some changes in the U.S. Category System of Textiles and Textile Products, under The Agreement;

(B) It is necessary that the U.S. be in a position to implement any changes from a certain date;

(C) If such changes arise and affect trade under The Agreement, the U.S. and Macau will consult with the objective of reaching a mutually satisfactory resolution.

In order to achieve our common objective of reaching a mutually satisfactory solution, consultations shall commence sufficiently in advance of implementation, and both Governments understand that the U.S. will initiate consultations no later than 90 days before the code comes into force in the U.S."

If this proposal is acceptable to the Government of Macau, this note and the note of confirmation of the Government of Macau shall constitute an amendment to this Agreement.

This note supercedes the Consulate General's Diplomatic Note No. 1, dated February 19, 1987, and Diplomatic Note No. 2, dated April 7, 1987.

The Consulate General of the United States of America avails itself of this opportunity to present the assurances of its highest consideration to the Government of Macau.



DMA

MACAU NOTE

April 28, 1987

Consulate General of the
United States of America
26, Garden Road
HONG KONG

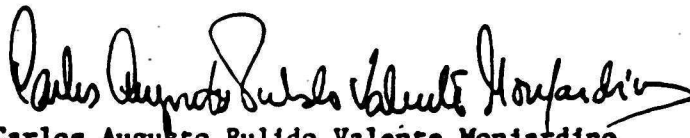
Dear Sirs,

The Government of Macau presents its compliments to the Consulate General of the United States of America and has the honour to refer to the Bilateral Agreement Relating to Trade in Textiles and Textile Products, effected by exchange of notes dated December 28, 1963 and January 9, 1984, as amended.

The Government of Macau also has the honour to refer the diplomatic note, reference no. 03, dated April 14, 1987, stating the understanding of the United States on the outcome of recent discussions between representatives of our Government in Washington, D.C.

The Government of Macau confirms that the above said understanding is correct and acceptable.

The Government of Macau avails itself of this opportunity to present the assurances of its highest consideration to the Consulate General of the United States of America.



Carlos Augusto Pulido Valente Monjardino

Acting Governor