## **GENERAL AGREEMENT ON**

CONFIDENTIAL

TEX.SB/1394\*
30 September 1987

## TARIFFS AND TRADE

Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and Amendment of the Bilateral Agreement between the United States and Hungary

Note by the Chairman

Attached is a notification received from the United States of a further extension and an amendment of its bilateral agreement with Hungary for the four-year period 1 January 1988 to 31 December 1991.

<sup>\*</sup>English only/Anglais seulement/Inglés solamente

The bilateral agreement, modifications and a previous extension are contained in COM.TEX/SB/864, 972, 1063, 1194 and 1301.



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1211 Geneva		Trans Des Div.	·	! <u></u>	

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 Textiles Surveillance Body of the amendment and extension for four years (from 1/1/88 to 12/31/91) of the bilateral textile agreement between the Government of the United States of America and the Government of the Hungarian People's Republic.

All current restraints are extended for the four year period, with 1% growth for wool categories and 6% growth for the mmf category. Swing is provided at 5% for all wool categories (previously built into the level for category 433). Swing continues to be built into the mmf category, but it can be used as a "donor" category for other limits. Carryover/carry forward is set at 11/6%.

Attached hereto are copies of the notes giving effect to this extension and amendment, which was sought by the United States to deal with problems of market disruption or risk thereof with respect to the products concerned.

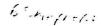
Sincerely,

Robert E. Shepherd

Minister Counsellor

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Attachment





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

SEPTEMBER 1, 1987

# UNITED STATES AND HUNGARY AMEND BILATERAL TEXTILE AGREEMENT

The United States and Hungary exchanged notes in Budapest on July 20, 1987 and July 29, 1987, to amend their Bilateral Textile Agreement. Text of the notes follow:

#### UNITED STATES NOTE

No. 345

Budapest, July 20, 1987

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Trade of the People's Republic of Hungary and has the honor to refer to the Bilateral Agreement in Trade in Wool and Man-made Fiber Textiles and Textile Products between the Government of the Hungarian People's Republic and the Government of the United States of America, with Annexes, done at Budapest February 15 and 25, 1983, as amended (the Agreement). The Embassy also refers to discussions between representatives of the Governments of the Unites States and Hungary during July 1987.

The Embassy of the United States has the honor to propose, on behalf of the Government of the United States of America, that the Agreement be amended and extended for the period of four years, from January 1, 1988 to December 31, 1991.

For more information contact:

EB/TEX: SUSAN SALEM

(202) 647-2777

The Agreement shall be amended to allow inter-category flexibility (swing) for category 433. Annexes A and B of the Agreement shall be amended to reflect amendment and extension of the Agreement, and are attached as an integral part of this note. Carryforward will be available for the 1987 agreement year; it will not be available for the 1991 agreement year. Carryover will be available for the 1987 through 1991 agreement years.

The Government of the United States of America confirms that under paragraph 11 of the Agreement, if the Government of Hungary considers that, as a result of a limitation

specified in this agreement, Hungary is being placed in an inequitable position vis-a-vis a third country, the Government of Hungary may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of the Agreement. All other provisions of the Agreement remain unchanged.

If this proposal is acceptable to the Government of the Hungarian People's Republic, then this note and the note of confirmation of the Government of the Hungarian People's Republic shall constitute an amendment to the Agreement.

The Embassy of the United States of America takes this opportunity to present to the Ministry of Foreign Trade of the People's Republic of Hungary the assurances of its highest consideration.

Enclosure: Annexes A, B

Embassy of the United States of America Budapest, July 20, 1987

No. 200

### HUNGARY NOTE

Budapest, July 29, 1987

The Ministry of Foreign Trade of the Hungarian People's Republic presents its compliments to the Embassy of the United States of America in Budapest and has the honor to refer to the Embassy's note No. 345 which reads as follows:

"The Embassy of the United States of America presents its compliments to the Ministry of Foreign Trade of the People's Republic of Hungary and has the honor to refer to the Bilateral Agreement in Trade in Wool and Man-made Fiber Textiles and Textile Products between the Government of the Hungarian People's Republic and the Government of the United States of America, with Annexes, done at Budapest February 15 and 25, 1983, as amended /the Agreement/. The Embassy also refers to discussions between representatives of the Governments of the United States and Hungary during July 1987.

The Embassy of the United States has the honor to propose, on behalf of the Government of the United States of America; that the Agreement be amended and extended for the period of four years, from January 1, 1988 to December 31, 1991.

The Agreement shall be amended to allow inter-category flexibility /swing/ for category 433. Annexes A and B of the Agreement shall be amended to reflect amendment and extension of the Agreement, and are attached as an integral part of this note. Carryforward will be available for the 1987 agreement year; it will not be available for the 1991 agreement year. Carryover will be available for the 1987 through 1991 agreement years.

The Government of the United States of America confirms that under paragraph 11 of the Agreement, if the Government of Hungary considers that, as a result of a limitation specified in this agreement, Hungary is being placed in an inequitable position vis-a-vis a third country,

the Government of Hungary may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of the Agreement. All other provisions of the Agreement remain unchanged.

If this proposal is acceptable to the Government of the Hungarian People's Republic, then this note and the note of confirmation of the Government of the Hungarian People's Republic shall constitute an amendment to the Agreement.

The Embassy of the United States of America takes this opportunity to present to the Ministry of Foreign Trade of the People's Republic of Hungary the assurances of its highest consideration.

Enclosure: Annexes A, B

Embassy of the United States of America Budapest, July 20, 1987

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
433	Suit-type coats	36.0	dozen
	M and B		
434	Other wool	54.0	dozen
	coats, M and B		
435	Coats W, G, and I	54.0	dozen
443	Suits, M and B	54.0	dozen
444	Suits, W, G, and I	54.0	dozen -
445/446	Wool Sweaters	14.88	dozen
448	Trousers, W, G, and I	.18.0	dozen
645/646	Man-made fiber sweaters	36.8	dozen

ANNEX B

Category	Unit	1987	1988	1989	1990	1991
433	dozen	7,649	7,725	7,802	7,880	7,959
434	dozen	8,750 <sup>×</sup>	7,500	7,575	7,651	7,726
435	dozen	10,045	10,145	10,246	10,348	10,451
443	dozen	7,276	7,349	7,422	7,496	7,571
444	dozen	5,169	5,221	5,273	5,326	5,379
445/446 <sup>xx</sup>	dozen	40,804	41,212	41,624	42,040	42,461
448	dozen	19,576	19,772	19,970	20,170	20,372
645/646	dozen	85,000	90,100	95,506	101,236	107,310

- x Level is from 1/11/86 to 12/31/87
- Not more than 75 percent of the specific limits noted for category 445/446 above may be utilized in either part the . merged category in any agreement period."

The Ministry of Foreign Trade has the honor to confirm on behalf of the Government of the Hungarian People's Republic that the foregoing proposal is acceptable to the Government of the Hungarian People's Republic and that the note of the Embassy of the United States of America and this reply thereto shall constitute an agreement between the Government of the Hungarian People's Republic and the Government of the United States of America.

The Ministry of Foreign Trade of the Hungarian People's Republic takes this opportunity to present to the Embassy of the United States of America the assurances of its highest consideration.