

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1505*
26 August 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

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 amendment of its bilateral agreement with Hungary.¹

*English only/Anglais seulement/Inglés solamente

¹The bilateral agreement, its extensions and modifications are contained in COM.TEX/SB/864, 972, 1063, 1194, 1301 and 1321.

TS/140-4



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UNITED STATES TRADE REPRESENTATIVE

**1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND
Telephone: 32 09 70**

August 10, 1988

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
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 the further amendment of the bilateral textile agreement between the Government of the United States of America and the Government of Hungary.

This amendment establishes specific limits for three new products: cotton yarn (category 300/301); wool fabric (category 410) and woolen skirts (category 442). The U.S. has requested consultations on category 442 pursuant to Article 3.3 of the Arrangement to deal with market disruption in October 1987. Consultations on categories 300/310 and 410 to deal with real risk of market disruption were initiated in January 1988.


Category	Consultation Request	Rollback Level	Agreed Restraint
300/301	Jan 88	1,275,700 LBS	2,500,000 LBS
410	Jan 88	559,538 syds	1,000,000 syds
442	October 87	14,932 dozen	18,000 doz (National Annual Level)

For	By	When
OPER. DEPT. A		
ADM. & Supp. Div.		
Development Div.		
Trade & Econ. Div.		
Tech. Coop. Div.		
Spec. Prop. Div.		
G.O. Div.		
OPER. DEPT. B		
Econ. & Fin. Div.		
Agriculture Div.		
Tariff Div.		
Tech. Dev. T. Div.		
Ext. Rel. Div.		
Training Div.		
Cons. Div.		

ANSWERED [] DOG [] FELIO
72x35/105
22 JUL 1988

Growth for category 300/301 is set at 6% and for categories 410 and 442 at 1%; swing is available at 5%; carryforward/carryover at 11%^{16%}.

Attached hereto are copies of the notes giving effect to this amendment.

Sincerely,

Robert E. Shepherd
Minister Counselor

Enclosure



Textiles Division

Public Release

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

May 9, 1988

UNITED STATES AND HUNGARY AMEND BILATERAL TEXTILE AGREEMENT

The United States and Hungary exchanged notes in Budapest on April 8 and the 15, 1988, to amend their Bilateral Textile Agreement. Text of the notes follows:

UNITED STATES NOTE

Budapest, April 8, 1988

The Embassy of the United States presents its compliments to the Ministry of Trade of the People's Republic of Hungary and has the honor to refer to The Arrangement Regarding International Trade in Textiles (The Arrangement) and to the bilateral agreement between the Government of United States of America, and the Government of the Hungarian People's Republic relating to trade in wool and man-made fiber textiles and textile products, with annexes, effected by exchange of notes done at Budapest dated February 15 and 25, 1983, as amended (The Agreement). The Embassy also refers to discussions in Washington between representatives of the Government of the United States and Hungary during January 22 and 23, 1988.

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 as follows:

For more
information
contact:

EB/TEX: ELEANORE KUHN

(202) 647-1996

I. The Agreement shall be referred to as The Agreement
Relating to Trade in Cotton, Wool and Man-made Fiber
Textiles and Textile Products:

II. The following categories shall be added to annexes A and
B of The Agreement:

Annex A (1)

Category	Description	Conversion Factor To Square Yards	Units
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Yarn

COTTON

300	Carded yarns	4.6	LB
301	Combed yarns	4.6	LB

FABRIC

WOOL

410	Woven fabrics of wool	1.0	SYD
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APPAREL

WOOL

442	Skirts	18.0	DOZ
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ANNEX B (1)

Category	Unit 1988	1989	1990	1991
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YARN

COTTON

300/301	LBS: 2,500,000	2,650,000	2,809,000	2,977,540
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FABRIC

WOOL

410	SYD	1,000,000	1,010,000	1,020,100	1,030,301
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APPAREL

WOOL

442	DZ	21,000 (A)	18,180	18,362	18,545
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(A) Level is for the period 11/1/87 to 12/31/88

III. Paragraph 2 shall be amended to read as follows:

"2. The categories of textile products covered by The Agreement and the rates of conversion into square yards equivalent are set out in Annex A (1) in accordance with the "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", published by the United States Department of Commerce. The determination of whether a textile product is of cotton, wool or man-made fiber shall be made in accordance with the terms of paragraph 6."

IV. Paragraph 6 shall be amended to read as follows:

6. (A) For the purpose of this agreement, textile products listed in Annex A which derive their chief characteristics from their textile components of wool, cotton or man-made fiber, or blends thereof, in which any or all of those

fibers in combination represent either the chief value of the fibers, or 17 percent or more by weight of the product in the case of wool products or 50 percent or more by weight of the product in the case of cotton or man-made fiber products, are subject to this agreement.

(B) For the purpose of this agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of these fibers. Any product covered by sub-paragraph (A) above but not in chief value of cotton, wool or man-made fiber shall be classified as:

(I) Cotton textiles if containing 50 percent or more by weight of cotton or if the cotton component exceeds by weight the wool or man-made fiber components;

(II) Wool textiles if not containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the total wool and or man-made fiber components and if wool equals or exceeds 17 percent by weight of all component fibers;

(III) Man-made fiber textiles if not containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the total wool and or man-made fiber components and if not classified as wool under (B) (I) of this paragraph.

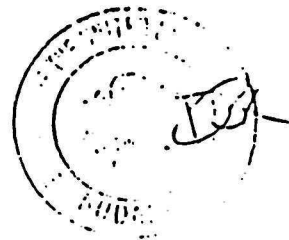
III. Swing, carryover and carryforward shall be available pursuant to paragraphs 4 and 5 of The Agreement.

V. If these proposals are acceptable to the Government of the People's Republic of Hungary, then this note and the note of confirmation of the Government of the People's Republic of Hungary, shall constitute an amendment to The Agreement between our two governments.

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

Embassy of the United States of America,

Budapest, April 8, 1988.



HUNGARIAN NOTE

Budapest, April 15, 1988

The Ministry of 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. 057 dated April 8, 1988 which reads as follows:

"The Embassy of the United States presents its compliments to the Ministry of Trade of the People's Republic of Hungary and has the honor to refer to The Arrangement Regarding International Trade in Textiles /The Arrangement/ and to the bilateral agreement between the Government of United States of America, and the Government of the Hungarian People's Republic relating to trade in wool and man-made fiber textiles and textile products, with annexes, effected by exchange of notes done at Budapest dated February 15 and 25, 1983, as amended /The Agreement/. The Embassy also refers to discussions in Washington between representatives of the Government of the United States and Hungary during January 22 and 23, 1988.

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 as follows:

I. The Agreement shall be referred to as The Agreement Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products:

II. The following categories shall be added to annexes A and B of The Agreement:

Annex A /1/

Category Description	Conversion Factor To Square Yards	Units
Yarn		
Cotton		
300 Carded yarns	4.6	LB
301 Combed yarns	4.6	LB

FABRIC

WOOL

410	Woven fabrics of wool	1.0	SYD
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APPAREL

WOOL

442	Skirts	18.0	DOZ
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ANNEX B / 1/

Category	Unit	1988	1989	1990	1991
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YARN

COTTON

300/301	LBS:	2,500,000	2,650,000	2,809,000	2,977,540
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FABRIC

WOOL

410	SYD	1,000,000	1,010,000	1,020,100	1,030,301
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APPAREL

WOOL

442 DZ 21,000 /A/ 18,180 18,362 18,545

/A/ Level is for the period 11/1/87 to 12/31/88

III. Paragraph 2 shall be amended to read as follows:

"2. The categories of textile products covered by The Agreement and the rates of conversion into square yards equivalent are set out in Annex A /1/ in accordance with the "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", published by the United States Department of Commerce. The determination of whether a textile product is of cotton, wool or man-made fiber shall be made in accordance with the terms of paragraph 6."

IV. Paragraph 6 shall be amended to read as follows:

6. /A/ For the purpose of this agreement, textile products listed in Annex A which derive their chief characteristics from their textile components of wool, cotton or man-made fiber, or blends thereof, in which any or all of those fibers in combination represent either the chief value of the fibers, or 17 percent or more by weight of the product in the case of wool products or 50 percent or more by weight of the product in the case of cotton or man-made fiber products, are subject to this agreement.

/B/ For the purpose of this agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of these fibers. Any product covered by sub-paragraph /A/ above but not in chief value of cotton, wool or man-made fiber shall be classified as:

/I/ Cotton textiles if containing 50 percent or more by weight of cotton or if the cotton component exceeds by weight the wool or man-made fiber components;

/II/ Wool textiles if not containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the total wool and or man-made fiber components and if wool equals or exceeds 17 percent by weight of all component fibers;

/III/ Man-made fiber textiles if not containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the total wool and or man-made fiber components and if not classified as wool under /B/ /I/ of this paragraph.

III. Swing, carryover and carryforward shall be available pursuant to paragraphs 4 and 5 of The Agreement.

V. If these proposals are acceptable to the Government of the People's Republic of Hungary, then this note and the note of confirmation of the Government of the People's Republic of Hungary, shall constitute an amendment to The Agreement between our two governments.

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

The Ministry of 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 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.

Ministry of Trade

Budapest, April 15, 1988

