

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1550\*

16 March 1989

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Bilateral Agreement between the United States and Turkey

#### Note by the Chairman

Attached is a notification received from the United States of a bilateral agreement concluded with Turkey for the period 1 July 1988 to 30 June 1991.<sup>1</sup>

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<sup>1</sup>The previous bilateral agreement and amendments are contained in COM.TEX/SB/1131, 1196, 1282, 1373 and 1373/Corr.1.

\*English only/Anglais seulement/Inglés solamente

TS/140-4



UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

March 9, 1989

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Director General:		
TSB		
OPER. DEPT. A		
OPER. DEPT. B		

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
General Agreement on Tariffs & Trade  
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 Textiles Surveillance Body of a new three-year (July 1, 1988 - June 30, 1991) textile agreement between the Government of the United States of America and the Government of Turkey.

The U.S. sought this agreement to deal with problems of market disruption posed by imports of textile products from Turkey as well as to ensure the expansion and orderly development of textile trade from Turkey to the United States.

The new agreement includes a fabric group covering eleven cotton and mmf categories and specific limits on 16 other yarn, apparel and made-up products. The previous limits on two yarn categories (categories 300/301 and 604) which were due to expire on June 30, 1989, are included but were not extended.

Growth rates for the fabric group and for eleven of the specific limits are set at 6 percent and for two specific limits at 4 percent. Swing is accorded at 7 percent; carryover/carryforward is set at 11/6 percent.

Attached hereto are copies of the notes giving effect to this agreement. Additional data to facilitate preparation of a fact sheet is being provided separately.

Sincerely,

Robert E. Shepherd  
Minister Counsellor

Enclosure



Textiles Division

# Public Release

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

February 3, 1989

## UNITED STATES AND TURKEY SIGN NEW BILATERAL TEXTILE AGREEMENT

The United States and Turkey exchanged notes in Ankara to establish a new bilateral textile agreement between the two governments. Texts of the notes follow:

### UNITED STATES NOTE

Ankara, October 19, 1988

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to the Arrangement Regarding International Trade in Textiles, done at Geneva on December 20, 1973, and subsequently amended and extended (hereinafter referred to as the Arrangement). I further refer to the Agreement between the United States of America and the Republic of Turkey on Bilateral Textile Trade of October 18, 1985, and subsequently amended. I also refer to discussions held between representatives of our governments June 1-3 and June 20-21, 1988, in Ankara and in Washington, D.C. concerning U.S. imports of cotton and man-made fiber textiles and textile products of Turkish origin.

As a result of these discussions, I have the honor to propose a new Agreement on Bilateral Textile Trade.

### AGREEMENT TERM

1. The term of this Agreement will be the period from July 1, 1988, through June 30, 1991. Each "Agreement Period" shall be a twelve-month period from July 1 of a given year to June 30 of the following year.

For more  
information  
contact:

EB/TEX: ROBIN RITTERHOFF

(202) 647-1997

COVERAGE OF AGREEMENT

Until adoption by the United States of America of the Harmonized Commodity Code (HCC), the following language will apply:

2. Textiles and textile products covered by this Agreement are those set forth in Annex A(1). The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A(1) shall apply in implementing this Agreement.

Upon adoption by the United States of the Harmonized Commodity Code (HCC), the following language shall apply:

3. Textiles and textile products covered by this Agreement are those set forth in Annex A(2). The system of categories and the rates of conversion into square meters listed in Annex A(2) shall apply in implementing this Agreement.

MERGED CATEGORIES AND CONVERSION FACTORS

4. For purposes of this Agreement, and in recognition of the patterns of trade between Turkey and the United States, the categories below are merged and treated as single categories, with relevant conversion factors, as indicated:

Categories	Designation	Conversion	Conversion
Merged	In Agreement	Factor	Factor
		Current System	HCC System
300, 301	300/301	4.6	8.5
337, 637	337/637 (237)	23.0	19.2
338, 339	338/339	7.2	6.0
340, 640	340/640	24.0	20.1
342, 642	342/642	17.8	14.9
347, 348	347/348	17.8	14.9

337/637 will be merged as of January 1, 1989, and designated as category 237.

#### SPECIFIC LIMITS

5. The categories and products in Annexes A(1) and A(2) are those which are covered by this Agreement. The Government of the Republic of Turkey will restrain for the three year period beginning July 1, 1988, its export to the United States of products listed in Annex A(1) to the specific limits (SLS) set forth in Annex B(1). Upon adoption of the Harmonized Commodity Code on January 1, 1989, by the United States of America, the conversion factors in Annex A(2) and the specific limits in Annex B(2) shall apply.

#### FLEXIBILITY ADJUSTMENTS

6. (A) (I) Specific limits listed in Annexes B(1) and (2) do not include any adjustments permitted under this paragraph.

(II) During any Agreement Period, any specific limit may be exceeded by not more than seven (7) percent swing, provided that a corresponding reduction in square yards equivalent (square meters following conversion to the HCC) is made in other specific limits during the same Agreement Period. The fabric group shall be treated as a specific limit. Should swing be applied to the fabric group limit, the sub-limits will not be altered.

(III) The Government of Turkey 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 to decrease.

(B) (I) The extent to which any specific limit may be exceeded by carryforward (borrowing a portion of the corresponding specific limit from the succeeding Agreement Period) and/or carryover (the use of any unused yardage - shortfall - of the corresponding specific limit for the previous Agreement Period) is eleven (11) percent, of which carryforward shall not constitute more than six (6) percent.

(II) No carryover shall be available for application in the first Agreement Period. No carryforward shall be available for application in the final Agreement Period.

(C) For purposes of this Agreement, a shortfall in a specific limit occurs when exports of textiles or textile products of Turkey to the United States during any Agreement Period are below the applicable specific limit set out in annexes B(1) and B(2) or, in the case of any limit decreased pursuant to the provisions of this paragraph, when such exports are below the specific limit as decreased.

(D) The Government of Turkey will notify the Government of the United States through official channels when it wishes to use an unused quantity (shortfall) available in categories for carryover or when it wishes to use carryforward, subject to the provisions set out above.

#### IMPLEMENTATION OF OVERSHIPMENT PROVISIONS

7. (A) The Government of Turkey shall administer its export control system under this Agreement. The Government of the United States may assist the Government of Turkey in implementing the provisions of this Agreement by controlling imports by the date of export of textiles and textile products covered by this Agreement.

(B) Products of Turkey shipped in excess of agreed levels in any Agreement Period may be denied entry into the United States. Any such shipments denied entry into the United States may be permitted entry in the succeeding Agreement Period and charged to the applicable limit. The Government of the United States of America shall inform the Government of Turkey of any such charges.

(C) Products of Turkey shipped in excess of authorized levels in any Agreement Period will, if entered into the United States during that Agreement Period, be charged to the applicable level in the succeeding Agreement Period.

(D) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

#### SPACING PROVISIONS

8. The Government of Turkey shall use its best efforts to space exports of its products to the United States within

each category, sub-category, or part-category evenly throughout each Agreement Period, taking into consideration normal seasonal factors.

#### RESERVATION OF RIGHTS

9. For the duration of this Agreement the Governments of the United States and the Republic of Turkey reserve their rights under the Arrangement with respect to textiles and textile products not subject to limitation during each Agreement year.

#### EXCHANGE OF DATA

10. In accordance with their respective domestic laws, the Government of the United States and the Government of Turkey shall promptly exchange statistics on monthly trade in textiles and textile products covered by this Agreement. Similarly, each government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement.

#### MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENTS

11. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including difference in points of procedure or operation.

#### CONSULTATION ON IMPLEMENTATION QUESTIONS

12. The Government of the United States and the Government of Turkey agree, upon request of the other, to consult on any question arising in the implementation of this Agreement.

#### RIGHT TO PROPOSE AMENDMENTS TO THE AGREEMENT

13. The Government of Turkey and the Government of the United States may at any time propose amendments in the terms of this Agreement. Each agrees to consult promptly with the other about such proposals with a view to making such amendments 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

14. If either government considers that as a result of any provisions of this Agreement, it is being placed in an inequitable position in relation to a third country, either government may request consultations with the other with a view to taking appropriate remedial actions, such as a reasonable modification of this Agreement.

#### HARMONIZED COMMODITY CODE

15. In accordance with paragraph 18 of the 1986 Protocol of Extension of the Arrangement, the United States Government reaffirms its willingness to consult promptly with the Government of Turkey regarding any questions of implementation or interpretation which may arise as a result of the adoption by the United States Government of the Harmonized Commodity Code. The United States Government also reaffirms that changes resulting from the

adoption by the United States Government of the Harmonized Commodity Code are intended to be trade neutral and that they are not intended to alter the ability of Turkey to use or benefit fully from the Agreement.

COOPERATION IN THE PREVENTION OF CIRCUMVENTION

16. (A) Subject to domestic laws, the competent authorities of Turkey shall cooperate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by transshipment, re-routing, misdescription, underinvoicing or by whatever means. To this end, the competent authorities of Turkey and those of the United States shall assist each other by appropriate means.

(B) Where information available to the Government of Turkey or to the Government of the United States, as a result of investigations, constitutes evidence that products subject to this Agreement have been transshipped, re-routed, misdescribed or otherwise traded in circumvention of this Agreement, either government may request consultations with a view to taking remedial measures, including adjusting to an equivalent degree the corresponding agreed levels established under the Agreement.

EXCHANGE OF INFORMATION

17. Subject to domestic laws, each government agrees to supply promptly any information reasonably believed to be necessary to the enforcement of this Agreement requested by the other government.

RIGHT TO TERMINATE THE AGREEMENT

18. Either government may terminate this Agreement, effective at the end of an Agreement Period, by written notice to the other government, to be given at least 90 days prior to the end of such Agreement Period.

If the foregoing conforms to the understanding of the Government of Turkey, this note and your excellency's note of confirmation on behalf of the Government of Turkey shall constitute an Agreement between our two governments.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Enclosures:

1. Annex A(1)
2. Annex A(2)
3. Annex B(1)
4. Annex B(2)



Embassy of the United States of America,  
Ankara, October 19, 1988



Annex A(1)  
(Current U.S. Category System)

<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>CONVERSION FACTOR (SYE)</u>	<u>UNIT OF MEASURE</u>
YARNS			
COTTON & MAN-MADE FIBER			
200	yarns put up for retail sale & sewing thread	3.6	LB'
COTTON			
300	carded yarns	4.6	LB
301	combed yarns	4.6	LB
MAN-MADE FIBER			
604	yarns containing 85 or more by weight synthetic staple fiber	4.1	LB
FABRIC			
COTTON & MAN-MADE FIBER			
219	duck	1.0	SYD
COTTON			
313	sheeting	1.0	SYD
314	poplin & broadcloth	1.0	SYD
315	printcloth	1.0	SYD
317	twills	1.0	SYD
326	sateens	1.0	SYD
MAN-MADE FIBER			
617	twills & sateens staple/filament combinations	1.0	SYD
625	poplin & broadcloth	1.0	SYD
626	printcloth	1.0	SYD
627	sheeting	1.0	SYD
628	twills & sateens	1.0	SYD
APPAREL			
COTTON			
335	WG&I coats	41.3	DOZ
337	playsuits, sunsuits, etc.	25.0	DOZ
338	M&B knit shirts	7.2	DOZ
339	WG&I. knit shirts & blouses	7.2	DOZ
340	M&B shirts, not knit	24.0	DOZ
341	WG&I shirts & blouses, not knit	14.5	DOZ
342	skirts	17.8	DOZ
347	M&B trousers, slacks & shorts	17.8	DOZ
348	WG&I trousers, slacks & shorts	17.8	DOZ
350	dressing gowns, etc.	51.0	DOZ
MAN-MADE FIBER			
637	playsuits, sunsuits, etc.	21.3	DOZ
640	M&B shirts, not knit	24.0	DOZ
642	skirts	17.8	DOZ
MADE-UPS & MISCELLANEOUS			
COTTON			
361	sheets	6.2	NOS.
369	cotton manufactures nspf	4.6	LB

ANNEX A(2)  
(Effective Upon Adoption by The United States  
of the Harmonized Commodity Code)

<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>CONVERSION FACTOR</u>	<u>UNIT OF MEASURE</u>
YARNS			
COTTON & MAN-MADE FIBER			
200	yarns put up for retail sale & sewing thread	6.6	KG
COTTON			
300	carded yarns	8.5	KG
301	combed yarns	8.5	KG
MAN-MADE FIBER			
604	yarns containing 85 or more by weight synthetic staple fiber	7.6	KG
FABRIC			
COTTON & MAN-MADE FIBER			
219	duck	1.0	M2
COTTON			
313	sheeting	1.0	M2
314	poplin & broadcloth	1.0	M2
315	printcloth	1.0	M2
317	twills	1.0	M2
326	sateens	1.0	M2
MAN-MADE FIBER			
617	twills & sateens staple/filament combinations	1.0	M2
625	poplin & broadcloth	1.0	M2
626	printcloth	1.0	M2
627	sheeting	1.0	M2
628	twills & sateens	1.0	M2
APPAREL			
COTTON & MAN-MADE FIBER			
237	playsuits, sunsuits, etc.	19.2	002
COTTON			
335	WG coats	34.5	002
338	M&B knit shirts	6.0	002
339	WG knit shirts & blouses	6.0	002
340	M&B shirts, not knit	20.1	002
341	WG shirts & blouses, not knit	12.1	002
342	skirts	14.9	002
347	M&B trousers, slacks & shorts	14.9	002
348	WG trousers, slacks & shorts	14.9	002
350	dressing gowns, etc.	42.6	002

MAN-MADE FIBER			
640	M&B shirts, not knit	20.1	DOZ
642	skirts	14.9	DOZ
MADE-UPS & MISCELLANEOUS			
COTTON			
361	sheets	5.2	NOS.
369	cotton mfrs nspf	8.5	KG

ANNEX B(1)  
SPECIFIC LIMITS  
(Current U.S. Category System)

CATEGORY	UNIT	JULY 1, 1988- JUNE 30, 1989	JULY 1, 1989- JUNE 30, 1990	JULY 1, 1990- JUNE 30, 1991
FABRIC	GROUP			
GROUP	SYE	97,000,000	102,820,000	108,989,200
219	SYD	22,500,000	23,850,000	25,281,000
313	SYD	27,500,000	29,150,000	30,899,000
314	SYD	16,000,000	16,960,000	17,977,600
315	SYD	21,500,000	22,790,000	24,157,400
317	SYD	22,500,000	23,850,000	25,281,000
326	SYD	2,500,000	2,650,000	2,809,000
617	SYD	15,000,000	15,900,000	16,854,000
625	SYD	2,500,000	2,650,000	2,809,000
626	SYD	2,500,000	2,650,000	2,809,000
627	SYD	2,500,000	2,650,000	2,809,000
628	SYD	2,500,000	2,650,000	2,809,000
200	LB	1,500,000	1,590,000	1,685,400
300/301	LB	7,303,400	7,741,604	(see note)
335	DOZ	93,000	98,580	104,495
337/637(YY)	DOZ	125,000	132,500	140,450
338/339	DOZ	1,300,000	1,378,000	1,460,680
338-S/339-S(X)	DOZ	910,000	964,600	1,022,476
340/640	DOZ	540,000	561,600	584,064
340-Y/640-Y(X)	DOZ	216,000	224,640	233,626
341	DOZ	525,000	546,000	567,840
341-Y (X)	DOZ	183,750	191,100	198,744
342/642	DOZ	280,900	297,754	315,619
347/348	DOZ	1,325,000	1,404,500	1,488,770
347-T/348-T(X)	DOZ	662,500	702,250	744,385
350	DOZ	139,000	147,340	156,180
361	NO	500,000	530,000	561,800
369-S (X)	LB	1,630,000	1,727,800	1,831,468
604	LB	1,881,500	1,994,390	(see note)

(X) 338-S/339-S: Sub-limit on other than tank tops and T-shirts  
 (X) 340-Y/640-Y: Sub-limit on yarn-dyed shirts  
 (X) 341-Y : Sub-limit on yarn-dyed shirts and blouses  
 (X) 347-T/348-T: Sub-limit on long trousers  
 (X) 369-S : Shop towels only

(YY) As of January 1, 1989, Categories 337 and 637 shall be merged and shall be designated as Category 237.

Note: Limits on Categories 300/301 and 604 expire June 30, 1990.

ANNEX B(2)  
SPECIFIC LIMITS  
(Effective Upon Adoption by the United States  
of the Harmonized Commodity Code)

CATEGORY	UNIT	JULY 1, 1988- JUNE 30, 1989	JULY 1, 1989- JUNE 30, 1990	JULY 1, 1990- JUNE 30, 1991
FABRIC GROUP				
GROUP	M2	81,104,354	85,970,615	91,128,852
219	M2	18,812,866	19,941,638	21,138,136
313	M2	22,993,503	24,373,113	25,835,499
314	M2	13,378,038	14,180,720	15,031,563
315	M2	17,976,738	19,055,343	20,198,663
317	M2	18,812,866	19,941,638	21,138,136
326	M2	2,090,318	2,215,738	2,348,682
617	M2	12,541,910	13,294,425	14,092,091
625	M2	2,090,318	2,215,738	2,348,682
626	M2	2,090,318	2,215,738	2,348,682
627	M2	2,090,318	2,215,738	2,348,682
628	M2	2,090,318	2,215,738	2,348,682
200	KG	680,389	721,212	764,485
300/301	KG	3,312,767	3,511,533	(see note)
237 (YY)	DOZ	125,000	132,500	140,450
335	DOZ	93,000	98,580	104,495
338/339	DOZ	1,300,000	1,378,000	1,460,680
338-S/339-S(X)	DOZ	910,000	964,600	1,022,476
340/640	DOZ	540,000	561,600	584,064
340-Y/640-Y(X)	DOZ	216,000	224,640	233,626
341	DOZ	525,000	546,000	567,840
341-Y (X)	DOZ	183,750	191,100	198,744
342/642	DOZ	280,900	297,754	315,619
347/348	DOZ	1,325,000	1,404,500	1,488,770
347-T/348-T(X)	DOZ	662,500	702,250	744,385
350	DOZ	139,000	147,340	156,180
361	NO	500,000	530,000	561,800
369-S(X)	KG	739,356	783,717	830,740
604	KG	853,434	904,640	(see note)

(X) 338-S/339-S: Sub-limit on other than tank tops and T-shirts  
 (X) 340-Y/640-Y: Sub-limit on yarn-dyed shirts  
 (X) 341-Y : Sub-limit on yarn-dyed shirts and blouses  
 (X) 347-T/348-T: Sub-limit on long trousers  
 (X) 369-S : Shop towels only

(YY) As of January 1, 1989, Categories 337 and 637 shall be merged and shall be designated as Category 237.

NOTE: Limits on Categories 300/301 and 604 expire June 30, 1990.

TURKISH NOTE

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the Embassy of the United States of America and with reference to the Embassy's Note dated October 19 1966 and numbered 903, has the honour to confirm that the Turkish Government agrees to the new agreement on bilateral textile trade between the two countries as proposed in the said Note.

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

Ankara, 16 November 1966

Embassy of the  
United States of the Americas  
ANKARA