

GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1931*

14 July 1992

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension and modification of the bilateral agreement between the United States and Bangladesh

Note by the Chairman

Attached is a notification received from the United States of an extension with modifications of its bilateral agreement with Bangladesh. The validity of the differing restraint periods was consolidated for the period 1 February 1992 to 31 January 1995.¹

¹The bilateral agreement, previous amendments and extensions are contained in COM.TEX/SB/1158, 1232, 1280, 1319, 1351, 1536, 1566, 1567 and 1640.

*English only/Anglais seulement/Inglés solamente



UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX

1202 GENEVA, SWITZERLAND

TELEPHONE: 732 09 70

July 13, 1992

The Honorable
Ambassador Marcelo Rafaelli
Chairman, Textiles Surveillance Body
General Agreement on Tariffs and 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 the extension, with modifications, of the bilateral textile agreement between the Government of the United States of America and the Government of Bangladesh.

This extension was negotiated to deal with issues of market disruption or real risk thereof, while at the same time ensuring that its provisions would permit the expansion and orderly development of textiles and apparel trade from Bangladesh.

Copies of the notes effecting this extension are enclosed. Additional data to facilitate preparation of a fact sheet will be provided separately.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure

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~~THE~~ BEGIN TEXT

THE MINISTRY OF FOREIGN AFFAIRS, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH, PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA IN DHAKA AND HAS THE HONOR TO INVITE KIND ATTENTION TO EMBASSY'S NOTE VERPALE NO. 28 DATED 29TH MARCH 1992 REGARDING THE BILATERAL TEXTILE AGREEMENT SIGNED ON 19 SEPTEMBER 1991 BETWEEN BANGLADESH AND USA AND ITS AMENIMENTS THEREOF.

THE MINISTRY HAS THE PRIVILEGE OF INFORMING THE EMBASSY THAT THE AMENDMENTS MENTIONED IN THE SAID NOTE VERPALE ARE ACCEPTABLE TO THE MINISTRY OF COMMERCE.

THE MINISTRY OF FOREIGN AFFAIRS, THEREFORE, REQUESTS THE EMBASSY OF THE UNITED STATES OF AMERICA IN DHAKA FOR TAKING NECESSARY STEPS SO THAT THE AGREEMENT COULD BE RATIFIED BY THE CONCERNED AUTHORITIES IN THE USA.

THE MINISTRY OF FOREIGN AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED STATES OF AMERICA THE ASSURANCES OF ITS HIGHEST CONSIDERATION.
END TEXT.

(BEGIN TEXT)

THE EMBASSY OF THE UNITED STATES OF AMERICA HAS THE HONOR TO REFER THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH TO THE MEMORANDUM OF UNDERSTANDING OF 19 SEPTEMBER 1991 BETWEEN THE GOVERNMENT OF THE UNITED STATE OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING TRADE IN CERTAIN APPAREL AND OTHER TEXTILE CATEGORIES (HEREINAFTER KNOWN AS THE AGREEMENT); TO THIS EMBASSY'S NOTE OF 23 JANUARY 1992 PROPOSING AMENDMENTS TO THE AGREEMENT; AND, TO THE NOTE OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH OF 3

FEBRUARY 1992 CONCERNING ACCEPTANCE OF THE PROPOSED AMENDMENTS AND FORMALIZATION OF THE AGREEMENT SUBJECT TO CERTAIN OBSERVATIONS.

THE GOVERNMENT OF THE UNITED STATES HAS TAKEN THESE OBSERVATIONS UNDER ADVISEMENT AND CONCURS WITH THE FOLLOWING AMENDMENTS TO THE AGREEMENT:

--- IN PARAGRAPH 4 OF THE AGREEMENT, THE PHRASE "10 PERCENT BETWEEN 335 AND 336," SHOULD READ "10 PERCENT BETWEEN 335 AND 635."

--- A NEW PARAGRAPH 5 SHOULD BE CREATED AND THE PRESENT PARAGRAPH 5 SHOULD BECOME PARAGRAPH 6. THE NEW PARAGRAPH 5 SHOULD READ: "SPECIAL SHIFT OF 11.25 PERCENT SHALL BE AVAILABLE FOR EITHER CATEGORY 338/339 OR 638/639, PROVIDED THAT AN EQUIVALENT AMOUNT IN SQUARE METERS IS DEDUCTED FROM THE OTHER CATEGORY IN THE SAME AGREEMENT YEAR. THE SQUARE METER EQUIVALENT CONVERSION FACTOR FOR 338/339 SHALL BE 6.0; THE SQUARE METER EQUIVALENT CONVERSION FACTOR FOR 638/639 SHALL BE 12.96."

HOWEVER, SINCE THE PROPOSED AGREEMENT IS AN ALL INCLUSIVE CONSOLIDATION OF THE PRESENT AGREEMENT AND ALL ITS EXISTING AMENDMENTS, THE GOVERNMENT OF THE UNITED STATES DOES NOT CONSIDER IT NECESSARY OR APPROPRIATE TO AMEND THE PROPOSED AGREEMENT WITH THE FOLLOWING SENTENCE SUBMITTED BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH: "PROVISIONS OF THE CURRENT AGREEMENT NOT AFFECTED BY THIS AMENDMENT WILL REMAIN IN EFFECT."

IF THE FOREGOING IS ACCEPTABLE TO THE GOVERNMENT OF BANGLADESH THEN THIS NOTE AND THE NOTE OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH IN CONFIRMATION SHALL CONSTITUTE AN AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

(COMPLIMENTARY CLOSE)
(END TEXT)

BEGIN TEXT: THE MINISTRY OF FOREIGN AFFAIRS, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA IN DHAKA AND HAS THE HONOR TO INVITE KIND ATTENTION TO THEIR NOTE VERBALE NO. 006 DATED 20TH JANUARY 1992 REGARDING THE BILATERAL TEXTILE AGREEMENT SIGNED ON 19 SEPTEMBER, 1991 BETWEEN BANGLADESH AND THE USA, AND ITS PROPOSED AMENDMENTS THEREOF.

THE MINISTRY OF FOREIGN AFFAIRS HAS THE PRIVILEGE OF INFORMING THE ESTEEMED EMBASSY THAT THE AMENDMENTS PROPOSED BY THE GOVERNMENT OF USA THROUGH THEIR NOTE VERBALE NO. 006 ARE ACCEPTABLE TO THE CONCERNED AUTHORITIES OF BANGLADESH SUBJECT TO THE FOLLOWING OBSERVATIONS:

I) THE AGREEMENT MAY CONTAIN THE SENTENCE "PROVISIONS OF THE CURRENT AGREEMENT NOT AFFECTED BY THIS AMENDMENT WILL REMAIN IN EFFECT."

II) AT PARA 3 OF THE AGREEMENT SIGNED ON 19-9-1992 SPECIAL SHIFT, AMONG OTHERS, WAS GRANTED BETWEEN

CATEGORY 335 AND 635, WHILE AT SUB-PARA 4 OF PARA 2 OF NOTE NO. 006 SUCH SPECIAL SHIFT HAS BEEN SHOWN BETWEEN CATEGORY 335 AND 336. THIS MAY BE AMENDED AND SPECIAL SHIFT BETWEEN CATEGORY 335 AND 635 BE GRANTED.

III) THE AGREEMENT MAY ALSO INCLUDE THE FOLLOWING PROVISION OF SPECIAL SHIFT AS WAS STIPULATED IN BILATERAL AGREEMENT SIGNED ON SEPTEMBER 17, 1987:

SPECIAL SHIFT OF 11.25 PERCENT SHALL BE AVAILABLE FOR EITHER CATEGORY 338/339 OR 638/639 PROVIDED THAT AN EQUIVALENT QUANTITY IN SQUARE YARDS IS DEDUCTED FROM THE OTHER CATEGORY IN THE SAME AGREEMENT YEAR.

THE MINISTRY OF FOREIGN AFFAIRS HAS THE HONOR TO CONVEY THE ABOVE MENTIONED OBSERVATIONS FOR THE ESTEEMED EMBASSY'S KIND INFORMATION AND APPROPRIATE ACTION.

THE MINISTRY OF FOREIGN AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY THE ASSURANCES OF ITS HIGHEST CONSIDERATION.

END TEXT

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THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND HAS THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, DONE AT GENEVA ON DECEMBER 20, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 17, 1977, DECEMBER 22, 1981, JULY 31, 1986 AND JULY 31, 1991 AT GENEVA; TO THE AGREEMENT, AS AMENDED, BETWEEN THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE UNITED STATES OF AMERICA RELATING TO TRADE IN CERTAIN APPAREL CATEGORIES, EFFECTED BY EXCHANGE OF LETTERS ON FEBRUARY 19 AND 24, 1986, IN WASHINGTON, D.C. (HEREINAFTER THE AGREEMENT); AND, TO DISCUSSIONS HELD BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA HELD IN WASHINGTON ON 3-5 APRIL AND IN DHAKA ON 16-19 SEPTEMBER 1991.

THE EMBASSY HAS THE FURTHER HONOR TO PROPOSE, ON BEHALF OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, THAT THE AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE UNITED STATES OF AMERICA BE AMENDED AS FOLLOWS:

1. THE TERM OF THE AGREEMENT SHALL BE THE THREE YEAR PERIOD FROM FEBRUARY 1, 1992 THROUGH JANUARY 31, 1995. EACH AGREEMENT YEAR SHALL BE A TWELVE MONTH PERIOD FROM FEBRUARY 1 OF A GIVEN YEAR THROUGH JANUARY 31 OF THE FOLLOWING YEAR.
2. THE FOLLOWING NEW SPECIFIC LIMITS SHALL BE ESTABLISHED. CATEGORIES 237, 363 AND 634. 1991 SPECIFIC LIMITS FOR THESE THREE CATEGORIES WERE ESTABLISHED RETROACTIVELY. THESE, AND ALL OTHER SPECIFIC LIMITS AGREED UPON FOR EACH OF THE AGREEMENT YEARS, ARE SET OUT IN A NEW ANNEX A, ATTACHED. THE UPLIFT IN 1992 FOR EACH OF THESE SPECIFIC LIMITS, EXCEPT CATEGORIES 237, 363 AND 634, SHALL BE TEN (10) PERCENT; FOR FUTURE YEAR THEREAFTER ALL SPECIFIC LIMITS SHALL HAVE GROWTH RATES OF SEVEN (7) PERCENT. THIS GROWTH RATE IS REFLECTED IN THE SPECIFIC LIMITS GIVEN IN THE NEW ANNEX A. THE SUBLIMITS ON CATEGORIES 340-Y/640-Y, 341-Y AND 647-T/648-T SHALL BE ELIMINATED.
3. SEVEN (7) PERCENT SWING SHALL BE AVAILABLE FOR ALL CATEGORIES. SIX (6) PERCENT CARRYFORWARD AND A MAXIMUM OF ELEVEN (11) PERCENT CARRYOVER ARE AVAILABLE IN ALL CATEGORIES; COMBINED CARRYFORWARD AND CARRYOVER SHALL NOT EXCEED 11 PERCENT. CARRYFORWARD SHALL NOT BE AVAILABLE IN THE FINAL AGREEMENT YEAR.
4. IN ADDITION TO REGULAR FLEXIBILITY, SPECIAL SHIFT, WHICH SHALL BE CALCULATED ON THE PAST LEVEL OF THE RECEIVING CATEGORY, SHALL BE AVAILABLE AS FOLLOWS:
 - 10 PERCENT BETWEEN 347/348 AND 647;
 - 10 PERCENT BETWEEN 334 AND 335;
 - 10 PERCENT BETWEEN 335 AND 336;
 - 15 PERCENT INTO 641 AND 647/648 (IN DOZENS) FROM ANY OTHER SPECIFIC LIMIT EXCEPT 331
5. THE EMBASSY OF THE UNITED STATES HAS THE HONOR TO PROPOSE THE INCLUSION OF THE FOLLOWING LANGUAGE IN THE EXTENDED AGREEMENT:

"SPECIAL CARRYOVER SHALL BE CONSIDERED IF NEEDED. YEAR-ENDING 1991 DATA WILL BE ANALYZED TO DETERMINE WHETHER AND TO WHAT EXTENT THE 1991 NATURAL CALAMITIES LED TO SIGNIFICANT SHORTFALLS OF IMPORTS FOR THE YEAR."

ANNEX A

CATE-UNIT GORY	BASE LEVEL	BASE LEVEL	BASE LEVEL	BASE LEVEL
	10/1/91- 1/31/92	2/1/92- 1/31/93	2/1/93- 1/31/94	2/1/94- 1/31/95
237 DOZ	85,595	304,500	325,815	348,622
CATE-UNIT GORY	BASE LEVEL	BASE LEVEL	BASE LEVEL	BASE LEVEL
-	6/1/91 - 1/31/92	2/1/92 - 1/31/93	2/1/93- 1/31/94	2/1/94- 1/31/95
363 NCS	10,404,110	16,585,000	17,745,950	18,988,167
534 DOZ	184,589	325,000	347,750	372,093

CATEGORIES 237, 363 AND 534 EACH HAVE GROWTH RATES OF SEVEN (7) PERCENT.

		2/1/92 - 1/31/93		2/1/93 - 1/31/94	2/1/94 - 1/31/95
CATE- GORY	UNIT	BASE LEVEL	GROWTH	BASE LEVEL	BASE LEVEL
331	DPR	771,438	7	825,439	883,220
334	DOZ	92,896	7	99,399	106,357
335	DOZ	156,795	7	178,471	190,964
336/636	DOZ	284,271	7	304,170	325,432
338/339	DOZ	864,677	7	925,204	989,968
340/340	DOZ	1,954,654	7	2,091,480	2,237,884
341	DOZ	1,619,254	7	1,732,502	1,853,884
342/642	DOZ	280,156	7	299,767	320,751
347/348	DOZ	1,457,327	7	1,559,340	1,668,494
351/651	DOZ	444,946	7	473,092	509,416
369-S	KG	1,111,704	7	1,189,523	1,272,790
535	DOZ	210,562	7	225,301	241,072
638/639	DOZ	1,095,568	7	1,173,328	1,255,451
641	DOZ	678,027	7	725,489	776,273
645/646	DOZ	257,517	7	275,543	294,831
647/648	DOZ	916,559	7	980,718	1,049,358
647	DOZ	463,485	7	495,929	530,644

IF THE FOREGOING PROPOSAL IS ACCEPTABLE TO THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH, THEN THIS NOTE AND ITS NOTE OF CONFIRMATION SHALL CONSTITUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

(END OF NOTE; COMPLEMENTARY CLOSE)