

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONFIDENTIAL  
TEX.SB/1936\*  
19 August 1992

Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4

### Bilateral agreement between the United States and Panama

### Note by the Chairman

Attached is a notification received from the United States of an agreement concluded with Panama for the period 1 April 1991 to 31 March 1994.

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<sup>1</sup>The previous agreement, transmitted under Articles 7 and 8, as Panama was not participating in the MFA at the time of notification, expired on 31 March 1990 and is contained in COM.TEX/SB/1376.

\* English only/Anglais seulement/Inglés solamente



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**UNITED STATES TRADE REPRESENTATIVE**

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

August 10, 1992

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

Dear Ambassador Raffaelli:

Enclosed herewith are the notes effecting a bilateral textile agreement between the United States and Panama for the period April 1, 1991 through March 31, 1994. This agreement, which contains a specific limit and a GAL for men's and women's cotton trousers (category 347/348) supercedes an earlier exchange of notes (copies also attached) to establish a DCL and GAL for this category.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Shepherd".  
Robert E. Shepherd

Enclosure

REF. #3/1986

11 AUG 1992

EMBASSY PANAMA

REGOV  
cc: AMB  
DCM

REPUBLICA DE PANAMA  
MINISTERIO DE RELACIONES EXTERIORES

PANAMA 4, PANAMA

DGAJT/DT/150

El Ministerio de Relaciones Exteriores saluda muy atentamente a la Honorable Embajada de los Estados Unidos y tiene el honor de avisar recibo de su atenta nota verbal No. 221 de 16 de marzo de 1992 que dice lo siguiente:

"La Embajada de los Estados Unidos de América presenta sus atentos saludos al Ministerio de Relaciones Exteriores de la República de Panamá y tiene el honor de hacer referencia a las conversaciones sostenidas entre los representantes del Gobierno de Panamá y el Gobierno de los Estados Unidos de América en Washington, D.C., el 16 y 17 de enero de 1992, concerniente a los textiles y productos textiles de algodón de Panamá, exportados a los Estados Unidos. En nombre del Gobierno de los Estados Unidos, y conforme con el Artículo 4 del Acuerdo de Multifibra, la Embajada propone el siguiente Acuerdo:

1. El término de este Acuerdo será el período comprendido entre el 1ro. de abril de 1991, al 31 de marzo de 1994. Cada período del Acuerdo será de doce meses, empezando el 1ro. de abril de un año determinado, hasta el 31 de marzo del siguiente año.

2. Los textiles y productos textiles cubiertos por este Acuerdo son aquellos que están resumidos en el Anexo A. El sistema de categorías y las tasas para la conversión al equivalente en metros cuadrados (SME) detallados en el Anexo A serán aplicadas al poner en vigencia este Acuerdo.

Ajustes de Flexibilidad  
Transferencia de Remanentes  
y Utilización Anticipada

3. (A) (i) Los Límites Específicos establecidos en el Anexo B no incluyen ninguno de los ajustes permitidos bajo el párrafo 3. El Nivel de Consulta Designado no puede ser utilizado para flexibilidad.

(A) (ii) .....

A la Honorable  
Embajada de los Estados  
Unidos de América  
Ciudad.

(A) (ii) Durante cualquier período, la medida en que cualquier Límite Específico estipulado en el Anexo B puede excederse en cualquier período de Acuerdo mediante la utilización anticipada (cuando se toma prestado de la porción del Límite Específico que corresponde al subsiguiente período de acuerdo) y/o transferencia de remanentes (cuando se utiliza cualquier remanente de metraje (déficit) del Límite Específico que corresponde al período de acuerdo previo) es en un 11 por ciento, del cual la utilización anticipada no será más de 6 por ciento.

(A) (iii) No habrá transferencia de remanentes disponibles para aplicación en el período de Acuerdo correspondiente al 1ro. de abril de 1992, al 31 de marzo de 1993. No habrá utilización anticipada para ser aplicada en el período final del Acuerdo.

(B) Para los propósitos del Acuerdo, un déficit ocurre cuando las exportaciones de textiles o productos textiles de Panamá a los Estados Unidos durante cualquier período acordado se encuentran por debajo de un Límite Específico, según lo establecido el anexo B (o, en el caso de alguna disminución del límite, de acuerdo con el párrafo 3, cuando tales exportaciones estén debajo del límite disminuido).

(C) El Gobierno de Panamá notificará al Gobierno de los Estados Unidos cuando desea hacer uso del metraje no utilizado (déficit) disponible en categorías para transferencia de remanentes, o para uso por otras categorías de utilización anticipada, sujetos a las provisiones antes estipuladas. En la medida que tales ajustes sean utilizadas, serán puestas en ejecución por medio de la transferencia de remanentes y la utilización anticipada, en esa secuencia. Cualquier porción no utilizada de la categoría de utilización anticipada será acreditada nuevamente al límite del período siguiente. Este procedimiento no perjudicará el resultado de cualquiera consulta que pudiera celebrarse entre nuestros gobiernos concerniente a la cantidad disponible de la transferencia de remanentes y la utilización anticipada.

4. Los Niveles de Acceso Garantizado acordados en el intercambio de notas del 6 de noviembre de 1991 y el 29 de noviembre de 1991 no sufrirán cambios.

5. Las disposiciones del Arreglo de Visado regirán para el permiso y/o certificación de importaciones de todos los textiles y productos textiles importados a los Estados Unidos desde Panamá.

6. Cualquiera de los gobiernos puede terminar este Acuerdo a partir de la fecha de la conclusión del período del Acuerdo, mediante notificación escrita al otro gobierno, entregada con un mínimo de 90 días antes de que finalice tal período del Acuerdo.

Si al Gobierno.....

Si al Gobierno de Panamá le es aceptable la interpretación de este Acuerdo, esta nota y la nota de confirmación del Ministerio deberán constituir un acuerdo entre nuestros dos gobiernos.

La Embajada de los Estados Unidos de América aprovecha la oportunidad para reiterar al Ministerio de Relaciones Exteriores de la República de Panamá las seguridades de su más alta consideración.

Anexo A

DESCRIPCION	FACTOR DE CONVERSION	UNIDAD
347 pantalones largos y cortos para hombres y niños	14.9	doc.
348 pantalones largos y cortos para mujeres y niñas	14.9	doc.

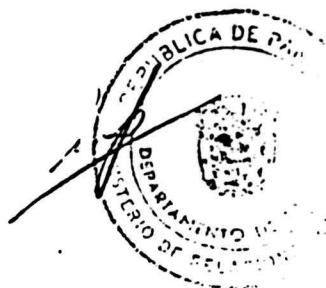
Anexo B

CATEGORIA	4/1/91- 3/31/92	4/1/92- 3/31/93	4/1/93 3/31/94
347/348	450,000 doc.	700,000 doc.	742,000 doc."

El Ministerio de Relaciones Exteriores tiene el honor de comunicar a la Honorable Embajada de los Estados Unidos de América que la propuesta anterior es aceptable al Gobierno de la República de Panamá y que la nota de esa Honorable Embajada y la presente nota constituyen un acuerdo entre nuestros dos Gobiernos.

El Ministerio de Relaciones Exteriores aprovecha la oportunidad para renovar a la Honorable Embajada de los Estados Unidos de América las seguridades de su más alta y distinguida consideración.

Panamá, 10 de abril de 1992.



EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 221

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of the Republic of Panama and has the honor to refer to discussions held between representatives of the Government of Panama and the Government of the United States of America in Washington, D.C. from January 16-17, 1992, concerning exports of cotton textiles and textile products of Panama exported to the United States. On behalf of the Government of the United States, and under Article 4 of the Multifiber Arrangement, the Embassy proposes the following agreement:

1. The term of this agreement will be the period from April 1, 1991 through March 31, 1994. Each agreement period shall be a twelve-month period from April first of a given year to March thirty-first of the following year.

2. The textiles and textile products covered by this agreement are those summarized in Annex A. The system of categories and the rates of conversion into square meters equivalent (SME) listed in Annex A shall apply in implementing this agreement.

Flexibility Adjustments  
Carryover and Carryforward

3. (A)(i) The specific limits set out in Annex B do not include any adjustments permitted under paragraph 3. The designated consultation level cannot be used for flexibility.

(A)(ii) During any agreement period, the extent to which any specific limit set out in Annex B may be exceeded in any agreement period by carryforward (borrowing a portion of the corresponding specific limit from the succeeding agreement period) and/or carryover (the use of any unused meterage (shortfall) of the corresponding specific limit for the previous agreement period) is 11 percent, of which carryforward shall not constitute more than 6 percent.

(A)(iii) No carryover shall be available for application in the April 1, 1992 - March 31, 1993 agreement period. No carryforward shall be available for application in the final agreement period.

(B) For the purposes of the agreement, a shortfall occurs when exports of textiles or textile products of Panama to the United States during any agreement period are below any specific limit as set out in Annex B (or, in the case of any limit decreased pursuant to paragraph 3, when such exports are below the limit as decreased).

(C) The Government of Panama will notify the Government of the United States when it wishes to use unused meterage (shortfall) available in categories for carryover, or for use by other categories for carryforward, subject to the provisions set out above. To the extent that such adjustments are actually utilized, they will be implemented by means of carryover and carryforward, in that order. Any unused carryforward will be re-credited to the following period's limit. This procedure will not prejudice the outcome of any consultations that may be held between our governments concerning the amounts of available carryover and carryforward.

4. The guaranteed access levels as agreed to in the exchange of letters dated November 6, 1991 and November 29, 1991 will remain unchanged.

5. The provisions of the visa arrangement will govern the licensing and/or certification of exports of all textile and apparel products from Panama to the United States.

6. 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 this agreement conforms with the understanding of the Government of Panama, this note and the Ministry's note of confirmation shall constitute an agreement between the two governments.

The Embassy of the United States of America avails itself of this opportunity to reiterate to the Ministry of Foreign Relations of the Republic of Panama the assurances of its highest consideration.

/S/

Embassy of the United States of America,  
Panama, March 16, 1992

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Annex A  
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DESCRIPTION	CONVERSION FACTOR	UNIT
347 men's & boys' trousers, slacks, & shorts	14.9	Doz
348 women's & girls' trousers, slacks, & shorts	14.9	Doz

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Annex B  
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CATEGORY	4/1/91- 3/31/92	4/1/92- 3/31/93	4/1/93- 3/31/94
347/348	450,000 dozen	700,000 dozen	742,000 dozen

No. 2001

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of the Republic of Panama and has the honor to refer to the Memorandum of Understanding on Textiles and Apparel Trade signed by the Government of the United States and the Government of Panama on November 6, 1991. The Government of the United States has the further honor to refer to Section 204 of the Agricultural Act of 1956.

The Government of the United States has the honor to propose the following quota levels for category 347/348 (cotton trousers, shorts and breeches):

Designated Consultation Levels:

Category	April 1, 1991- March 31, 1992	April 1, 1992- March 31, 1993	April 1, 1993 March 31, 1994
347/348	350,092 dozen	350,092 dozen	350,092 dozen

If the Government of Panama wishes to export textile products to the United States in excess of the applicable designated consultation levels, the Government of Panama shall request higher levels. The Government of Panama agrees that requests for increases to the designated consultation level will also be subject to the criteria specified in the Memorandum of Understanding of November 6, 1991. The United States Government shall consider such requests sympathetically. Until a mutually satisfactory

change in the designated consultation level in question can be established, shipments shall not exceed the existing designated consultation level. Either Government may request consultations to discuss requests for designated consultation level increases.

The categories and products listed in the Memorandum of Understanding of November 6, 1991 as designated consultation levels are those which the Government of Panama intends to export to the United States, which are not eligible for the Caribbean Basin Textile Special Access Program and are subject to designated consultation levels (DCLs).

The Government of the United States has the further honor to propose the following guaranteed access levels:

Category	February 1, 1992- March 31, 1993	April 1, 1993- March 31, 1994
347/348	400,000 dozen	400,000 dozen

If the Government of Panama wishes to apply for a new guaranteed access level or if it wishes to export textile products to the United States under the Caribbean Basin Special Access Program in excess of the existing guaranteed access level, the Government of Panama shall submit a request for a new or increased level. The Government of the United States shall consider such requests sympathetically. The Government of the United States shall respond promptly and make every effort to resolve the issue within 30 United States working days of

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the receipt of the initial request by the United States Government in Washington. Among other factors, the U.S. Government will take into consideration export performance, current levels of exports, unused production capacity, expected new investment, and the potential for market disruption, taking into account the United States origin content of the product. If the Government of the United States fails to reply within 30 U.S. working days, the request made by the Government of Panama becomes the new guaranteed access level. If the Government of the United States is unable to comply fully with the request due to problems of market disruption or the real risk thereof as described in Annex A of the Multifiber Arrangement (MFA) as extended (providing that, at the time, both countries are signatories of the current protocol to the MFA) in the category or product subject to such a request the Government of the United States will so inform the Government of Panama within thirty United States working days. In this case, until a mutually satisfactory change in the guaranteed access level in question is established, shipments shall not exceed the existing guaranteed access level. The United States response will be supported by data which form the basis of the position it has taken. Either Government may request consultations to discuss requests for guaranteed access level increases.

The products and the categories listed as guaranteed

(S)

access levels in the Memorandum of Understanding of November 6, 1991 are those which the Government of Panama intends to export to the United States under the Caribbean Basin Textile Special Access Program. These products which are defined in paragraph 4 (A) and 4 (B) of the amended visa arrangement, are subject to the annual guaranteed access level specified in the Memorandum of Understanding.

If the foregoing is acceptable to the Government of Panama, this note and the note of acceptance on behalf of the Government of Panama shall constitute an agreement between the two Governments.

The Embassy of the United States of America avails itself of this opportunity to reiterate to the Ministry of Foreign Relations of the Republic of Panama the assurances of its highest consideration.

Embassy of the United States of America

----- November 22, 1991

The Governments of the United States and Panama exchanged notes in Panama City November 22 and November 29, 1991, respectively, to effect an agreement relating to trade in textiles and textile products between the United States and Panama. Texts of the notes follow.

(United States Note No. 2001 and Panamanian note No. DGAJT/DT/486)

Republic of Panama  
Ministry of Foreign Relations  
Panama 4, Panama

DGAJT/DT/486

The Ministry of Foreign Relations presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of its note verbale No. 2001 of November 22, 1991, which reads as follows:

[The Spanish translation of U.S. Embassy Note Verbale No. 2001 dated November 22, 1991, agrees in all substantive respects with the original English text with the following exception:

Paragraph 3, line 9, "Until a mutually satisfactory change..." has been rendered in Spanish as "Until a — satisfactory change...."]

The Ministry of Foreign Relations has the honor to inform the Embassy of the United States of America that the foregoing proposal is acceptable to the Government of the Republic of

Embassy of the United States of America,  
Panama City, Panama.

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Panama and that the U.S. Embassy note and this reply constitute an agreement between our two Governments.

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

Panama, November 29, 1991

[Signature]

[Ministry stamp]

(2)