

No. 19709

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**UNITED STATES OF AMERICA  
and  
PORTUGAL (FOR MACAU)**

**Exchange of letters constituting an agreement concerning  
trade in textiles and textile products (with annexes).  
Hong Kong, 29 November 1979, and Macau, 18 December  
1979**

*Authentic text: English.*

*Registered by the United States of America on 27 March 1981.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PORTUGAL (POUR MACAO)**

**Échange de lettres constituant un accord relatif au commerce  
des textiles et des produits textiles (avec annexes). Hong-  
Kong, 29 novembre 1979, et Macao, 18 décembre 1979**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 mars 1981.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND PORTUGAL (FOR MACAU) CONCERNING TRADE IN TEXTILES AND TEXTILE PRODUCTS

I

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA HONG KONG

November 29, 1979

Dear Dr. Jesus:

I have the honor to refer to the Arrangement regarding international trade in textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973,<sup>2</sup> and extended by Protocol opened for signature at Geneva on December 15, 1977\*,<sup>3</sup>

I have also the honor to refer to discussions between representatives of the Government of Macau and the Government of the United States of America in Washington October 16 and October 17, 1979, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products from Macau. As a result of these discussions, and in conformity with article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the United States of America and Macau:

1. The term of this Agreement will be the four year period from January 1, 1980, through December 31, 1983. Each "Agreement Year" shall be a calendar year, with the first Agreement Year commencing on January 1, 1980, and ending on December 31, 1980.

2. Textiles and textile products covered by this Agreement shall be classified in two groups, as follows:

<i>Group</i>	<i>Definition</i>
I .....	Yarns, fabrics, apparel, made-up goods and miscellaneous textile products of cotton and man-made fibers. (Categories 300-320, 330-359, 360-369, 600-627, 630-659, 665-669.)
II .....	Wool textiles and textile products. (Categories 400-469.)

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 9. The Categories referred to in the above definitions of groups are those summarized in annex A.

\* Should read: "December 14, 1977" — Devrait se lire : « December 14, 1977 ».

<sup>1</sup> Came into force on 18 December 1979 by the exchange of the said letters, with effect from 1 January 1980.

<sup>2</sup> United Nations, *Treaty Series*, vol. 930, p. 166.

<sup>3</sup> *Ibid.*, vol. 1078, p. 288.

3. (a) The system of Categories and the rates of conversion into square yards equivalent listed in annex A shall apply in implementing this Agreement except as set out in subparagraph 3 (b).

(b) For purposes of this Agreement, and in recognition of the patterns of trade of Macau with the United States of America, the groups of Categories below are merged and treated as single Categories and Subcategory as indicated, with Specific Limits for Categories and a Sublimit for the Subcategory as set out in annex B.

<i>Categories Merged</i>	<i>Designation in Agreement</i>	<i>Subcategory</i>
333, 334, 335 .....	333/334/335	333/335
347, 348 .....	347/348	None
445, 446 .....	445/446	None
633, 634, 635 .....	633/634/635	None
638, 639 .....	638/639	None
645, 646 .....	645/646	None
647, 648 .....	647/648	None

For purposes of computing charges to Aggregate, Group and Specific Limits and the Sublimit for the Categories and the Subcategory cited above, rates of conversion for individual Categories set out in annex A shall be applied.

4. Commencing with the first Agreement Year, and during the subsequent term of this Agreement, the Government of Macau shall limit annual exports from Macau to the United States of America of cotton, wool, and man-made fiber textiles and textile products to the Aggregate, Group and Specific Limits and Sublimit set out in annex B, as such Limits may be adjusted in accordance with paragraphs 6, 7, and 8. The limits set out in annex B do not include any adjustments permitted under paragraphs 6, 7, or 8.

5. (a) Categories not subject to Specific Limits are subject to Consultation Levels and to the Aggregate and applicable Group Limits. Except as specified in annex C, Consultation Levels for each Agreement Year for Categories not subject to a Specific Limit shall be 1,000,000 square yards, equivalent for non-apparel categories 300-320, 360-369, 600-627, 665-669; 700,000 square yards equivalent for categories 330-359, 630-659; and 100,000 square yards equivalent for Categories in Group II.

(b) In the event the Government of Macau wishes to permit exports to the United States in any category in excess of the applicable consultation level during any Agreement Year, the Government of Macau shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Macau shall limit exports to the United States in the category in question to the applicable Consultation Level.

6. During any Agreement Year, and within the Aggregate Limit for such Agreement Year, the Group Limits set out in annex B applicable to such Agreement Year may be exceeded by not more than 7 percent in the case of Group I and by not more than 3 percent in the case of Group II. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 8.

7. During any Agreement Year, and within the Aggregate and applicable Group Limits for such Agreement Year, as they may be adjusted pursuant to paragraphs 6 and 8, any Specific Limit or Sublimit set out in annex B may be exceeded by not more than:

—7 percent if included in Group I, and

—5 percent if included in Group II.

8. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraphs 6 and 7, exports may exceed by a maximum of 11 percent the Aggregate Limit and any Group or Specific Limit or Sublimit by allocating to such Limit for that Agreement Year an unused portion of the corresponding Limit for the previous Agreement Year ("Carry-over") or a portion of the corresponding Limit for the succeeding Agreement Year ("Carry Forward") subject to the following conditions:

- (i) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's applicable Limits;
- (ii) The combination of Carryover and Carry Forward shall not exceed 11 percent of the receiving Agreement Year's applicable Limit in any Agreement Year;
- (iii) Carry Forward may be utilized up to 6 percent of the receiving Agreement Year's applicable Limit and shall be charged against the immediately following Agreement Year's corresponding Limits;
- (iv) Carryover of Shortfall (as defined in sub-paragraph 8 (b)) shall not be applied to any Specific Limits until the Government of Macau and the United States of America have agreed upon the amounts involved.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles or textile products of Macau to the United States of America during any Agreement Year are below the Aggregate Limit and any applicable Group Limit, Specific Limit or Sublimit. In the Agreement Year following the Shortfall, such exports from Macau to the United States of America may be permitted to exceed the Aggregate, Group, and Specific Limits and Sublimit, subject to conditions of subparagraph 8 (a), by Carryover of Shortfalls in the following manner:

- (i) The Carryover shall not exceed the amount of Shortfall in either the Aggregate Limit or any applicable Group or Specific Limit or Sublimit;
- (ii) In the case of Shortfall in a Category or Subcategory subject to a Specific Limit or Sublimit, the Shortfall shall be used in the Category or Subcategory in which the Shortfall occurred; and
- (iii) In the case of Shortfalls not attributable to Categories subject to Specific Limits, or the Sublimit the Carryover shall be used in the same Group in which the Shortfall occurred.

(c) The Limits referred to in subparagraphs 8 (a) and (b) are without any adjustment under this paragraph or paragraphs 6 or 7.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Limits permitted by paragraphs 6 and 7.

9. (a) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool, or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by subparagraph 9 (a) 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 and/or the man-made fiber component;

- (ii) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and
- (iii) Man-made fiber textiles if neither of the foregoing applies.

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

11. (a) The Government of the United States of America shall promptly supply the Government of Macau with data on monthly imports of cotton, man-made fiber and wool textiles and textile products into the United States of America from Macau.

(b) The Government of Macau shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products from Macau to the United States of America.

(c) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

12. The Government of Macau shall use its best efforts to space exports from Macau to the United States of America within each Category or Subcategory evenly throughout each agreement year, taking into consideration normal seasonal factors. Exports from Macau in excess of agreed levels, if allowed entry into the United States will be charged to the applicable levels for the Agreement Year following the year of export.

13. If the Government of Macau considers that, as a result of limitations specified in this Agreement it is being placed in an inequitable position in relation to a third country, the Government of Macau may request consultations with the Government of the United States of America with a view of taking appropriate remedial action such as reasonable modification of this Agreement.

14. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fiber textiles and textile products from Macau to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

15. The Government of Macau shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of Macau in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

16. The visa system established by letters dated June 23 and July 5, 1973, between the Government of the United States of America and the Government of Macau will remain in force subject to paragraph 10.

17. The Government of the United States of America and the Government of Macau agree to consult upon the request of either Government, on any question arising in the implementation of this Agreement.

18. The Government of the United States of America and the Government of Macau may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making revisions to this Agreement, or to taking other such appropriate action as may be mutually agreed upon.

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

If the foregoing conforms with the understanding of the Government of Macau this note and your note of confirmation on behalf of the Government of Macau shall constitute an Agreement between our two Governments.

Accept, Sir, the renewed assurances of my highest consideration.

Sincerely,

For the Secretary of State:

[Signed]

THOMAS P. SHOESMITH  
Consul General

Dr. José Luis de Chagas Henriques de Jesús  
Secretario-Adjunto para Coordenação Económica<sup>1</sup>  
Economic Department  
Macau Government  
Macau

#### ANNEX A

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
<b>Yarn</b>			
<b>Cotton</b>			
300	Carded .....	4.6	Lb.
301	Combed .....	4.6	Lb.
<b>Wool</b>			
400	Tops and yarn .....	2.0	Lb.
<b>Man-Made Fiber</b>			
600	Textured .....	3.5	Lb.
601	Cont. cellulosic .....	5.2	Lb.
602	Cont. non-cellulosic .....	11.6	Lb.
603	Spun cellulosic .....	3.4	Lb.
604	Spun non-cellulosic .....	4.1	Lb.
605	Other yarns .....	3.5	Lb.
<b>Fabric</b>			
<b>Cotton</b>			
310	Ginghams .....	1.0	Syd.
311	Velveteens .....	1.0	Syd.
312	Corduroy .....	1.0	Syd.
313	Sheeting .....	1.0	Syd.
314	Broadcloth .....	1.0	Syd.
315	Printcloths .....	1.0	Syd.
316	Shirtings .....	1.0	Syd.
317	Twills and sateens .....	1.0	Syd.
318	Yarn-dyed .....	1.0	Syd.
319	Duck .....	1.0	Syd.
320	Other fabrics, n.k. ....	1.0	Syd.

<sup>1</sup> Under-Secretary for Economic Coordination.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
<b>Wool</b>			
410	Woolen and worsted .....	1.0	Syd.
411	Tapestries and upholstery .....	1.0	Syd.
425	Knit .....	2.0	Lb.
429	Other fabrics .....	1.0	Syd.
<b>Man-made fiber</b>			
610	Cont. cellulosic, n.k. ....	1.0	Syd.
611	Spun cellulosic, n.k. ....	1.0	Syd.
612	Cont. non-cellulosic, n.k. ....	1.0	Syd.
613	Spun non-cellulosic, n.k. ....	1.0	Syd.
614	Other fabrics, n.k. ....	1.0	Syd.
625	Knit .....	7.8	Lb.
626	Pile and tufted .....	1.0	Syd.
627	Specialty .....	7.8	Lb.
<b>Apparel</b>			
<b>Cotton</b>			
330	Handkerchiefs .....	1.7	Dz.
331	Gloves .....	3.5	Dpr.
332	Hosiery .....	4.6	Dpr.
333	Suit-type coats, M and B .....	36.2	Dz.
334	Other coats, M and B .....	41.3	Dz.
335	Coats, W, G and I .....	41.3	Dz.
336	Dresses (incl. uniforms) .....	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers .....	25.0	Dz.
338	Knit shirts (incl. T-shirts, other and sweatshirts) M and B ...	7.2	Dz.
339	Knit shirts and blouses (incl. T-shirts, other and sweatshirts) W, G and I .....	7.2	Dz.
340	Shirts, n.k. ....	24.0	Dz.
341	Blouses, n.k. ....	14.5	Dz.
342	Skirts .....	17.8	Dz.
345	Sweaters .....	36.8	Dz.
347	Trousers, slacks, and shorts (outer) M and B .....	17.8	Dz.
348	Trousers, slacks, and shorts (outer) W, G and I .....	17.8	Dz.
349	Brassieres, etc. ....	4.8	Dz.
350	Dressing gowns, incl. bathrobes, and beach robes, lounging gowns, house coats, and dusters .....	51.0	Dz.
351	Pajamas and other nightwear .....	52.0	Dz.
352	Underwear (incl. union suits) .....	11.0	Dz.
359	Other apparel .....	4.6	Lb.
<b>Wool</b>			
431	Gloves .....	2.1	Dpr.
432	Hosiery .....	2.8	Dpr.
433	Suit-type coats, M and B .....	36.0	Dz.
434	Other coats, M and B .....	54.0	Dz.
435	Coats, W, G and I .....	54.0	Dz.
436	Dresses .....	49.2	Dz.
438	Knit shirts and blouses, n.k. ....	15.0	Dz.
440	Shirts and blouses, n.k. ....	24.0	Dz.
442	Skirts .....	18.0	Dz.
443	Suits, M and B .....	54.0	Dz.
444	Suits, W, G and I .....	54.0	Dz.
445	Sweaters, M and B .....	14.88	Dz.
446	Sweaters, W, G and I .....	14.88	Dz.
447	Trousers, slacks and shorts (outer) M and B .....	18.0	Dz.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
448	Trousers, slacks and shorts (outer) W, G and I .....	18.0	Dz.
459	Other wool apparel .....	2.0	Lb.
<b>Man-made fiber</b>			
630	Handkerchiefs .....	1.7	Dz.
631	Gloves .....	3.5	Dpr.
632	Hosiery .....	4.6	Dpr.
633	Suit-type coats, M and B .....	36.2	Dz.
634	Other coats, M and B .....	41.3	Dz.
635	Coats, W, G and I .....	41.3	Dz.
636	Dresses .....	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc. ....	21.3	Dz.
638	Knit shirts, (incl. T-shirts), M and B .....	18.0	Dz.
639	Knit shirts and blouses (incl. T-shirts), W, G and I .....	15.0	Dz.
640	Shirts, n.k. ....	24.0	Dz.
641	Blouses, n.k. ....	14.5	Dz.
642	Skirts .....	17.8	Dz.
643	Suits, M and B .....	54.0	Dz.
644	Suits, W, G and I .....	54.0	Dz.
645	Sweaters, M and B .....	36.8	Dz.
646	Sweaters, W, G and I .....	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B .....	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I .....	17.8	Dz.
649	Brassieres, etc. ....	4.8	Dz.
650	Dressing gowns, incl. bath and beach robes .....	51.0	Dz.
651	Pajamas and other nightwear .....	52.0	Dz.
652	Underwear .....	16.0	Dz.
659	Other apparel .....	7.8	Lb.
<b>Made-ups and misc.</b>			
<b>Cotton</b>			
360	Pillowcases .....	13.2	Dz.
361	Sheets .....	74.4	Dz.
362	Bedspreads and quilts .....	82.8	Dz.
363	Terry and other pile towels .....	6.0	Dz.
369	Other cotton manufactures .....	4.6	Lb.
<b>Wool</b>			
464	Blankets and auto robes .....	1.3	Lb.
465	Floor covering .....	0.1	Sft.
469	Other wool manufactures .....	2.0	Lb.
<b>Man-made fiber</b>			
665	Floor coverings .....	0.1	Sft.
666	Other furnishings .....	7.8	Lb.
669	Other man-made manufactures .....	7.8	Lb.



## ANNEX B

## AGGREGATE, GROUP, SPECIFIC LIMITS AND SUB-LIMITS

<i>Category</i>	<i>Description</i>	<i>Units</i>	<i>1st Year</i>	<i>2nd Year</i>	<i>3rd Year</i>	<i>4th Year</i>
<b>Aggregate</b>		Sye.	43,100,000	45,793,750	48,655,859	51,696,850
<b>Group I</b>	<b>Cotton and man-made fiber</b> .....	Sye.	41,600,000	44,200,000	46,962,500	49,897,656
333/4/5 (333/335)	Coats .....	Doz.	87,467 (45,000)	92,934 (47,813)	98,742 (50,801)	104,913 (53,976)
338	Knit shirts .....	Doz.	114,755	121,927	129,548	137,644
339	Knit shirts and blouses .....	Doz.	488,254	518,770	551,193	585,643
340	Woven shirts .....	Doz.	110,000	116,875	124,180	131,941
341	Woven blouses .....	Doz.	70,948	75,382	80,094	85,099
347/8	Trousers .....	Doz.	262,000	278,375	295,773	314,259
633/4/5	Coats .....	Doz.	183,458	194,924	207,107	220,051
638/9	Knit shirts and blouses .....	Sye.	11,784,230	12,520,744	13,303,291	14,134,747
640	Woven shirts .....	Doz.	39,844	42,334	44,980	47,791
641	Woven blouses .....	Doz.	65,948	70,070	74,449	79,102
645/6	Sweaters .....	Doz.	99,217	105,418	112,007	119,007
647/8	Trousers .....	Doz.	200,152	212,662	225,953	240,075
<b>Group II</b>	<b>Wool</b> .....	Sye.	1,500,988	1,515,998	1,531,158	1,546,469
445/6	Sweaters .....	Doz.	67,914	68,593	69,279	69,972

## ANNEX C

## DESIGNATED CONSULTATION LEVELS

<i>Category</i>	<i>Description</i>	<i>Units</i>	<i>Level</i>
652	Underwear .....	Doz.	149,583
659	Other apparel .....	Lbs.	203,724

## II

RESIDENCIA DO GOVERNO  
MACAU  
GABINETE DO GOVERNADOR<sup>1</sup>

Nº 941/1409

I have the honour to refer to your letter of November 29, 1979, regarding to discussions between representatives of the Government of Macau and the Government of the United States of America, held in Washington on October 16 and 17, 1979, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products from Macau.

This letter will constitute as a note of confirmation on behalf of Macau and with your note shall constitute an agreement between our two Governments.

Accept, Sir, the renewal of my highest consideration.

Macau, 18 December of 1979

O Governador,<sup>2</sup>

[Signed]

NUNO VIRIATO TAVARES  
DE MELO EGÍDIO  
General

Mr. Thomas P. Shoesmith  
Consul General  
Consulate General of the United States of America  
Hong Kong

<sup>1</sup> Government Residence, Macau Cabinet of the Governor.

<sup>2</sup> The Governor.