

No. 8753

**UNITED STATES OF AMERICA
and
MALTA**

**Exchange of notes constituting an agreement concerning
exports of cotton textiles from Malta (with annex).
Valletta, 14 June 1967**

Official text: English.

Registered by the United States of America on 31 August 1967.

**ÉTATS-UNIS D'AMÉRIQUE
et
MALTE**

**Échange de notes constituant un accord relatif aux exporta-
tions de textiles de coton de Malte (avec annexe). La
Valette, 14 juin 1967**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 31 août 1967.

No. 8753. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND MALTA CONCERNING EXPORTS OF COTTON TEXTILES FROM MALTA. VALLETTA, 14 JUNE 1967

I

The American Embassy to the Maltese Ministry of Commonwealth and Foreign Affairs

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The Embassy of the United States of America presents its compliments to the Ministry of Commonwealth and Foreign Affairs and has the honor to refer to recent discussions held in Valletta between representatives of the Government of the United States and the Government of Malta concerning exports of cotton textiles from Malta to the United States. As a result of these discussions, the Embassy proposes the following agreement relating to this trade :

1. The term of this agreement shall be from January 1, 1967 through December 31, 1970. During the term of this agreement the Government of Malta shall limit annual exports of cotton textiles from Malta to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

2. For the first agreement year, constituting the 12-month period beginning January 1, 1967, the aggregate limit shall be 12.7 million square yards equivalent.

3. Within the aggregate limit, the following group limits shall apply for the first agreement year :

		<i>In Square Yards Equivalent</i>
Group I	Yarn (Categories 1-4)	9,000,000
Group II	Fabrics, made up goods and miscellaneous (Categories 5-38 and 64)	200,000
Group III	Apparel (Categories 39-63)	3,500,000

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the first agreement year :

<i>Group III</i>	<i>Units (dozen)</i>	<i>Square Yard Equivalent</i>
Category 43	63,600	(460,082 sq. yds.)
Category 51	22,500	(400,433 sq. yds.)
Category 60	38,500	(2,000,460 sq. yds.)

¹ Came into force on 14 June 1967 with retroactive effect from 1 January 1967, in accordance with the provisions of the said notes.

5. Within the aggregate limit, the limits for Groups I and II may be exceeded by not more than 10 percent, and the limit for Group III may be exceeded by not more than 5 percent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 percent.

6. (a) Within the group limit for each group the square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit.

(b) In the event of undue concentration in exports to the United States of cotton textiles from Malta in any category in Group I, the Government of the United States of America may request consultation with the Government of Malta to determine an appropriate course of action. Until a mutually satisfactory solution is reached, the Government of Malta shall limit exports in the category in question to the United States starting with the 12-month period beginning on the date of the request for consultation. This limit shall be 105 percent of the exports of such products to the United States during the most recent 12-month period preceding the request for consultation for which statistics are available to the two Governments.

(c) In the event the Government of Malta desires to permit exports during any agreement year of more than the level of the consultation limit in any category in Group III not having a specific limit, the Government of Malta shall request consultation with the Government of the United States of America on this question. For the first agreement year the level of the consultation limit for each category in Group III not having a specific limit shall be 350,000 square yards equivalent. The Government of the United States of America shall enter into such consultations and, during the course thereof, shall provide the Government of Malta with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of Malta shall continue to limit exports in that category for that agreement year to the consultation limit.

7. The Government of Malta shall use its best efforts to space exports to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

8. In the second and succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted under such limitation shall be increased by 5 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraphs 5 or 16.

9. The two Governments recognize that the successful implementation of this agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of Malta with monthly data on the import of cotton textiles from Malta. The Government of Malta shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in Annex A hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the criterion provided for in Article 9 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962¹ (hereinafter referred to as the Long-Term Arrangement) is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the chief-value criterion used by the Government of the United States of America in accordance with paragraph 2 of Annex E shall apply.

11. The Government of the United States of America and the Government of Malta agree to consult on any question arising in the implementation of the agreement.

12. 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.

13. If the Government of Malta considers that as a result of limitations specified in this agreement, Malta is being placed in an inequitable position vis-à-vis a third country, the Government of Malta may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as reasonable modification of this agreement.

14. During the term of this agreement, the Government of the United States of America will not apply the provisions of Articles 6 (c) and 3 of the Long-Term Arrangement to restrain the export of cotton textiles from Malta to the United States.

15. The Government of the United States of America may assist the Government of Malta in implementing the provisions of this agreement by controlling imports of cotton textiles.

16. (a) For any agreement year immediately following a year of a shortfall (i.e., a year in which cotton textile exports from Malta to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of Malta may permit exports to exceed the aggregate, group and specific limits by carryover in the following amounts and manner :

- (i) The carryover shall not exceed the amount of the shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either 5 percent of the aggregate limit or 5 percent of the applicable group limit in the year of the shortfall, and
- (ii) in the case of shortfalls in the categories subject to specific limits the carryover shall not exceed 5 percent of the specific limit in the year of the shortfall, and shall be used in the same category in which the shortfall occurred, and

¹ United Nations, *Treaty Series*, Vol. 471, p. 296 and Vol. 596, p. 524. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.