

WORLD TRADE ORGANIZATION

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24 September 2003

(03-5048)

Textiles Monitoring Body

Original: English

AGREEMENT ON TEXTILES AND CLOTHING

Notification under Article 2.1

UNITED STATES

Supplement

The Textiles Monitoring Body has received a supplement to the notification made by the United States pursuant to Article 2.1.

The TMB, in accordance with Article 2.2, is circulating this notification to WTO Members for their information.

Permanent Mission of the United States to the WTO
Geneva

19 September 2003

The Honourable András Szepesi
Chairman
Textiles Monitoring Body
World Trade Organization
Rue de Lausanne 154
1211 Geneva
Switzerland

Dear Mr Chairman,

I refer to the TMB communication dated 26 June 2003 posing questions concerning the U.S. notification of textile restraints on the Former Yugoslav Republic of Macedonia.

1. "The Former Yugoslav Republic of Macedonia became a Member of the WTO on 4 April 2003. The TMB assumes, therefore, that the restrictions thus notified are all the relevant restrictions in force on 3 April 2003. An indication of whether the TMB's understanding in this regard is correct or not would be appreciated."

Answer: The limits notified were all the relevant restrictions in force on that date.

2. "Furthermore, the TMB would like to be informed of any quantitative restrictions that were eliminated on 4 April 2003 as a result of the integration by the United States of certain products under Stages 1, 2 or 3 of the ATC."

Answer: The U.S. limits on FYROM cover only categories 433, 434, 435, 443, and 448. None of the products in these categories were integrated in Stages 1, 2, or 3, so no quantitative restrictions were eliminated as a result of the integration by the United States of certain products under Stages 1, 2 or 3 of the ATC.

3. "Since the notification does not specify the manner in which the United States has implemented the growth-on-growth provisions of the ATC to the quantitative restrictions notified, the TMB would appreciate receiving this information, as well as information on the resulting levels in force as from 4 April 2003."

Answer: The United States notified a pre-accession growth rate for all categories of 2 per cent. Annual growth rate for 2004 quotas will be 2.54 per cent; for the 2003 limits, we increased the effective growth rate by prorating that amount to reflect the number of days in 2003 that FYROM will be a Member of the WTO: 272 days of the 365 days in 2003 at 2.54 per cent, resulting in a prorated growth rate for 2003 of 2.40241096 per cent. This amount was applied to the 2002 base levels to calculate revised 2003 limits. $(2\% + (2\% * (0.27 * (272/365))))$.

4. "Finally, the TMB would like to seek clarifications as to how the special shift available for some of the quantitative restrictions notified is being implemented in practice."

Answer: Special shift had been already applied earlier in 2003. Following its accession to the WTO, FYROM's base limits were increased to reflect WTO accession. In addition, the flexibility already applied was recalculated, so that increased levels were applied. Specifically, the 6 per cent swing and 7.5 per cent special shift previously applied to category 433 were recalculated based on the higher base level. Also, a higher amount of carryover was available based on the increased base level for category 433. Category 433 was the only category for which FYROM had requested flexibility increases in 2003.

Sincerely,

(signed)
William Tagliani
Attaché
