

[UNITED STATE OF AMERICA (the "Importing Country")-
FORMER YUGOSLAV REPUBLIC OF MACEDONIA ("the Exporting Country")]

MEMORANDUM OF UNDERSTANDING

1. Representatives of the Governments of the Importing Country and the Exporting Country met in Washington, D.C. on June 1-2, 2000 to discuss bilateral textile trade issues of mutual concern, following up on discussions held in September 1999 in Skopje.
2. The parties agreed to extend the Bilateral Textile Agreement of November 7, 1997 until December 31, 2004, modified in accordance with the following provisions.
3. In recognition of the impact of the Kosovo crisis, the parties agreed to the following special carryover from 1999 limits to 2000 limits, applicable for one year only:

433:	4,651	Dozen
434:	2,028	Dozen
435:	11,500	Dozen
448:	11,014	Dozen

4. The parties agreed to extend annual quantitative limits ("specific limits") on imports for the period January 1, 2000-December 31, 2004. The 2001 specific limits are shown below, and these specific limits will receive 2% annual growth in each succeeding year. The flexibility provisions set forth in the Bilateral Textile Agreement will apply to these specific limits.

Category 433	21,861	Dozen
Category 434	10,930	Dozen
Category 435	29,835	Dozen
Category 443	183,854	Numbers
Category 448	65,582	Dozen

5. For each year beginning in 2001, 7.5 percent special shift shall be available to categories 433, 435, and 443 to be taken from any other limit in square meters equivalent.
6. The parties agreed to amend the bilateral textile visa arrangement as follows:
3J. Any shipment found not to be in compliance with the provisions of the agreement relating to trade in textile products wholly assembled in the exporting country of importing country-formed fabrics, or made in the exporting country from importing-country formed fabrics, may be permanently denied entry under this program.
7. The provisions of this Memorandum will be applied on signature.

Li. Li. Jupolov

For the Government of the
Exporting Country
June 2, 2000

C. Donald Peterson

For the Government of the
Importing Country