

October 7, 1992

of origin for purposes of Article 1005(1).

10. **Annex 300-A (Trade and Investment in the Automotive Sector), Appendix 300-A.2 - Mexico:** citations to the Auto Decree and the Auto Decree Implementing Regulations included in parentheses are provided for purposes of reference only.

11. **Annex 300-B (Textile and Apparel Goods) Section 1 (Scope and Coverage):** the general provisions of Chapter Two (Definitions), Chapter Three (Market Access), Chapter Four (Rules of Origin) and Chapter Eight (Emergency Action) are subject to the specific rules for textiles and apparel goods set out in the Annex.

12. **Annex 300-B (Textile and Apparel Goods) Section 2 (Tariff Elimination):** with respect to paragraph 1, "as otherwise provided in this Agreement" refers to such provisions as Section 4, Article 802 (Global Emergency Action) and Chapter 22 (General Exceptions).

13. **Annex 300-B (Textile and Apparel Goods) Sections 4 and 5 - Bilateral Emergency Actions (Tariff Actions):** for purposes of Sections 4 and 5:

- (a) "increased quantities" is intended to be interpreted more broadly than the standard provided in Article 801(1), which considers imports "in absolute terms" only. For purposes of these Sections, "increased quantities" is intended to be interpreted in the same manner as this standard is interpreted in the draft Agreement on Textiles and Clothing, contained in the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations (GATT document MTN.TNC/W/FA) issued by the Director-General of the GATT on December 20, 1991 ("Draft Uruguay Round Agreement on Textiles and Clothing"); and
- (b) "serious damage" is intended as a less stringent standard than "serious injury" under Article 801(1). The "serious damage" standard is drawn from the Draft Uruguay Round Agreement on Textiles and Clothing. The factors to be considered in determining whether the standard has been met are set out in Section 4.2 and are also drawn from that Draft. "Serious damage" is to be interpreted in the light of its meaning in Annex A of the Multifiber Arrangement or any successor agreement.

14. **Annex 300-B (Textile and Apparel Goods), Appendix 3.1, paragraph 17:** for purposes of applying paragraph 17, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System, and if