The Textiles Surveillance Body received a notification from the EEC concerning an adjustment of Brazil's quota on Category 1 (cotton yarn) for the 1986 agreement year. This action, taken under the provisions of Article 11, paragraph 4 of the EEC/Brazil agreement, was notified under Article 8:4 of the MFA.

The TSB is forwarding the text of the notification to participating countries for their information.

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1 The text of the bilateral agreement is contained in COM.TEX/SB/917.

2 See also COM.TEX/SB/1256 (Report of the third (1987) TSB meeting).

* English only/Anglais seulement/Inglés solamente
NOTE VERBALE

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Federative Republic of Brazil to the European Communities and has the honour to refer to the Agreement on trade in textiles signed on 8 October 1985 and in particular to Articles 11 and 16 thereof.

The Directorate-General has the honour to refer to the consultations held on 27-28 October 1986 and wishes to inform the Mission of the Community's decision to apply the provisions of Article 11(4) of the bilateral Agreement, given the failure of the consultations to provide a satisfactory solution.

On the basis of the clear evidence of circumvention involving Cat. 1 products provided by the Community to the Brazilian authorities, the Community will deduct from the Community quantitative limit established under the Agreement for the year 1986 a quantity of 750 tonnes of the quota-share allocated to Germany.

The Community regrets that a mutually satisfactory solution could not be reached on this matter. The Directorate-General wishes to state that notwithstanding the action taken under Article 11(4), the Community is ready to discuss the issue again if the Brazilian authorities so desire.

The Directorate-General for External Relations of the Commission of the European Communities avails itself of this opportunity to renew to the Mission of the Federative Republic of Brazil to the European Communities the assurance of its highest consideration.

Brussels,

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