ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Agreement between the EEC and Brazil

The Textiles Surveillance Body has received from the EEC a notification of a bilateral agreement which has been formally concluded under Article 4 of the Arrangement between the EEC and Brazil concerning trade in textiles.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4\(^1\), has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.

\(^1\) See COM.TEX/SB/35, Annex B.
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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 299/77

of 8 February 1977

concluding the Agreement between the European Economic Community and the
Federative Republic of Brazil on trade in textile products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Agreement on trade in textile products negotiated between the European Economic Community and the Federative Republic of Brazil should be concluded,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile products is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Regulation.

Article 2

The President of the Council shall notify the other Contracting Party of the completion by the Community of the procedures necessary for the entry into force of the Agreement (1).

Article 3

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 8 February 1977.

For the Council

The President

Anthony CROSLAND

(1) The date of entry into force of the Agreement will be published in the Official Journal of the European Communities.
AGREEMENT

between the European Economic Community and the Federative Republic of Brazil
on trade in textile products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL,

of the other part,

DESIRING to ensure the orderly and equitable development of trade in textiles between the
European Economic Community (hereinafter referred to as 'the Community') and Brazil,

HAVING REGARD to the provisions of the Arrangement regarding international trade in
textiles (hereinafter referred to as 'the Geneva Arrangement') and in particular Article 4 thereof,

HAVE DECIDED, in a spirit of mutual cooperation and in conformity with the Geneva Arrange-
ment, to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL:

WHO HAVE AGREED AS FOLLOWS:

Article 1

The Parties recognize and confirm that, subject to
the provisions of this Agreement and without
prejudice to their rights and obligations under the
General Agreement on tariffs and trade, the conduct
of their mutual trade in textiles shall be governed
by the provisions of the Geneva Arrangement.

Article 2

1. In respect of those categories of textile products
which are set out in Annex I, being textile products
originating in and dispatched from Brazil, and subject
to the satisfactory operation of this Agreement, the
Community shall not introduce new quantitative
restrictions, shall suspend the operation of any
previously in force, and shall refrain from invoking
the provisions of Article 3 of the Geneva Arrange-
ment, provided that exports to the Community of
such textile products originating in and dispatched
from Brazil do not exceed the agreed quantitative
limits.

2. The Government of the Federative Republic of
Brazil shall establish quantitative limits on exports
to the Community in accordance with Annex I, and
undertakes to take the appropriate measures to ensure
that the quantitative limits shown therein are not
exceeded.

3. The Community shall not object to the
aforementioned quantitative limits being exceeded
in the event of additional demand developing on the
market of the Community, on the understanding
that the additional quantities shall be fixed by
common agreement between both Parties.

4. Quantities of the quota shares set out in Annex I
not taken up by a Member State of the Community
may be re-allocated to another Member State in accordance with the procedures in force in the Community. The Community undertakes to respond within four weeks of its receipt to any request made by the Government of the Federative Republic of Brazil for such reallocation. It is understood that any re-allocation so effected would not need to be confined within any limits set in flexibility provisions established elsewhere in this Agreement.

5. All other quantitative restrictions which have been notified by the Community to the Textiles Surveillance Body under Article 2 (1) of the Geneva Arrangement, shall, unless justified under the provisions of GATT or included in agreements negotiated or measures adopted pursuant to the provisions of Article 3 of the Geneva Arrangement, be suspended as soon as possible after the conclusion of the Agreement and in any case by 31 March 1977.

6. The Parties shall cooperate in implementing the measures necessary for the purpose of this Article.

**Article 3**

1. With the exception of Category No 2 (woven fabrics of cotton, unbleached and bleached), imports into the Community of the textile products shown in Annex I which are for immediate re-export or for inward processing and subsequent re-export outside the Community shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within the Community.

2. In any case where the competent authorities within the Community ascertain that imports described in paragraph 1 above have been retained for consumption within the Community, the latter will notify the Government of the Federative Republic of Brazil on a quarterly basis of the amounts involved. Brazil shall in such cases at the request of the Community, charge such amounts against the quantitative limit or limits in question for the current calendar year or for the next following year.

3. In any case where the competent authorities within the Community ascertain under an administrative system of control in force that imports of textile products shown in Annex I have been charged against quantitative limits established therein but subsequently re-exported outside the Community, the competent authority concerned will inform the Brazilian authorities on a quarterly basis of the quantities which shall not be charged to the quantitative limits.

**Article 4**

1. The Parties shall enter promptly into consultations with each other, at the request of either and in conformity with the provisions of the Geneva Arrangement, on any problems arising from the application of this Agreement. Consultations held under the provisions of this Article shall be approached by both Parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

2. The Parties shall consult as soon as possible within 30 days following the request and will make their best efforts to complete such consultations within 30 days of their commencement.

3. In the event that the Parties are unable, within a reasonable period of time, to reach a satisfactory solution during the consultations provided for in this Article, either of the Parties may refer the matter to the Textiles Surveillance Body in accordance with Article 11 (4) of the Geneva Arrangement. The Party choosing to adopt such a course of action shall notify the other of its intention.

**Article 5**

If, having regard to the provisions of the Geneva Arrangement, either Party considers that it is being placed in an inequitable position in respect of trade in textiles as compared with a third country, that Party may seek consultations with the other with a view to taking appropriate remedial action.

**Article 6**

1. Portions of any quantitative limit shown in Annex I which are not used during any calendar year may be carried over and added to the corresponding quantitative limit in the following year, within a limit of 10% of the latter.

2. Within a limit of 10% of each of the quantitative limits shown in Annex I, advance deliveries shall be authorized from the corresponding quantitative limit established for the following year. Amounts delivered in advance shall be deducted from the quantitative limits for the products in question for the following year.

3. Within any one calendar year, unused portions of quantitative limits shown in Annex I in respect of any region of the Community market may be transferred to another quantitative limit established
for that same region of the Community market within a ceiling of 7% of the recipient quantitative limit.

4. The preceding flexibility provisions shall not, in any given year, result in a quantitative limit for any category being exceeded by more than 15% of the quantitative limit for that category for that year.

5. The flexibility provisions contained in this Article may only be applied by Brazil following written notification to the Community by the Brazilian authorities.

**Article 7**

Brazil shall endeavour to ensure that exports of all textile products for which quantitative limits are shown in Annex I are spaced out as evenly as possible over each calendar year, due account being taken, in particular, of seasonal factors.

**Article 8**

The Parties shall exchange all useful information concerning their mutual trade in textiles in order to ensure the successful implementation of this Agreement.

**Article 9**

The quantitative limits shown in Annex I shall be administered under a system of double checking, the details of which are set out in Annex II to this Agreement.

**Article 10**

1. The Parties shall take all possible measures to ensure that traditional channels and methods of trade between them are maintained.

2. Should either Party inform the other that the application of this Agreement has given rise to difficulties regarding the maintenance of existing commercial relations between importers in the Community and their suppliers in Brazil, the Parties will consult together in accordance with the procedures set out in Article 4 above.

**Article 11**

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territory of the Federative Republic of Brazil.

**Article 12**

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for the purpose. It shall remain in force until 31 December 1977.

2. This Agreement shall have effect from 1 January 1976.

3. Either Party may at any time propose modifications to this Agreement or denounced it provided that notice is given at least 120 days before the expiry of any 12-month period; in the latter event the Agreement will come to an end at the expiry of the said 12-month period.

4. The Annexes to this Agreement shall form an integral part thereof.

**Article 13**

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Portuguese languages, each of these texts being equally authentic.
ANNEX I

Products for which Brazil will exercise restraint towards the whole Community from the entry into force of this Agreement

The Community hereby notifies Brazil that the quantitative limits for the textile products listed below will be allocated between the Member States as follows:

<table>
<thead>
<tr>
<th>Category No</th>
<th>Product category or subcategory</th>
<th>Community region</th>
<th>Quantitative limits (tonnes)</th>
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<td>2</td>
<td>ex 55.09 Woven fabrics of cotton, unbleached and bleached</td>
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<td>ex 55.09 Woven fabrics of cotton, other than unbleached and bleached</td>
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ANNEX II

As agreed between the Parties in Article 9 of the Agreement, the administration of textile imports from Brazil will be based on a system of double checking. The details of this system have been agreed between the Parties and are set out below.

The competent authorities within the Community will, automatically and without delay, accept imports of textile products on submission of the importer’s application together with the original export certificate. The competent authorities within the Community shall be entitled to require the presentation of an export certificate in respect of goods originating in Brazil of the categories shown in Annex I.

These export certificates will be validated by the Brazilian authorities up to the total amount of the agreed ceilings.

The export certificates issued by the Brazilian authorities shall be applicable to the products shown in Annex I.

The export certificate must specify or contain:
1. destination within the Community,
2. serial number,
3. importer’s name and address,
4. exporter’s name and address,
5. net weight (in kilograms or tonnes) and value,
6. category and description of product,
7. certification by the Brazilian authorities that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or for inward processing and subsequent re-export outside the Community.

The competent authorities within the Community will not raise difficulties in the event of a discrepancy between the weight indicated in the export certificate and the shipment or import weight provided it is within reasonable limits, while the Brazilian authorities, for their part, will endeavour to keep any discrepancies to a minimum.

In the event of total or partial withdrawal of an export certificate the Brazilian authorities will notify the competent authorities within the Community of such total or partial withdrawal. The authorities of the Member States of the Community will take the appropriate measures in accordance with their existing administrative provisions.

The Brazilian authorities will forward to the competent authorities within the Community, via the Representations of the Member States of the Community and directly to the Commission, quarterly returns showing the total net weight in tonnes covered by the export certificates issued against the quantitative limits for exports to the Member States of the Community, for all categories of textile exports to the Community to which this Agreement applies.

The Community will forward to the authorities of Brazil, on a quarterly basis, precise statistical information of imports of such products into the Community.