ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the bilateral agreement between
the EEC and the Czech and Slovak Federal Republic

Note by the Chairman

Attached is a notification received from the EEC of an amendment of its agreement with the Czech and Slovak Federal Republic. The régime relating to outward processing trade was integrated into the agreement for the 1991 agreement year.

1 The bilateral agreement and previous amendment are contained in COM.TEX/SB/1303 and TEX.SB/1747.

*English only/Anglais seulement/Inglés solamente
Dear Ambassador,

In connection with the European Economic Community's Agreements on trade in textile products with Poland, Czechoslovakia, Romania and Hungary negotiated under Article 4 of the Arrangement and initialed respectively on 27 June 1986 (Poland), 19 June 1986 (Czechoslovakia) and 11 July 1986 (Romania and Hungary), I have to inform you of the following.

The Community has agreed with each of the abovementioned countries to amend the bilateral Agreement with a view to integrating provisions relating to reimports of textile products after processing, manufacturing or working in these countries. OPT with these countries was previously limited under the Autonomous Regime applied by the Community under Regulation 3420/83.

These new provisions contained in the Agreed Minutes annexed to this letter are herewith communicated under Article 4, paragraph 4 of the Arrangement, as a modification to the Community's Agreements with Poland, Czechoslovakia, Romania and Hungary.

Yours sincerely,

Danièle Smadja

Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT
Centre William Rappard
rue de Lausanne, 154

CH - 1211 GENEVA 21
AGREED MINUTE

1. The delegations of the European Economic Community and the Czech and Slovak Federative Republic met in Brussels on 28 and 30 November 1990. Consultations were held under Article 14 of the Agreement between the European Economic Community and Czechoslovakia on trade in textile products, initialled on 19 June 1986 and applied provisionally since 1 January 1987.

2. The purpose of the consultations was to amend the bilateral Agreement on trade in textile products with a view to integrating provisions relating to reimports of textile products after processing, manufacturing or working in Czechoslovakia.

3. Both parties have agreed to amend Article 3(4) of the Agreement and insert a Protocol E establishing a special arrangement governing reimports into the Community of textile products after processing, manufacturing or working in Czechoslovakia in accordance with the relevant Community legislation. The texts of Article 3(4) and Protocol E are annexed to this Agreed Minute.

4. Both parties have agreed to apply the provisions of protocol E in a way which aims at not preventing new possibilities for increased trade and industrial cooperation in the area of outward processing traffic.

5. Both parties have agreed that the amendment to the Agreement by this Agreed Minute shall be applied provisionally from 1 January 1991.

Brussels, 30 November 1990

Delegation of the Czech and Slovak Federative Republic

[Signature]

Delegation of the European Economic Community

[Signature]
The Community and Czechoslovakia recognize the special and distinct nature of reimports into the Community of textile products after processing, manufacturing or working in Czechoslovakia.

Reimports shall not be subject to the quantitative limits established in Annex II, provided they are effected in accordance with the regulations on economic outward processing traffic in force in the Community and are eligible for the special arrangement described in Protocol E.
Reimports into the Community, within the meaning of Article 3(4) of this Agreement, of products listed in the Annex to this Protocol shall be subject to the provisions of the Agreement, unless the special provisions below provide otherwise:

1. Subject to paragraph 2, only reimports into the Community of products affected by the specific quantitative limits laid down in the Annex to this Protocol shall be considered reimports within the meaning of Article 3(4).

2. Reimports not covered by the Annex to this Protocol may be made subject to specific quantitative limits following consultations in accordance with the procedures set out in Article 14 of the Agreement, provided the products concerned are subject to quantitative limits under Annex II to the Agreement.

3. Having regard to the interests of both Contracting Parties, the Community may at its discretion, or in response to a request from Czechoslovakia under Article 14 of the Agreement, examine:

   (a) the possibility of transferring from one category to another, using in advance or carrying over from one year to the next portions of specific quantitative limits;

   (b) the scope for allocating portions of the specific quantitative limit unused in one region of the Community to another such region.

4. However, the Community may apply automatically the flexibility rules set out in paragraph 3 within the following limits:

   (a) transfers between categories may not exceed 25% of the quantity for the category to which the transfer is made;¹

   (b) carryover of a specific quantitative limit from one year to the next may not exceed 10.5% of the quantity set for the year of actual utilisation;

¹ However, for categories in Group II or Group III, transfers between quota shares under the German, French, Italian and Benelux quotas shall be allowed up to 100% of the category from which the transfer is made.
(c) advance use of specific quantitative limits from one year to another may not exceed 7.5% of the quantity set for the year of actual utilisation;

(d) transfers from one region to another may not exceed 24% of the quantity set for the region to which the transfer is made.

5. The Community shall inform Czechoslovakia of any measures taken pursuant to the preceding paragraphs.

6. The competent authorities in the Community shall debit the specific quantitative limits referred to in paragraph 1 at the time of issue of the prior authorisation required by Council Regulation (EEC) No 636/82 which governs economic outward processing arrangements. A specific quantitative limit shall be debited for the year in which a prior authorisation is issued.

7. Transfers from one category to another and combined debits from the quantitative limit for products of groups II and III will be calculated in accordance with the table of equivalence in Annex I to the Agreement.

8. A certificate of origin made out by the organisations authorised to do so under Czechoslovakian law shall be issued, in accordance with Protocol A to the Agreement, for all products covered by this Protocol. This certificate shall bear a reference to the prior authorisation mentioned in paragraph 6 as evidence that the processing operation it describes has been carried out in Czechoslovakia.

9. The Community shall provide Czechoslovakia with the names and addresses of, and specimens of the stamps used by, the competent authorities of the Community which issue the prior authorisations referred to in paragraph 6.

10. Without prejudice to the provisions of paragraphs 1 to 9 above, Czechoslovakia and the Community shall continue consultations with a view to reaching a mutually acceptable solution enabling both Contracting Parties to benefit from the Agreement's provisions on outward processing traffic and so ensure the effective development of trade in textile products between Czechoslovakia and the Community.
(For practical reasons the product descriptions used in the Annex are given in abbreviated form).

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
<th>UNIT</th>
<th>YEAR</th>
<th>EEC QUANTITATIVE LIMITS</th>
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<td>4</td>
<td>T-Shirts</td>
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<td>700</td>
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<tr>
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<td>Pullovers</td>
<td>1000 pieces</td>
<td>1991</td>
<td>800</td>
</tr>
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<td>6</td>
<td>Woven trousers</td>
<td>1000 pieces</td>
<td>1991</td>
<td>2300</td>
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<td>Blouses</td>
<td>1000 pieces</td>
<td>1991</td>
<td>900</td>
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<td>8</td>
<td>Shirts</td>
<td>1000 pieces</td>
<td>1991</td>
<td>1100</td>
</tr>
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<td>9</td>
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<td>1991</td>
<td>1500</td>
</tr>
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