ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Extension of the bilateral agreement between
the EEC and Brazil

Note by the Chairman

Attached is a notification received from the EEC of an extension of its bilateral agreement with Brazil for the period 1 January to 31 December 1992. Attached also is a copy of a three-month extension which was replaced by the twelve-month extension.¹

¹The bilateral agreement and a previous amendment are contained in COM.TEX/SB/1287 and TEX.SB/1862.

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

Pursuant to Article 4.4 of the Arrangement, I enclose herewith a copy of the Agreement in the form of Exchange of Letters amending the Agreement between the European Economic Community and Brazil on trade in textile products so as to extend it for a further period of one year, i.e. from 1 January 1992 through 31 December 1992. The terms of the Agreement, as amended, are unchanged except for the percentage of inter-regional transfers which is fixed at a higher level than previously i.e. 40% instead of 16%.

The Agreement, as amended, replaces the Exchange of Letters of 20 December 1991 - a copy of which is also attached - by which the Community and Brazil had agreed to extend their bilateral agreement for a period of three months (i.e. January-March 1992).

Yours sincerely,

Daniele Smadja

Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT
Centre William Rappard
rue de Lausanne, 154
CH - 1211 GENEVA 21
AGREEMENT

in the form of Exchange of Letters amending the

Agreement between the European Economic Community and

the Federative Republic of Brazil on trade in textile products

Initialed in Brussels on 27 February 1992

[Signatures]
AGREEMENT

in the form of Exchange of Letters amending the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile products

Letter Number One

Sir,

1. I have the honour to refer to the consultations held on 26 and 27 February 1992 between our respective delegations for the purpose of amending the Agreement on trade in textile products between the European Economic Community and the Federative Republic of Brazil, initialled on 12 September 1986 and applied since 1 January 1987, as extended by the Exchange of Letters initialled on 20 December 1991.

2. As a result of these consultations, both parties agreed to further amend Article 17, paragraph 1 of the above Agreement so as to extend the period of application of all the provisions of the Agreement until 31 December 1992. Consequently, the parties also agreed to amend Annex II of the Agreement for the January - December period 1992 as regards the quantitative limits for exports from the Federative Republic of Brazil to the Community of the textile products referred thereto. The modified Annex II is appended to this letter (Appendix 1).

3. The parties also agreed that as regards Article 13, paragraph 3, of the Agreement, the percentage of inter-regional transfers for the year 1992 is fixed at 40%.
It is understood that if as a result of the application of the above percentage serious difficulties, following significant changes in the pattern of trade, occur in certain regions of the Community, both parties shall hold consultations without delay with a view to reviewing the situation.

4. Both parties agreed that this extension of the Agreement enters into force on 1 January 1992, shall remain in force until 31 December 1992 and shall replace the Exchange of Letters of 20 December 1991. The parties agreed that this Agreement is applied provisionally from 1 January 1992.

5. I should be obliged if you would kindly confirm the acceptance of your Government to the foregoing.

6. Please accept, Sir, the assurance of my highest consideration.

For the Council
of the European Communities
## ANNEX II

### COMMUNITY QUANTITATIVE LIMITS

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<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>1/1/92-31/12/92</th>
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<tbody>
<tr>
<td>1</td>
<td>T</td>
<td>35.140</td>
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<td>2.974</td>
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<tr>
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<td>T</td>
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<td>46</td>
<td>T</td>
<td>17.151</td>
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### REGIONAL LIMITS

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<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>F</th>
<th>I</th>
<th>UK</th>
<th>13</th>
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<td>380</td>
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<td>1000 pièces</td>
<td>ES</td>
<td>PT</td>
<td>63</td>
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(1) For the purpose of setting off exports against the agreed limits a conversion rate of 5 garments (other than babies' garments) of a maximum commercial size of 130 cm, for 3 garments whose commercial size exceeds 130 cm may be applied for up to 5% of the quantitative limits.
AGREEMENT

In the form of Exchange of Letters amending the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile products

Letter Number Two

Sir,

I have the honour to acknowledge receipt of your letter of 27 February 1992, which reads as follows:

"1. I have the honour to refer to the consultations held on 26 and 27 February 1992 between our respective delegations for the purpose of amending the Agreement on trade in textile products between the European Economic Community and the Federative Republic of Brazil initialled on 12 September 1986 and applied since 1 January 1987, as extended by the Exchange of Letters initialled on 20 December 1991.

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I have the honour to confirm that my Government is in agreement with the contents of your letter.

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EXCHANGE OF NOTES

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 with the European Communities and has the honour to refer to the Agreement in textile products negotiated between the Federative Republic of Brazil and the Community, initialled on 12 September 1986 and applied since 1 January 1987, as extended by the exchange of letters initialled on 27 February 1991.

The Directorate General wishes to inform the Mission that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the extended Agreement, the Community is prepared to allow the provisions of the Agreement to apply de facto from 1 January 1992. This is on the understanding that either party may at any time terminate this de facto application of the extended Agreement provided that 60 days' notice is given.

The Directorate General for External Relations would be grateful if the Mission would confirm its agreement to the foregoing.

The Directorate General for External Relations 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.
EXCHANGE OF NOTES

The Mission of the Federative Republic of Brazil to the European Communities presents its compliments to the Directorate General for External Relations of the Commission of the European Communities and has the honour to refer to the Directorate General's Note of... regarding the Agreement in textile products negotiated between the Federative Republic of Brazil and the Community, initialled on 12 September 1986 and applied since 1 January 1987, as extended by the exchange of letters initialled on 27 February 1992.

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in the form of Exchange of Letters amending the

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(the full product descriptions of the categories listed in this annex are to be found in annex I of the Agreement)

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<td>39</td>
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REGIONAL LIMITS

| 4        | 1000 pieces | F | 116 |
| 13       | 1000 pièces | ES | 95  |

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