ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between the EEC and Sri Lanka

Note by the Chairman

Attached is a notification received from the EEC concerning a new bilateral agreement with Sri Lanka, negotiated under Article 4 of the Arrangement and in de facto application with effect from 1 January 1983.

1 The previous agreement and subsequent modifications are contained in COM.TEX/SB/378 and Add.1, 660, 720, 758 and 769.

* English only/Anglais seulement.
Pursuant to Article 4.4 of the Arrangement as extended by the 1981 Protocol, I am notifying a new Agreement negotiated with Sri Lanka.

The Agreement came into de facto application 1 January 1983 with a duration of four years and resembles closely the agreement which it succeeds. Like its predecessor, the Agreement covers 114 product categories although some of these have been merged and categories have been regrouped. Unrestrained categories are subject to a consultation procedure under which the Community may, but need not, request consultations with a view to establishing a limit when certain trade levels have been exceeded. Re-exports are excluded, as are handloom and cottage industry products, provided that such products meet the certification procedure and other conditions set out in Protocol B. There are provisions for breaking down Community-wide limits into Member States shares, with the possibility for reallocation of portions of such shares between Member States, for the exchange of statistics, the management of problems which could arise in case of divergent opinions on classification and for the spacing out of exports. The administration of the Agreement is governed by Protocol A which is also closely modelled on its predecessor in the earlier Agreement.

Three new provisions have been established pursuant to particular paragraphs in the 1981 Protocol of Extension. An anti-Surge provision, based on Paragraph 10, is applicable to Group I products only. Under the terms of that provision the Community may, in certain clearly defined circumstances, request consultations with a view to suspending flexibility or modifying a given quantitative limit in cases where larger under-utilised quotas...
have become the subject of a significant increase in imports. Any measures taken under this provision would provide for equitable and quantifiable compensation.

An anti-circumvention clause is established in pursuance of Paragraph 14. This provision provides for the adjustment of quotas in cases where clear evidence of circumvention of the Agreement has been provided in consultation with Sri Lanka by quantities equivalent to the circumvented amounts.

In accordance with the special and differential treatment to be given to Outward Processed Goods (Paragraph 13), the Agreement provides that re-imports of products after processing in Sri Lanka may be agreed outside the quantitative limits established under the Agreement under certain conditions. Three such additional OPT quotas have already been agreed, as specified in the Agreed Minute on OPT which is attached to the Agreement.

In the present Agreement, 4 Community-wide and 2 regional restraint limits have been agreed between the parties. These limits are based on the restraint levels obtaining in the last year of the previous agreement plus growth. Growth rates between 1983 and 1986 vary between 1.5% and 4%, and reflect the acute and exceptional difficulties in the Community's market for the products concerned.

The exceptionally difficult market conditions for textile and clothing products in the Community have also been taken into account in establishing the flexibility provisions in the Agreement. Thus, carry-over/carry-forward and inter-category transfers are available at 5% each, save that transfer is not available into Group I from Groups II and III and between Group I textile categories on the one hand and Group I clothing categories on the other hand. There is no transfer into Category 1.
The Community has drawn attention on previous occasions to the sluggish level of demand for textiles and clothing in the Community. Latest figures indicate a further worsening of the situation. During 1980 demand for textiles grew at 1.6%, and for clothing 1.4%, in 1981 textile demand rose by only 0.5% and there was an actual decline of 0.5% in demand for clothing.

Community production has inevitably suffered. Since 1979, as shown in COM/TEX/W/134, textile production has fallen by 8%, and clothing production by no less than 12%. In 1981 alone the decrease was 5.5% in textiles and 7.5% in clothing. By mid-1982 a further decline of 5% in both textiles and clothing had taken place.

The situation in employment reflects these trends. In addition to the loss of a quarter of all jobs in both textiles and clothing between 1973 and 1979, COM/TEX/W.134 shows that there has been a further decline of 13% in both industries between 1979 and 1981. Up to mid-1982 a further loss in both industries of 4% had taken place.

Copies of the Agreement together with related documents are attached.

Yours sincerely,

J. KECK
**AGREEMENT FACT SHEET**

Country: Sri Lanka

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AGREEMENT
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND
THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
ON TRADE IN TEXTILE PRODUCTS

initialled on 19/5/82
THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA,

of the other part,

DESIRING to promote, with a view to permanent co-operation and in conditions providing every security for trade, the orderly and equitable development of trade in textile products between the European Economic Community (hereinafter referred to as "the Community") and Sri Lanka.

RESOLVED to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both importing and exporting countries, and in particular, to eliminate real risks of market disruption on the market of the Community and real risks of disruption to the textile trade of Sri Lanka.

HAVING REGARD to the Arrangement regarding International Trade in Textiles (hereinafter referred to as "the Geneva Arrangement"), and in particular Article 4 thereof; and to the conditions set out in the Protocol extending the Arrangement together with the Conclusions adopted on 22 December 1981 by the Textiles Committee.

HAVE DECIDED to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA:

WHO HAVE AGREED AS FOLLOWS:
SECTION I : TRADE ARRANGEMENTS

ARTICLE 1

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 textile products shall be governed by the provisions of the Geneva Arrangement.

2. In respect of the products covered by this Agreement, the Community undertakes not to introduce quantitative restrictions under Article XIX of the General Agreement on Tariffs and Trade or Article 3 of the Geneva Arrangement.

3. Measures having equivalent effect to quantitative restrictions on the importation into the Community of the products covered by this Agreement shall be prohibited.
ARTICLE 2

1. This Agreement shall apply to trade in textile products of cotton, wool and man-made fibres originating in Sri Lanka which are listed in Annex I.

2. The classification of the products covered by this Agreement is based on the nomenclature of the Common Customs Tariff and on the Nomenclature of Goods for the External Trade Statistics of the Community and the Statistics of Trade between Member States (NIMEXE).

3. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community.

The procedures for control of the origin of the products referred to above are laid down in Protocol A.
ARTICLE 3

Sri Lanka agrees for each Agreement year to restrain its exports to the Community of the products described in Annex II to the limits set out therein.

Exports of textile products set out in Annex II shall be subject to a double-checking system specified in Protocol A.
ARTICLE 4

Sri Lanka and the Community recognize the special and differential character of re-imports of textile products into the Community after processing in Sri Lanka.

Such re-imports may be agreed outside the quantitative limits established under this Agreement provided that they are effected in accordance with the regulations on economic outward processing in force in the Community.
ARTICLE 5

1. Exports of cottage industry fabrics woven on hand- or foot-operated looms, garments or other articles obtained manually from such fabrics and traditional folklore handicraft products shall not be subject to quantitative limits, provided that these products meet the conditions laid down in Protocol B.
ARTICLE 6

1. Imports into the Community of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex II, provided that they are declared to be for re-export outside the Community in the same state or after processing, under the administrative system of control set up for this purpose within the Community.

However, the release for home use of products imported under the conditions referred to above shall be subject to the production of an export licence issued by the Sri Lanka authorities, and to proof of origin in accordance with the provisions of Protocol A.

2. Where the Community authorities have evidence that imports of textile products have been set off against a quantitative limit established under this Agreement, but that the products have subsequently been re-exported outside the Community, the authorities concerned shall inform the Sri Lanka authorities within four weeks of the quantities involved and authorize imports of identical quantities of the same products, which shall not be set off against the quantitative limit established under this Agreement for the current or the following year.
ARTICLE 7

1. In any Agreement year advance use of a portion of the quantitative limit established for the following Agreement year is authorized for each category of products up to 5% of the quantitative limit for the current Agreement year.

Amounts delivered in advance shall be deducted from the corresponding quantitative limits established for the following Agreement year.

2. Carryover to the corresponding quantitative limit for the following Agreement year of amounts not used during any Agreement year is authorized for each category of products up to 5% of the quantitative limit for the current Agreement year.

3. Transfers in respect of categories in Group I shall not be made from any category except as follows:

- transfers between Categories 2 and 3 and from Category 1 to Categories 2 and 3 may be made up to 5% of the quantitative limits for the category to which the transfer is made.

- transfers between Categories 4, 5, 6, 7 and 8 may be made up to 5% of the quantitative limit for the category to which the transfer is made.

Transfers into any category in Groups II and III may be made from any category or categories in Groups I, II and III up to 5% of the quantitative limit for the category to which the transfer is made.

4. The table of equivalence applicable to the transfers referred to above is given in Annex I to this Agreement.

5. The increase in any category of products resulting from the cumulative application of the provisions in paragraphs 1, 2 and 3 above during an Agreement year shall not exceed 15%.

6. Prior notification shall be given by the authorities of Sri Lanka in the event of recourse to the provisions of paragraphs 1, 2 and 3 above.
ARTICLE 8

1. Exports of textile products not listed in Annex II to this Agreement may be made subject to quantitative limits by Sri Lanka on the conditions laid down in the following paragraphs.

2. Where the Community finds, under the system of administrative control set up, that the level of imports of products in a given category not listed in Annex II originating in Sri Lanka exceeds, in relation to the preceding year's total imports into the Community from all sources of products in that category, the following rates:

   - for categories of products in Group I 0.5%
   - for categories of products in Group II 2.5%
   - for categories of products in Group III 5.0%

It may request the opening of consultations in accordance with the procedure described in Article 17 of this Agreement, with a view to reaching agreement on an appropriate restraint level for the products in such category.

The Community shall authorise the importation of products of the said category shipped from Sri Lanka before the date on which the request for consultations was submitted.

3. Pending a mutually satisfactory solution, Sri Lanka undertakes to limit exports of the products in the category concerned to the Community or to the region or regions of the Community market specified by the Community for a provisional period of 3 months from the date on which the request for consultations is made. Such provisional limit shall be established at 25% of the level of imports reached during the calendar year preceding that in which imports exceeded the level resulting from the application of the formula set out in paragraph 2, and gave rise to the request for consultation or 25% of the level resulting from the application of the formula set out in paragraph 2, whichever is the higher.

4. Should the Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 17 of the Agreement, the Community shall have the right to introduce a definitive quantitative limit at an annual level not lower than the level resulting from the application of the formula set out in paragraph 2, or 106% of the level of imports reached during the calendar year preceding that in which imports exceeded the level resulting from the application of the formula set out in paragraph 2 and gave rise to the request for consultations, whichever is the higher.
The annual level so fixed shall be revised upwards after consultations in accordance with the procedure referred to in Article 17, with a view to fulfilling the conditions set out in paragraph 2, should the trend of total imports into the Community of the product in question make this necessary.

5. The limits introduced under paragraph 2 or paragraph 4 may in no case be lower than the level of imports of products in that category originating in Sri Lanka in 1980.

6. Quantitative limits may also be established by the Community on a regional basis in accordance with the provisions of Protocol C.

7. The annual growth rate for the quantitative limits introduced under this Article shall be determined in accordance with the provisions of Protocol D.

8. The provisions of this Article shall not apply where the percentage specified in paragraph 2 have been reached as a result of fall in total imports into the Community, and not as a result of an increase in exports of products originating in Sri Lanka.

9. In the event of the provisions of paragraph 2, 3 or 4 being applied, Sri Lanka undertakes to issue export licences for products covered by contracts concluded before the introduction of the quantitative limit, up to the volume of the quantitative limit fixed.

10. Up to the date of communication of the statistics referred to in Article 10 paragraph 6, the provisions of paragraph 2 of this Article shall apply on the basis of the annual statistics previously communicated by the Community.

11. The provisions of this Agreement which concern exports of products subject to the quantitative limits established in Annex II shall also apply to products for which quantitative limits are introduced under this Article.
1. Where the Community ascertains that the level of imports in a given category of Group I subject to quantitative limits set out in Annex II exceeds in any Agreement year the level of imports in the preceding year by 10% of the level of the quantitative limit set out in Annex II for the current Agreement year, it may request the opening of consultations in accordance with the provisions described in Article 17 of this Agreement with a view to reaching agreement on:

- the suspension, wholly or in part, of the provisions of Article 7, or
- a modification of the quantitative limit set out in Annex II by the establishment of an ad hoc limit below the existing quantitative limit as well as the corresponding equitable and quantifiable compensation.

2. The Community shall authorize the importation of products of the said category shipped from Sri Lanka before the date on which the request for consultations was submitted.

Pending a mutually satisfactory solution, Sri Lanka undertakes for a period of 1 month from the date of notification of the request for consultation to restrain exports of the products in the category concerned to the Community or to the region or regions of the Community market specified in the Community to a level of exports reached during the preceding calendar year.

3. A quantitative limit modified as a result of the application of paragraph 1 in any year preceding the final Agreement year shall be subject to a growth rate so as to ensure that the level of the quantitative limit set out in Annex II for the final Agreement year is regained in that year.

4. Should the Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 17 of the Agreement, Sri Lanka undertakes, if so requested by the Community:

- to suspend wholly or in part, the provisions of Article 7 in respect of the Community or any of its regions for the category concerned, o
to modify the quantitative limit set out in Annex II for the category concerned so as to restrain exports to the Community or any of its regions to 125% of imports attained during the preceding calendar year, or to the level of exports up to the date of the request for consultations plus the level of exports provided for during the consultation period under paragraph 2, whichever is the higher.*

In the event that the provisions of this paragraph are applied the Community undertakes to maintain an offer of equitable and quantifiable compensation.

The application of the measures provided for in this paragraph is limited to the year in which the measures are taken.

5. The provisions of paragraph 1 shall not apply to a given category unless the quantitative limits established in Annex II for the Community for that category represent at least 1% of total Community imports during 1980.

6. The provisions of paragraph 1 shall not apply to a given category unless the level of imports originating in Sri Lanka during the current Agreement year represent at least 50% of the quantitative limit set out in Annex II for that category in the Community as a whole or in any region or regions of the Community concerned.

7. Any limit modified in accordance with the provisions of paragraphs 1 or 4 may in no case be lower than the level of imports of products in that category originating in Sri Lanka in 1980.

8. The provisions of the article also apply where the level referred to in paragraph 1 is exceeded in any of the Community's regions. In such a case the compensation referred to in paragraphs 1 and 4 will concern the region or regions of the Community indicated in the Community's request for consultations.

9. With a view to limiting recourse to paragraph 1 of this Article, Sri Lanka undertakes to inform the Community of any sharp and substantial increases in the issue of export licences for any category which is likely to lead to the fulfilment of the conditions required for the application of the present article.
ARTICLE 10

1. Sri Lanka undertakes to supply the Community with precise statistical information on all export licences issued by the Sri Lanka authorities for all categories of textile products subject to the quantitative limits established under this Agreement as well as on all certificates issued by the Sri Lanka authorities for all products referred to in Article 5 and subject to the provisions of Protocol B.

The Community shall likewise transmit to the Sri Lanka authorities precise statistical information on import authorizations or documents issued by the Community authorities in respect of export licences and certificates issued by Sri Lanka.

2. The information referred to in paragraph 1 shall, for all categories of products, be transmitted before the end of the second month following the quarter to which the statistics relate.

3. Sri Lanka also undertakes to supply the Community with available statistical information on all textile exports by country of destination.

The Community shall transmit to the Sri Lanka authorities import statistics for all products covered by the system of administrative control referred to in Article 8, Paragraph 2 and for products covered by Article 6 Paragraph 1.

4. The information referred to in paragraph 3 shall, for all categories of products, be transmitted before the end of the third month following the quarter to which the statistics relate.

5. Should it be found on analysis of the information exchanged that there are significant discrepancies between the returns for exports and those for imports, consultations may be initiated in accordance with the procedure specified in Article 17 of this Agreement.

6. For the purpose of applying the provisions of Article 8, and Article 9, the Community undertakes to provide the Sri Lanka authorities before 15 April of each year with the preceding year's statistics on imports of all textile products covered by this Agreement, broken down by supplying country and Community Member State.
ARTICLE 11

1. In case of divergent opinions between Sri Lanka and the competent Community authorities at the point of entry into the Community on the classification of products covered by the present Agreement, classification shall provisionally be based on indications provided by the Community, pending consultations in accordance with Article 17 with a view to reaching agreement on definitive classification of the product concerned.

2. The authorities of Sri Lanka shall be informed of any amendment to the Common Customs Tariff or Nimexé or any decision, made in accordance with the procedures in force in the Community, relating to the classification of products covered by this Agreement.

Any amendment to the Common Customs Tariff or Nimexé or any decision which results in a modification of the classification or products covered by this Agreement shall not have the effect of reducing any quantitative limit established in Annex II.

The procedures for the application of this Paragraph are set out in Protocol A.
ARTICLE 12

1. Sri Lanka and the Community agree to cooperate fully in preventing the circumvention of the present Agreement by transshipment, rerouting or whatever other means.

2. Where information available to the Community as a result of the investigations carried out in accordance with the procedures set out in Protocol A constitutes evidence that products of Sri Lanka origin subject to quantitative limits established under this Agreement have been transshipped, rerouted or otherwise imported into the Community in circumvention of this Agreement, the Community may request the opening of consultations in accordance with the procedures described in Article 17 of this Agreement, with a view to reaching agreement on an equivalent adjustment of the corresponding quantitative limits established under the Agreement.

3. Pending the result of the consultations referred to in paragraph 2, Sri Lanka shall as a precautionary measure, if so requested by the Community, make the necessary arrangements to ensure that adjustments of quantitative limits liable to be agreed following the consultations referred to in paragraph 2, may be carried out for the quota year in which the request to open consultations in accordance with paragraph 2 was made, or for the following year if the quota for the current year is exhausted, where clear evidence of circumvention is provided.

4. Should the parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 17 of the Agreement, the Community shall have the right, where clear evidence of circumvention has been provided, to deduct from the quantitative limits established under this Agreement amounts equivalent to the products of Sri Lanka origin.
ARTICLE 13

1. Sri Lanka shall endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible over an agreement year, due account being taken, in particular, of seasonal factors.

2. Should there be an excessive concentration of imports on any product within a category subject to quantitative limits under this Agreement, the Community may request consultations in accordance with the procedure specified in Article 17 of this Agreement with a view to remediying this situation.
Should recourse be had to the denunciation provisions of Article 19 paragraph 4, the quantitative limits established in Annex II shall be adapted on a pro rata basis.
ARTICLE 15

1. For the purpose of the administration of this Agreement, the limits referred to in Article 3 are broken down by the Community into shares for each of its Member States.

2. Portions of the quantitative limits established in Annex II not used in one Member State of the Community may be reallocated to another Member State in accordance with the procedures in force in the Community.

The Community undertakes to examine with care and reply within four weeks to any request made for reallocation by Sri Lanka. In the event of agreement on such reallocation, the flexibility provisions set out in Article 7 shall continue to be applicable to the levels of the original allocation.

If, in the course of the application of the Agreement Sri Lanka finds that the break-down of a limit established in Annex II causes particular difficulties, it may request the opening of consultations in accordance with the provisions of Article 17 with a view to reaching a mutually satisfactory solution.

3. Should it appear in any given region of the Community that additional supplies are required, the Community may, where measures taken pursuant to paragraph 1 above are inadequate to cover those requirements, authorize the importation of amounts greater than those stipulated in Annex II.
ARTICLE 16

1. Sri Lanka and the Community undertake to refrain from discrimination in the allocation of export licences and import authorizations of documents referred to in Protocols A and B.

2. In implementing this Agreement, the Contracting Parties shall take care to maintain the traditional commercial practices and trade flows between the Community and Sri Lanka.

3. Should either Party find that the application of this Agreement is disturbing existing commercial relations between importers in the Community and suppliers in Sri Lanka, consultations shall be started promptly in accordance with the procedure specified in Article 17 of this Agreement with a view to remedying this situation.
ARTICLE 17

1. The special consultation procedures referred to in this Agreement other than those referred to in paragraph 2 of this Article, shall be governed by the following rules:

- any request for consultations shall be notified in writing to the other Party;
- the request for consultations shall be followed within a reasonable period (and in any case not later than fifteen days following the notification) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within one month at the latest of notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest.

2. The special consultation procedures referred to in Article 9 of the Agreement shall be governed by the following rules:

- any request for consultations shall be notified in writing to the other Party, together with a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within 15 days at the latest of notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within a further 15 days at the latest.

3. If necessary, at the request of either of the Parties and in conformity with the provisions of the Geneva Arrangement, consultations shall be held on any problems arising from the application of this Agreement. Any consultations held under this Article shall be approached by both Parties in a spirit of cooperation and with a desire to reconcile the difference between them.
ARTICLE 18

This Agreement shall apply to the territories within which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty on the one hand, and to the territory of Sri Lanka on the other hand.
ARTICLE 19

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties notify each other of the completion of the procedures necessary for this purpose. It shall be applicable until 31 December 1986.

2. This Agreement shall apply with effect from 1 January 1983.

3. Either Party may at any time propose modifications to the Agreement.

4. Either Party may at any time denounce this Agreement provided that at least sixty days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

5. The Annexes and Protocols to this Agreement, the joint declaration and the Memorandum of Understanding shall form an integral part thereof.
ARTICLE 20

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

For practical reasons the product descriptions used in Annex I are given in the present Annex in abbreviated form.

### Community limits

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<td>208</td>
</tr>
<tr>
<td>(F)</td>
<td></td>
<td></td>
<td>1984</td>
<td>216</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1985</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1986</td>
<td>234</td>
</tr>
</tbody>
</table>
PROTOCOL A

TITLE I

CLASSIFICATION

Article 1

1. The competent authorities of the Community undertake to inform Sri Lanka of any changes in the Common Customs Tariff or NIMEXE before the date of their entry into effect in the Community.

2. The competent authorities of the Community undertake to inform Sri Lanka of any decisions relating to the classification of products subject to the present Agreement within one month of their adoption at the latest. Such communication shall include:
   a) a description of the products concerned
   b) the relevant category, tariff position or sub-position and the Nimex code
   c) the reasons which have led to the decision.

3. Where a decision on classification results in a change of classification practice or a change of category of any product subject to the present Agreement, the competent authorities of the Community shall provide 15 days' notice, from the date of the Community's communication, before the decision enters into effect. Products shipped before the date of entry into effect of the decision shall remain subject to the earlier classification practice, provided that the goods in question are presented for importation into the Community within 60 days of that date.
TITLE II
ORIGIN

Article 2

1. Products originating in Sri Lanka for export to the Community in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Sri Lanka origin conforming to the model annexed to this Protocol.

2. The certificate of origin shall be issued by the competent governmental authorities of Sri Lanka if the products in question can be considered products originating in that country within the meaning of the relevant rules in force in the Community.

3. However, the products in Group III may be imported into the Community in accordance with the arrangements established by this Agreement on production of a declaration by the exporter on the invoice or other commercial document relating to the products to the effect that the products in question originate in Sri Lanka within the meaning of the relevant rules in force in the Community.

4. The certificate of origin referred to in paragraph 1 shall not be required for import of goods covered by a certificate of origin Form A or Form APR completed in accordance with the relevant Community rules in order to qualify for generalized tariff preferences.

Article 3

The certificate of origin shall be issued only on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative. The competent governmental authorities of Sri Lanka shall ensure that the certificate of origin is properly completed and for this purpose they shall call for any necessary documentary evidence or carry out any check which they consider appropriate.
Article 4

Where different criteria for determining origin are laid down for products falling within the same Category, certificates or declarations of origin shall contain a sufficiently detailed description of the goods to enable the criterion to be determined on the basis of which the certificate was issued or the declaration drawn up.

Article 5

The discovery of slight discrepancies between the statements made in the certificate of origin and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the product shall not ipso facto cast doubt upon the statements in the certificate.
TITLE III

DOUBLE CHECKING SYSTEM
FOR CATEGORIES OF PRODUCTS
WITH QUANTITATIVE LIMITS

Section I

Exportation

Article 6

The competent authorities of Sri Lanka shall issue an export licence in respect of all consignments from Sri Lanka of textile products referred to in Annex II, up to the relevant quantitative limits as may be modified by Articles 7, 14 and 15 of the Agreement and of textile products subject to any definitive or provisional quantitative limits established as a result of the application of Articles 8 and 9 of the Agreement.

Article 7

1. The export licence shall conform to the model annexed to this Protocol. It must certify inter alia that the quantity of the product in question has been set off against the quantitative limit prescribed for the category of the product in question.

2. Each export licence shall only cover one of the categories of products listed in Annex II of this Agreement. It may be used for one or more consignments of the products in question.

Article 8

The competent Community authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued.
Article 9
1. Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected, even if the export certificate is issued after such shipment.

2. For the purposes of applying paragraph 1, shipment of the goods is considered to have taken place on the date of their loading.

Article 10
The presentation of an export licence, in application of Article 12 below, shall be effected not later than 31 March of the year following that in which the goods covered by the licence have been shipped.

Section II
Importation

Article 11
Importation into the Community of textile products subject to quantitative limits shall be subject to the presentation of an import authorization or document.

Article 12
1. The competent Community authorities shall issue such import authorization or document automatically within five working days of the presentation by the importer of the original of the corresponding export licence.

The import authorization or document shall be valid for six months.
2. The competent Community authorities shall cancel the already issued import authorization or document if the corresponding export licence has been withdrawn.

However, if the competent Community authorities have not been notified about the withdrawal or cancellation of the export licence until after the products have been imported into the Community, the quantities involved shall be set off against the quantitative limit for the category and the quota year in question.

Article 13

1. If the competent Community authorities find that the total quantities covered by export certificates issued by Sri Lanka for a particular category in any Agreement year exceed the quantitative limit established in Annex II for that category, as may be modified by Article 7, 14 and 15 of the Agreement, or any definitive or provisional limit established under Article 8 or 9 of the Agreement, the said authorities may suspend the further issue of import authorisations or documents. In this event, the competent Community authorities shall immediately inform the authorities of Sri Lanka and the special consultation procedure set out in Article 17 of the Agreement shall be initiated forthwith.

2. Exports of Sri Lanka origin not covered by Sri Lanka export licences issued in accordance with the provisions of this Protocol may be refused the issue of import authorizations or documents by the competent Community authorities.

However, if the import of such products are allowed into the Community by the competent Community authorities, the quantities involved shall not be set off against the appropriate quantitative limits set out in Annex II or established as a result of the application of Articles 8 or 9 of the Agreement, without the express Agreement of Sri Lanka.
TITLE IV

FORM AND PRODUCTION OF EXPORT CERTIFICATES AND CERTIFICATES OF ORIGIN, AND COMMON PROVISIONS

Article 14

1. The export licence and the certificate of origin may comprise additional copies duly indicated as such. They shall be made out in English or French. If they are completed by hand, entries must be in ink and in printscript.

These documents shall measure 210 x 297 mm. The paper used must be white writing paper, sized, not containing mechanical pulp and weighing not less than 25 g/m². Each part shall have a printed guilloche-pattern background making any falsification by mechanical or chemical means apparent to the eye.

If the documents have several copies only the top copy which is the original shall be printed with the guilloche pattern background. This copy shall be clearly marked as "original" and the other copies as "copies". Only the original shall be accepted by the competent authorities in the Community as being valid for the purposes of export to the Community in accordance with the arrangements established by this Agreement.

2. Each document shall bear a standardized serial number, whether or not printed, by which it can be identified.

This number shall be composed of the following elements:

- a number indicating the quota year;

- numbers running from 00001 to 99999 allocated to the country of destination

- the numbering system shall also indicate the country of destination (in box 7 of the export licence), country of exportation and issuing office.
Article 15

The export licence and certificate of origin may be issued after the shipment of the products to which they relate. In such cases they shall bear either the endorsement "délivrée a posteriori" or the endorsement "issued retrospectively".

Article 1

1. In the event of theft, loss or destruction of an export licence or a certificate of origin, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement "duplicata".

2. The duplicate must bear the date of the original export licence or certificate of origin.
TITLE V

ADMINISTRATIVE COOPERATION

Article 17

The Community and Sri Lanka shall cooperate closely to implement the provisions of this Agreement. To this end, contacts and exchanges of views (including on technical matters) shall be facilitated by both parties.

Article 18

In order to ensure the proper application of this Agreement, the Community and Sri Lanka shall assist each other in checking the authenticity and accuracy of export licences and certificates of origin issued or declaration made under this Protocol.

Article 19

Sri Lanka shall send the Commission of the European Communities the names and addresses of the governmental authorities competent for the issue and verification of export licences and certificates of origin together with specimens of the stamps used by these authorities. Sri Lanka shall also notify the Commission of any change in this information.

Article 20

1. Subsequent verification of certificates of origin or export licences shall be carried out at random, or whenever the competent Community authorities have reasonable doubt as to the authenticity of the certificate or licence or as to the accuracy of the information regarding the products in question.

2. In such cases the competent authorities in the Community shall return the certificate of origin or export licence or a copy thereof to the competent governmental authority in Sri Lanka giving, where appropriate, the reasons of form or substance for an enquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the certificate or licence or its copy.
authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate or licence are inaccurate.

3. The provisions of paragraph 1 above shall be applicable to subsequent verifications of the declarations of origin referred to in Article 2 of this Protocol.

4. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 above shall be communicated to the competent authorities of the Community within three months at the latest. The information communicated shall indicate whether the disputed certificate or licence or declaration applies to the goods actually exported and whether these goods are eligible for export in accordance with the arrangements established by this Agreement. The information shall also include, at the request of the Community, copies of all documentation necessary to determine the facts fully and in particular the true origin of the goods.

Should such verifications reveal systematic irregularities in the use of declarations of origin, the Community may subject imports of the products in question to the provisions of Article 2 paragraph 1 of this Protocol.

5. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept for a period of three years by the competent governmental authority in Sri Lanka.

6. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for home use of the products in question.

**Article 21**

1. Where the verification procedure referred to in Article 4 or where information available to the Community or to Sri Lanka indicates or appears to indicate that the provisions of this Agreement are being contravened, both parties shall cooperate closely and with the appropriate urgency to prevent such contravention.

2. To this end, Sri Lanka shall, on its own initiative or at the request of the Community, carry out appropriate enquiries or arrange for such enquiries to be carried out concerning operations which are or appear to the Community to be in contravention of this Agreement. Sri Lanka shall communicate the results of these enquiries to the Community together with any other pertinent information enabling the true origin of the goods to be determined.
3. By agreement between the Community and Sri Lanka officials designated by
the Community may be present at the enquiries referred to in paragraph 2.

4. In pursuance of the cooperation referred to in paragraph 1, Sri Lanka and
the Community shall exchange any information considered by either partner
to be of use in preventing the contravention of the provisions of this
Agreement. Such information may include information on trade in products
subject to this Agreement between Sri Lanka and other countries and infor-
mation on production of such products in Sri Lanka.

5. Where it is established that the provisions of this Agreement have been
contravened, Sri Lanka and the Community may agree to take such measures
as are necessary to prevent a recurrence of such contravention.
<table>
<thead>
<tr>
<th><strong>1</strong> Exporter (name, full address, country)</th>
<th><strong>2</strong> No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exportateur (nom, adresse complète, pays)</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>3</strong> Quota year</th>
<th><strong>4</strong> Category number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Année contingent</td>
<td>Numéro de catégorie</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>5</strong> Consignee (name, full address, country)</th>
<th><strong>6</strong> Country of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destinataire (nom, adresse complète, pays)</td>
<td>Pays d'origine</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>7</strong> Country of destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pays de destination</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>8</strong> Place and date of shipment - Means of transport</th>
<th><strong>9</strong> Supplementary details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lieu et date d'expédition - Moyen de transport</td>
<td>Données supplémentaires</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>10</strong> Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS</th>
<th><strong>11</strong> Quantity (*)</th>
<th><strong>12</strong> FOB Value (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marques et numéros - Nombre et nature des lots - DÉSIGNATION DES MARCHANDISES</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITÉ COMPÉTENTE**

I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 and respected for the category shown in box No 4 of the provisions regulating trade in textile products with the European Economic Community.

Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case 3 et respectées pour la catégorie désignée dans la case 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la Communauté économique européenne.

<table>
<thead>
<tr>
<th><strong>13</strong> Competent authority (name, full address, country)</th>
<th><strong>14</strong> At - À</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autorité compétente (nom, adresse complète, pays)</td>
<td></td>
</tr>
</tbody>
</table>

(Signature) (Stamp - Emb.)
### Certificate of Origin

**Textile Products**

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Quota Year</td>
</tr>
<tr>
<td>4</td>
<td>Category Number</td>
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<tr>
<td>5</td>
<td>Originator (Name, Full Address, Country)</td>
</tr>
<tr>
<td>6</td>
<td>Country of Origin</td>
</tr>
<tr>
<td>7</td>
<td>Country of Destination</td>
</tr>
<tr>
<td>8</td>
<td>Place and Date of Shipment — Means of Transport</td>
</tr>
<tr>
<td>9</td>
<td>Supplementary Details</td>
</tr>
<tr>
<td>10</td>
<td>Marks and Numbers — Number and Kind of Packages — Description of Goods</td>
</tr>
<tr>
<td>11</td>
<td>Quantity</td>
</tr>
<tr>
<td>12</td>
<td>FOB Value</td>
</tr>
</tbody>
</table>

#### Certification by the Competent Authority — Visa de l'Autorité Compétente

I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in the European Economic Community.

J'atteste que les marchandises désignées ci-dessus sont originales du pays figurant dans la case 6, conformément aux dispositions en vigueur dans la Communauté économique européenne.

#### Authority (Name, Full Address, Country)

Au nom de

[Signature]

[Stamp]
1. The exemption provided for in Article 3 of the Agreement in respect of cottage industry products shall apply only to the following products:

(a) fabrics woven on hand- or foot-operated looms, being fabrics of a kind traditionally made in the cottage industry of Sri Lanka;

(b) garments or other textile articles of a kind traditionally made in the cottage industry of Sri Lanka obtained manually from the fabrics referred to above and sewn exclusively by hand without the aid of any machine;

(c) traditional folklore textile products of Sri Lanka made by hand in the cottage industry of Sri Lanka as defined in a list to be agreed between both Parties and annexed to this Protocol.

Exemption shall be granted only for products accompanied by a certificate issued by the competent Sri Lanka authorities in accordance with the specimen annexed to this Protocol. Such certificates shall state the ground on which exemption is based and shall be accepted by the competent Community authorities provided that they are satisfied that the products concerned conform to the conditions set out in this Protocol. Certificates covering the products referred to in para (c) above shall bear a conspicuous stamp: "FOLKLORE". In case of divergent opinion between Sri Lanka and the competent Community authorities at the point of entry into the Community as to the nature of such products, consultations shall be held within one month with a view to resolving such divergences. Should imports of any of the above products reach such proportions as to cause difficulties to the Community, the two Parties shall open consultations forthwith in accordance with the procedure laid down in Article 17 of the Agreement with a view to finding a quantitative solution to the problem.

2. The provisions of Title IV and V of Protocol A shall apply "mutatis mutandis: to the products referred to in paragraph 1.
| No 1 Exports (name, full address, country) Exportateur (nom, adresse complète, pays) |
|---|---|

| No 3 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays) |
|---|---|

<table>
<thead>
<tr>
<th>Original</th>
<th>No 4 Country of origin Pays d'origine</th>
<th>No 5 Country of destination Pays de destination</th>
</tr>
</thead>
</table>

| No 6 Place and date of shipment — Means of transport Lieu et date d'embarquement — Moyen de transport |
|---|---|

<table>
<thead>
<tr>
<th>No 7 Supplementary details — Données supplémentaires</th>
</tr>
</thead>
</table>

| No 8 Marks and numbers — Number and kind of packages — Description of goods Marques et numéros — Nombre et nature des colis — Déclaration des marchandises |
|---|---|---|

<table>
<thead>
<tr>
<th>No 9 Quantity Quantité</th>
<th>No 10 FOB Value ((\text{C})) Valeur (\text{FOB}) ((\text{C}))</th>
</tr>
</thead>
</table>

11 CERTIFICATION BY THE COMPETENT AUTHORITY — VISA DE L'AUTORITE COMPETENTE

I, the undersigned, certify that the consignment described above includes only the following textile products of the cottage industry of the country shown in box No 4:

a) Fabrics woven on looms operated solely by hand or foot (handicrafts) (*)
b) Garments or other textile articles obtained manually from the fabrics described under a) and sewn solely by hand without the aid of any machine (handicrafts) (*)
c) Traditional folklore handicraft textile products made by hand, as defined in the list agreed between the European Economic Community and the country shown in box No 4
d) Traditional handicraft bank fabrics and textile articles made by hand from such bank fabrics without the aid of any machine (*)

Je sousigné certifie que l'envoi décrit ci-dessus contient exclusivement les produits textiles suivants relevant de la fabrication artisanale du pays figurant dans la case 4:

a) Tissus tissés sur des mètres actionnés à la main ou au pied (handicrafts) (*)
b) Vêtements ou autres articles textiles obtenus manuellement à partir de tissus décrits sous a) et cousus uniquement à la main sans l'aide d'une machine (handicrafts) (*)
c) Produits textiles relevant du folklore traditionnel fabriqués à la main, comme définis dans la liste convenus entre la Communauté économique européenne et le pays indiqué dans la case 4
d) Tissus artisanaux traditionnels "batik" et articles textiles fabriqués à la main, sans l'aide d'une machine, à partir de tels tissus "batik" (*)

12 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)
PROTOCOL C

Under Article 8 (6) of the Agreement, a quantitative limit may be fixed on a regional basis where imports of a given product into any region of the Community in relation to the amounts determined in accordance with paragraph 2 of the said Article 8 exceed the following regional percentage:

- Germany: 28.5%
- Benelux: 10.5%
- France: 18.5%
- Italy: 15%
- Denmark: 3%
- Ireland: 1%
- UK: 23.5%
- GREECE: 2%
PROTOCOL D

The annual growth rate for the quantitative limits introduced under Article 8 of the Agreement shall be determined as follows:

for products in categories falling within Group I, II, III, the growth rate shall be fixed by agreement between the Parties in accordance with the consultation procedure established in Article 17 of the Agreement. Such growth rate may in no case be lower than the highest rate applied to corresponding products under bilateral agreements concluded under the Geneva Arrangement between the Community and other third countries having a level of trade equal to or comparable with that of Sri Lanka.
Declaration concerning Article 2 (3) of the Agreement

The Community declares that, in accordance with the Community rules on origin referred to in Article 2 (3) of the Agreement, any amendments to the said rules will remain based upon criteria not requiring, in order to confer originating status, more extensive operations than those which constitute a single complete process.

Done at Brussels,

For the European Economic Community

Joint Declaration concerning batik fabrics and products thereof

A. The Community and Sri Lanka agree that batik fabric may not be described as having been produced by the traditional handicraft batik process unless, for each of the colours or shades applied to the fabric, each of the following three operations has been carried out by hand:
   (a) waxing (application of wax by hand to the fabric);
   (b) dyeing/painting (application of colour either by the traditional cottage method of dyeing or by hand-painting);
   (c) de-waxing (boiling the fabric to remove the wax).

B. The Parties hereby further agree to the following arrangements:

1. The competent Community authorities will accept as traditional folklore handicraft textile products within the meaning of Article 1 (c) of Protocol B all batik fabrics, irrespective of the method of manufacture of the basic fabric, and all products made or made up therefrom, whether sewn by hand or on a hand- or foot-operated sewing machine, provided that the process of applying colours and shades to the fabric has been the traditional handicraft batik process described at A above, and subject to appropriate certification by the competent Sri Lanka authorities.

2. The competent Sri Lanka authorities will issue certificates conforming to the model annexed to Protocol B for batik fabrics or products thereof only when such fabrics or products have been produced by the processes, including in particular the traditional handicraft batik process, specified in the preceding paragraph.

Done at Brussels,

For the European Economic Community

For the Government of the Democratic Socialist Republic of Sri Lanka
Memorandum of understanding

In implementation of the licensing arrangements set out in Protocol A, the Community and Sri Lanka agree that, as regards exports from Sri Lanka to the Federal Republic of Germany, the system outlined in the Annex appended hereto shall apply as from the date of coming into operation of the Agreement. The Community will consider the question of extension of this system to exports from Sri Lanka to other regions of the Community and will notify Sri Lanka in the event that such extension can be agreed.


Head of the Delegation of the Democratic Socialist Republic of Sri Lanka

Head of the Delegation of the European Economic Community

ANNEX

to the memorandum of understanding concerning advance notices of issue of export licences

The competent authorities of Sri Lanka may at their discretion issue, in respect of products subject to quantitative limitation which are intended to be exported, an advance notice of issue of export licence conforming to the model attached to this Annex. In issuing each such advance notice, the said authorities undertake:

— to issue, before exportation of the products specified in the advance notice, an export licence conforming to the model annexed to Protocol A, and definitively to set off the quantity actually exported against the relevant quantitative limit for the year in which the exportation takes place,

— to ensure that the quantity actually exported shall not be greater than that specified in the advance notice,

— in the event that exportation is not effected within the year specified in the advance notice, to notify the competent Community authorities accordingly.

The competent Community authorities shall, upon presentation of an advance notice of issue of export licence, issue an import authorization or document in accordance with the provisions of Protocol A, and shall set off the limit in their records.

In the event that the quantity actually exported, and therefore specified in an export licence, is less than stated in the relevant advance notice or that the competent Community authorities receive notification that exportation of the goods specified in an advance notice will not be or has not been effected within the year specified therein, the said authorities shall duly adjust their records.
1 Exporter (name, full address, country)
Éxportateur (nom, adresse complète, pays)
2 No
3 Quota year
Année contingente
4 Category number
Numéro de catégorie
5 Consignee (name, full address, country)
Destinataire (nom, adresse complète, pays)
6 Country of origin
Pays d'origine
7 Country of destination
Pays de destination
8 Place and date of shipment – Means of transport
Lieu et date d'embarquement – Moyen de transport
9 Supplementary details
Données supplémentaires
10 Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS
Marques et numéros – Nombre et nature des caisses – DESIGNATION DES MARCHANIDES
11 Quantity (*)
Quantité (*)
12 FOB Value (*)
Valeur FOB (*)
13 CERTIFICATION BY THE COMPETENT AUTHORITY – VISA DE L'AUTORITÉ COMPETENTE

Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case 3 pour la catégorie désignée dans la case 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la Communauté économique européenne.

Je m'engage à délivrer une licence d'exportation pour la quantité de marchandises identiques à celles décrites ci-dessus qui sera effectivement exportée et je déclare en outre que, si cette quantité est inférieure à celle décrite ci-dessus, le montant imputé sur la limite quantitative sera ajusté en conséquence.

14 Competent authority (name, full address, country)
Autorité compétente (nom, adresse complète, pays)

Signature

At: ____________________________

Stamp: ________________________
AGREED MINUTE

1. In the course of negotiations for the renewal of the bilateral textile agreement which expires on 31 December 1982, held on 17, 18 and 19 May 1982, the delegation of Sri Lanka declared Sri Lanka's interest in developing Outward Processing Trade with the Community.

2. In this connection, and pursuant to Article 4 of the bilateral textile agreement between the Community and Sri Lanka, the parties agreed that the complementary provisions essential for the implementation of Outward Processing Trade between the Community and Sri Lanka should be set out in a separate arrangement between the parties.

3. Pending settlement of the detailed management questions of the arrangement referred to in Paragraph 2, the Community and Sri Lanka agreed that the following additional quantities should form part of that arrangement.

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>100,000</td>
</tr>
<tr>
<td>7</td>
<td>250,000</td>
</tr>
<tr>
<td>8</td>
<td>250,000</td>
</tr>
</tbody>
</table>

4. Sri Lanka also requested a quantity of 100,000 pieces in respect of Category 21. The Community stated that if it were decided to make outward processing quantities in Group II available the quantity requested by Sri Lanka under Category 21 would be so made available. The Community would inform the delegation of Sri Lanka of its final decision in this respect as soon as possible.

Head of the Delegation of the Democratic Socialist Republic of Sri Lanka

Head of the Delegation of the European Economic Community
MEMORANDUM OF UNDERSTANDING

In considering the duration of the present Agreement, the Community and Sri Lanka agreed that during the last year of application of the Agreement, consultations may be held between the parties with a view to considering an extension of the Agreement for a further period of one year up to 31 December 1987.


Head of Delegation of the Democratic Socialist Republic of Sri Lanka

Head of the Delegation of the European Economic Community
AGREED MINUTE

Delegations of the European Economic Community and of Sri Lanka met on 17, 18 and 19 May to negotiate the renewal of the bilateral textile agreement which expires on 31 December 1982.

These negotiations led to the initialling of an agreement on 19 May. On this occasion, the following was also agreed:

(i) Carryover to the quantitative limits for the year 1983 of amounts not used during the year 1982 is authorized up to 5% of the corresponding quantitative limits for 1983.

(ii) If the provisions of Art. 8 of the Agreement initialled on 19 May 1982 are invoked in respect of categories 4 and 5 by the Community, the Community will take into account the quantitative limits existing in respect of these categories under the bilateral textile agreement expiring on 31 December 1982.

(iii) If the provisions of Art. 8 of the Agreement initialled on 19 May 1982 are invoked in respect of products in Group I by the Community, the Community will take into account the annual growth rates specified in protocol D a) of the bilateral textile agreement expiring on 31 December 1982.

Head of the Delegation of the Democratic Socialist Republic of Sri Lanka

Head of the Delegation of the European Economic Community
NOTE VERBALE

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of Sri Lanka to the European Communities and has the honour to refer to the Agreement on Trade in Textiles Products and the Agreed Minute concerning its Protocol A, both initialed on 19 May 1982.

The Directorate-General for External Relations wishes to inform the Mission that the Community is willing to apply the above-mentioned Agreement de facto from 1 January 1983 if the Government of Sri Lanka is disposed to do likewise.

The Directorate-General would be grateful if the Mission would confirm the agreement of the Government of Sri Lanka to the foregoing.

The Directorate-General for External Relations takes the opportunity to confirm the breakdown between the Member States of the Community of the quantitative limits for 1983 referred to in Article 15 of the Agreement.

Persuant to the above mentioned Agreed Minute, the Directorate-General wishes to propose the attached changes to Protocol A. The Directorate-General considers that these changes will contribute to the smooth management of the Agreement in the best interest of both Sri Lanka and the Community.

In response to the Mission's recent oral request the Directorate-General can also confirm that the Community can agree to replace the 1% level specified in Art. 9 para 5 of the Agreement by 2.5%.

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 Republic of Sri Lanka to the European Communities the assurance of its highest consideration.

Brussels,

The Mission of the Republic of Sri Lanka to the European Communities
Avenue des Arts, 21-22
1040 BRUSSELS.
CHANGES IN PROTOCOL A

Title 1 Article 1 Para 3

replace "15 days' notice" by "30 days' notice".

Title III Article 9 para 2

Add at the end, after "loading" the words "on to the exporting aircraft, vehicle or vessel".
NOTE VERBALE

The Mission of the Democratic Socialist Republic of Sri Lanka 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 Note Verbale No. 12096 dated 23rd December, 1982, concerning the Agreement on Trade in Textile Products initialled on 19th May, 1982. The Mission of the Democratic Socialist Republic of Sri Lanka has the honour to confirm that the Government of Sri Lanka agrees to the de facto application of the above mentioned Agreement from 1st January, 1983.

The Mission of the Democratic Socialist Republic of Sri Lanka avails itself of this opportunity to renew to the Directorate-General for External Relations of the Commission of the European Communities the assurances of its highest consideration.

8th February, 1983.

Directorate-General for External Relations,
Commission of the European Communities,
200, rue de la Loi,
1049 Brussels.
The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Democratic Socialist Republic of Sri Lanka to the European Communities and has the honour to refer to the Agreement on Trade in Textiles Products initialled on 19 May 1982 and to the Directorate-General's Note Verbale No 12096 dated 23 December 1982.

In response to the Mission's request the Directorate-General for External Relations can confirm that the Community can agree to the deletion of Paragraph 3 Article 21 of Protocol A Title V subject to the acceptance by the Government of the Democratic Socialist Republic of Sri Lanka of the changes proposed by the Directorate-General for External Relations in its above-mentioned Note Verbale.

The Directorate-General would be grateful if the Mission would confirm the agreement of the Government of the Democratic Socialist Republic of Sri Lanka to the foregoing.

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 Democratic Socialist Republic of Sri Lanka to the European Communities the assurance of its highest consideration.

Brussels,

Mission of the Democratic Socialist Republic of Sri Lanka to the European Communities
Ave. des Arts 21-22
1040 BRUXELLES
NOTE VERBALE


This Mission would be grateful if the Directorate-General for External Relations could confirm its agreement to the inclusion of paragraph 4 in article 1 of Protocol A as in the case of the Indian Agreement.

The Mission of the Democratic Socialist Republic of Sri Lanka avails itself of this opportunity to renew to the Directorate-General for External Relations of the Commission of the European Communities, the assurances of its highest consideration,

Directorate-General for External Relations, Commission of the European Communities, 200, rue de la Loi, 1049 Brussels.
The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Democratic Socialist Republic of Sri Lanka to the European Communities and has the honour to refer to the Agreement on Trade in Textile Products initialled on 19 May 1982 and to the Mission's Note Verbale dated 26 April 1983.

In response to the Mission's request the Directorate-General for External Relations can confirm that the Community can agree to the addition of the following, fourth, paragraph to Article 1 of Protocol A:

"4. Where a Community decision on classification resulting in a change of classification practice or a change of categorisation of any product subject to the present Agreement affects a category subject to restraint, the two parties agree to enter into consultation in accordance with the procedures described in Article 17, para. 1 of this Agreement with a view to honouring the obligation under Article 11, para. 2, 2nd sub-para."

This change will be incorporated in the final version of the Agreement to be signed.

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 Democratic Socialist Republic of Sri Lanka to the European Communities the assurance of its highest consideration.

Mission of the Democratic Socialist Republic of Sri Lanka to the European Communities,
av. des Arts, 21-22
1040 BRUSSELS