

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

CONFIDENTIAL  
TEX.SB/1013\*  
10 August 1984

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement  
between the United States and Egypt

Note by the Chairman

Attached is a notification received from the United States concerning <sup>1</sup> the introduction of restraints under the consultation agreement with Egypt.

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<sup>1</sup> The text of the consultation agreement is contained in COM.TEX/SB/312

\* English only/Anglais seulement/Inglés solamente

TS/140-4

548



UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX

1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

July 24, 1984

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
GATT  
Rue De Lausanne 154  
1211 Geneva

ANSWERED	DOC. ISSUED	FOLIO
	721.53/1013	
27 JUL 1984		
CURRENT		
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X		

Dear Mr. Chairman:

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform the Textiles Surveillance Body that new restraints have been agreed upon for four products pursuant to the consultation procedures set out in paragraph 3 of the cotton, wool and man-made fiber textiles agreement between the Government of the United States of America and the Government of Egypt.

These new restraints, which are set out in attachments to this letter were sought in order to address a real risk of market disruption with respect to the products concerned.

Sincerely,

*Robert E. Shepherd*  
Robert E. Shepherd  
Minister-Counselor

Enclosure  
(As stated)

For	Action / Comment
OPER. DEPT. A	
Non Tar. M. Div.	
Development Div.	
Tech. Coop. Div.	
Trade Pol. Div.	
Spec. Proj. Div.	
OPER. DEPT. B	
Econ. R/Anal. Unit	
Agriculture Div.	
Tariff Div.	
Tech. Bar. T. Div.	
Ext. Rel. Div.	
Adm. / Fin. Div.	
Trans. / Doc. Div.	
Training Div.	
Personnel Off.	
Legal Coun.	

United States

Exporting country	Product (Category No. and unit)	Level to be reached before consultations may be asked	Roll-back level and date at which the call was made	Previous year's imports and % of total imports in the year <sup>1</sup>	Minimum level for the restraint if no agreement is reached	Restraint level set <sup>1</sup>	Growth
Egypt	300 lbs	NA	5,075,329 (12.83)	1,797,949 - 9.0% (1982)	5,075,329 )	8,000,000 <sup>2</sup>	6.25%
	301 lbs	NA	1,047,390 (12.83)	364,375 - 9.1% (1982)	1,047,390 )		
	313 SYD	NA	9,756,000* (1.84)	7,930,000 - 3.2%	9,756,000	12,500,000	6.25%
	317 SYD	NA	6,222,858 (12.83)	4,835,000* - 5.6% (1982)	6,222,858	6,700,000	6.25%

<sup>1</sup>The relevant date/period is indicated between brackets

<sup>2</sup>Limit set for Category 300/301, of which sub-limits for Category 300 (6,880,000 lbs) and Category 301 (1,120,000 lbs), each having 6.25% growth

\*Rounded to the nearest thousand



Textiles Division

# Public Release

United States Department of State  
*Bureau of Economic and Business Affairs*  
Washington, D.C.

July 20, 1984

## UNITED STATES AND ARAB REPUBLIC OF EGYPT AMEND TEXTILE AGREEMENT

The United States and the Arab Republic of Egypt exchanged notes on June 21 and 25, 1984, respectively, to amend the bilateral textile agreement between the two countries. The texts of the notes follow:

### UNITED STATES NOTE

Cairo  
June 21, 1984

His Excellency  
Moustafa Kamel El Said  
Minister of Economy and Foreign Trade  
Cairo ...

Dear Mr. Minister:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973 and extended by protocol adopted December 22, 1981 and to the agreement between the Government of the Arab Republic of Egypt and the United States of America regarding trade in cotton textiles and textile products (hereinafter referred to as the Agreement) done by exchange of notes December 7 and 28, 1977. I also have the honor to refer to consultations held in Cairo and Washington, D.C. which concluded May 10, 1984.

As a result of these consultations and in conformity with the Agreement, I would propose the following amendments of the Agreement:

A. The addition of an Annex A to the Agreement containing the following categories and annual specific limits:

Category	SYE Conversion Factor	Description	Unit	1984	1985
300/301	4.6	Yarn, Carded and Combed	Million Pounds	8.0	8.5
300	4.6	Carded Yarn	Million Pounds	6.88	7.31
301	4.6	Combed Yarn	Million Pounds	1.12	1.19
313	1.0	Sheeting	Million SYD	12.5	13.3125
317	1.0	Twill and Sateen	Million SYD	6.7	7.1355

B. The addition of a sentence to paragraph 1 of the Agreement such that the paragraph reads as follows:

1. The term of this Agreement shall be two years beginning January 1, 1978; thereafter it shall extend for further one year periods unless either government gives 90 days notice to the other government in writing that the Agreement be terminated at the end of a calendar year. Specific limits established under this Agreement are listed in Annex A.

C. The addition of the following as paragraphs 4, 5, 6, 7, 8, 9, 10 and 11 to the Agreement:

4. The Government of the Arab Republic of Egypt shall limit annual exports from Egypt to the United States of America of cotton textile and textile products manufactured in Egypt of the specific limits set out in Annex A, as such limits may be adjusted in accordance with paragraph 5 and 6. The specific limits set out in Annex A do not include any adjustments permitted under paragraph 5 and 6.

5. During any Agreement Year, the specific limits set out in Annex A may be exceeded by not more than six (6) percent (swing) provided that a corresponding reduction in square yards equivalent is made in another specific limit during the same Agreement Year except that no swing is available among categories 300/301, 300 and 301. The Government of the Arab Republic of Egypt shall inform the Government of the United States of America, in writing, as to which categories listed in Annex A are to be debited and credited. With respect to categories 300/301, 300 and 301 any swing adjustment will designate both 300/301 and either 300 or 301.

6. In any Agreement Year, in addition to any adjustment pursuant to paragraph 5, exports may exceed by a maximum of 11 percent any limit set out in Annex A by allocating to such limit for that Agreement Year an unused portion for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:

(A) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's limits. No carryover shall be available during 1984.

(B) The combination of carryover and carryforward shall not exceed 11 percent of the receiving year's applicable limits.

(C) Carryforward may be utilized up to 6 percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits. No carryforward shall be available in the 1985 Agreement Year.

(D) (1) Carryover of shortfall (as defined below) shall not be applied to any limits until the Governments of the United States and the Arab Republic of Egypt have agreed upon the amounts of shortfall involved.

(11) For purposes of the Agreement, a shortfall occurs when exports of cotton textile products from Egypt to the United States of America during an Agreement Year are below any applicable specific limit or sub-limit as set out in Annex A (or, in the case of any limit decreased pursuant to paragraph 10, when such exports are below the limit as so decreased). . In the Agreement Year following the shortfall, such exports from Egypt to the United States of America may be permitted to exceed the applicable limits, subject to the conditions set forth above, by carryover or shortfall in the following manner:

(A) Carryover shall not exceed the amount of shortfall in the applicable limit;

(B) The shortfall shall be used in the category in which the shortfall occurred.

7. Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

8. (A) The Government of the United States of America shall promptly supply the Government of the Arab Republic of Egypt with data on monthly imports of cotton textiles and textile products into the United States from Egypt.

(B) The Government of the Arab Republic of Egypt shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles and textile products from Egypt to the United States of America.

9. The Government of the Arab Republic of Egypt shall use its best efforts to space exports from Egypt to the United States of America within each category evenly throughout each Agreement Year taking into consideration normal seasonal factors.

10. (A) Exports from Egypt in excess of authorized limits in any Agreement Year may be denied entry into the United States. Any such shipments denied entry may be permitted entry into the United States and be charged to the applicable limit in the succeeding Agreement Year.

(B) Exports from Egypt in excess of authorized limits in any agreement year will, if allowed entry into the United States during that Agreement Year, be charged to the applicable limit in the succeeding year.

11. If the Government of Egypt considers that as a result of limitations specified in the Agreement that Egypt is being placed in an inequitable position vis-a-vis a third country, the Government of Egypt may request consultations with the Government of the United States of America with the view of making appropriate remedial action such as a reasonable modification of this Agreement.

If this proposal is acceptable to the Government of the Arab Republic of Egypt, this note and your note of confirmation on behalf of the Arab Republic of Egypt shall constitute an amendment to the Agreement between our two Governments.

Accept, Excellency, the renewed assurance of my highest consideration.

EGYPT  
CITY OF CAIRO  
EMBASSY OF THE UNITED  
STATES OF AMERICA

SS:

I, the undersigned Consul of the United States of America, duly commissioned and qualified, hereby certify that the foregoing is a true and full copy of the original /copy this day exhibited to me as same having been carefully examined by me and compared with the said original/copy and found to agree therewith word for word and figure for figure.

Original duly signed  
by Nicholas A. Veliotis,  
Ambassador

IN WITNESS WHEREOF I have hereunder set my hand and affixed the seal of the Embassy of the United States of America at Cairo, Egypt.  
this 24th day of June 19 84

John F. ...  
CONSUL OF THE UNITED STATES OF AMERICA

EGYPTIAN NOTE

Cairo  
June 25, 1984

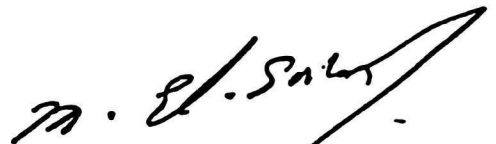
His Excellency  
N. O. Veliotis  
Ambassador of the United States of America  
Cairo

● Excellency,

I have the honor to refer to your note of June 21, 1984 proposing an amendment to the agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt.

I have the honor to inform your excellency that I accept your proposal stated in your note on behalf of my Government, and agree that your excellency's note and this note in reply will constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurance of my highest consideration.



Dr. Moustafa El Said  
Minister of Economy and  
Foreign Trade



**DEPARTMENT OF STATE**  
PUBLIC AFFAIRS  
January 30, 1978  
No. 55

**UNITED STATES AND THE ARAB  
REPUBLIC OF EGYPT SIGN  
NEW TEXTILE AGREEMENT.**

The United States and the Arab Republic of Egypt exchanged notes on December 7, 1977 and December 28, 1977 respectively, to replace the existing textile agreement on cotton textiles and cotton textile products between the two countries. The texts of the notes follow:

**UNITED STATES NOTE**

December 7, 1977

His Excellency  
Zakaria Tewfik Abdel Fattah  
Minister of Trade  
Cairo, A.R.E.

Excellency:

I have the honor to refer to the arrangement regarding international trade in textiles done at Geneva on December 20, 1973, hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two governments concerning exports of textiles and textile products from the Arab Republic of Egypt to the United States of America. As a result of these discussions and in conformity with the Arrangement, both governments agree that the agreement relating to trade in cotton textiles and cotton textile products between the United States of America and the Arab Republic of Egypt which entered into force on December 30, 1975, is hereby replaced and superseded, effective January 1, 1978, by the following agreement.

1. The term of this agreement shall be two years, beginning January 1, 1978; thereafter it shall be extended for further one year periods unless either

government gives 90 days notice to the other government in writing that the agreement be terminated at the end of a calendar year.

2. The two governments shall give due consideration to the need, as set forth in the Arrangement, to provide for both progressive liberalization and orderly development of trade. Both governments also recognize that possibilities exist for increased trade and that such possibilities will be enhanced by the terms of this agreement. It is the intention of both governments that the highest degree of flexibility be maintained in textile trade so that the markets of both countries may develop favorably and that the potential of each be fully realized. This in turn, it is anticipated, will contribute to the continued strengthening of economic ties between the two countries.

3. Accordingly the two governments, in order to provide for a more beneficial approach and to avoid placing the Arab Republic of Egypt at a disadvantage or in an inequitable position with respect to its trade, agree to the following:

(1) In the event that the Government of the United States considers imports in any category or categories of textile products from the Arab Republic of Egypt to be causing market problems in the United States, the Government of the United States may request consultations with the Government of the Arab Republic of Egypt with a view to avoiding market disruption.

and may request the Government of the Arab Republic of Egypt to restrain exports in that category or categories to the level indicated by the United States.

(II) The Government of the Arab Republic of Egypt agrees to consult with the Government of the United States on the category or categories in question within 30 days of receipt of the request, said request to be accompanied by information in which the request is based. Both governments agree to make every effort to reach a mutually satisfactory resolution of the issues within 60 days of receipt of the request, unless this period is extended by mutual agreement.

(III) Until such time as a mutually satisfactory solution has been reached, or in the absence of such solution until the end of the calendar year, the Arab Republic of Egypt will limit exports of the product or products in question to the United States market as indicated by the Government of the United States, and the Government of the United States may decline to enter imports of Arab Republic of Egypt origin textiles or textile products in excess of the amount indicated for such category or categories.

(IV) For the purpose of establishing any level of restraint for such limitation of exports by the Arab Republic of Egypt, the Government of the United States shall take into consideration all elements of both the history of textile trade between the Arab Republic of Egypt and the United States and the previous permissible levels of trade and shall

have full regard both to the equitable treatment of the Arab Republic of Egypt as compared with other suppliers of like textiles and textile products, and if appropriate, to the Arab Republic of Egypt's position as a potential new entrant in respect to certain textiles and textile products. To the extent possible, the Government of the United States will recognize the need to avoid undue hardship to the commercial participants in the trade involved.

(V) It is further agreed that the consultations envisioned above will be resorted to sparingly, and that such consultations will be conducted in a manner consistent with the principles and objectives of the Arrangement.

If this proposal is acceptable to the Government of the Arab Republic of Egypt, this note and your note of confirmation on behalf of the Government of the Arab Republic of Egypt shall constitute an agreement between the Government of the United States of America and the Government of the Arab Republic of Egypt.

Accept, Excellency, the renewed assurances of my highest consideration.

/S/ Hermann Frederick Eilts  
Ambassador

ARAB REPUBLIC OF EGYPT NOTE

December 28, 1977

His Excellency  
Hermann Frederick Eilts  
Ambassador of the United States of America  
Cairo A.R.E.

Excellency:

I have the honour to refer to your note of December 7, 1977 proposing an agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt to replace the previous Agreement relating to trade in cotton textiles and cotton textiles products concluded between our two governments on December 30, 1974 and expires on December 31, 1977.

I have the honour to inform your Excellency that I accept your proposal, stated in your note of December 7, 1977 on behalf of my government, and agree that your Excellency's note and this note in reply will constitute an agreement between our two Governments.

I would like to express the hope that the U.S.A. will refrain from imposing limitations on exports from Egypt to the U.S.A. within the framework of the above mentioned agreement before reaching the previous permissible levels agreed upon in the previous agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

/S/ Zakaria Tewfik Abdel Fattah  
Minister of Trade