

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1083*

4 March 1984

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:4

Bilateral Agreement between Austria and Egypt

Note by the Chairman

Attached is a notification received from Austria of a new bilateral agreement on cotton yarn concluded under Article 3, between Austria and Egypt for the period 1 January 1985 to 31 December 1986.

*English only/Anglais seulement/Inglés solamente

Due to the situation prevailing in the market it was not possible to reflect fully increases in production costs by price measures. As a consequence profits were substantially curtailed and 12 factories were shutting down in 1983.

The Austrian cotton industry, especially the manufacturing of cotton yarn, is confronted with particular problems. Factories are situated mostly in depressed regions having virtually no other industries and where they are the main source of industrial employment. Such textile products, as well as other textiles are extremely sensitive to disrupt market forces.

Experience has shown that imports of low price cotton yarn exert an enormous downward pull on prices, forcing domestic producers to operate at the break even point or even at a loss. In 1983 the production in the cotton industry decreased by 1.3 per cent, the number of factories decreased from 69 in 1980 to 53 in 1983. In the same time 1,635 jobs i.e. 15.09 per cent were lost.

In the meantime imports of cotton yarn from Egypt have developed as follows:

1980	1,172 tons
1981	1,360 tons
1982	2,208 tons
1983	3,167 tons
first half	
1984	2,500 tons

This means that imports from Egypt to Austria rose from 1980 to 1983 by about 113 per cent. In the first half 1984

imports from Egypt increased again by 65.3 per cent in comparison to the previous period.

During the same period, namely from 1980 to 1983, the domestic production of cotton yarn declined by 8 per cent.

The ratio of imports of cotton yarn from Egypt to domestic production increased from 6.4 per cent in 1980 to 27.3 per cent in the first six months of 1984.

The ratio of imports from Egypt to total imports rose from 6.1 per cent in 1980 to 23 per cent in the first half of 1984.

The average price of cotton yarn imported from Egypt was 63.38 Austrian Schilling (first half 1984) whereas the average import price was 80.38 A.S.

In view of the critical situation to which the domestic production of cotton yarn is exposed due to the heavy import penetration in the Austrian market and seen the development of exports of cotton yarn from Egypt, Austria requested Egypt on 10 December 1982 to hold consultations under the terms of the ARRANGEMENT in order to agree on a quota for such exports to Austria.

The rollback period level i.e. imports from 1 October 1981 to September 1982 inclusively temporary admission was 2,170.7 tons. As it was agreed to exclude the temporary admission according to Article 6.5 of the ARRANGEMENT the actual roll-back of the period level was only 1,085.3 tons (approximately 50 per cent).

As a result of the consultations held between both countries the following export levels for the twelve-month periods, beginning 1 January 1985, have been agreed upon:

1985: 2,300 tons
1986: 2,369 tons (+ 3 per cent)

In view of the existing exceptional circumstances in terms of Annex B of the ARRANGEMENT in this highly sensitive product a lower than 6 per cent growth has been agreed upon between both parties. In determining growth and flexibility special consideration had been taken into account such as an increase of more than 110 per cent of the above mentioned actual roll-back period level. It was agreed upon that in the aforementioned 110 per cent increase the flexibility provisions, namely carry over and carry forward, is built in.

I should be grateful if you would make this information available to the Textile Surveillance Body.

Accept, Sir, the assurances of my highest consideration.

R. Hochörtler

Richard Hochörtler
Deputy Permanent
Representative

Mr. Marcelo Raffaelli
Chairman
Textiles Surveillance Body
GATT

G e n e v a



REPUBLIK ÖSTERREICH
BUNDESMINISTERIUM
FÜR HANDEL, GEWERBE UND INDUSTRIE

No. 27.643/19-II/7a/84

Vienna, 28th September, 1984

Sir,

I have the honour to refer to the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT) done in Geneva on 20th December 1973 and to the Protocol Extending the ARRANGEMENT in Geneva on 22nd December 1981.

I also refer to the consultations which took place in Vienna from 24th to 28th September 1984 between representatives of Austria and a delegation of the Arab Republic of Egypt. As a result of these consultations the following agreement concerning exports of cotton yarn from the Arab Republic of Egypt to Austria has been reached.

1. Export levels in metric tons for twelve-month periods beginning on 1st January 1985:

	1 st January 1985 to 31 st December 1985	1 st January 1986 to 31 st December 1986
Cotton yarn as indicated in CCCN. No. 55.05	2.300	2.369

2. Starting from 1st January 1985 exports of cotton yarn originating in the Arab Republic of Egypt for home consumption in Austria will be accompanied by export licences (a specimen of which is attached as Annex I)

issued by the competent authority of the Arab Republic of Egypt within the agreed export limit and endorsed to the effect that the shipments have been debited against the agreed export limits. Upon presentation of such export licences the competent Austrian authority will issue the corresponding import licences without undue delay.

3. Exports of cotton yarns to Austria from the Arab Republic of Egypt for non-local consumption will not be included in the above mentioned quota and will not be subject to quantitative restrictions. Such exports will be accompanied by an export form bearing the word "reexport" in Box No. 9 of the specimen of the export licence attached herewith as Annex I.

4. The Arab Republic of Egypt will provide Austria with statistics of cotton yarn export licences issued within and debited against the limits set out in paragraph 1 on a two-month basis. For statistical reasons data concerning exports according to paragraph 3 will also be provided.

5. Austria will provide the Arab Republic of Egypt with two-month statistics of import licences issued on the basis of export licences of the Arab Republic of Egypt.

6. Shipments before 1st January 1985 will be admitted by Austria outside the agreed export limit provided that such exports are covered by shipment and payment documents showing that the shipment has been effected before 1st January 1985 and that customs clearance in Austria has been effected at the latest on 28th February 1985.

7. Upon notification to the competent Austrian authority, that imports of cotton yarn imported from the Arab Republic of Egypt have been re-shipped to countries outside Austria, the competent Austrian authority shall notify the competent authority of the Arab Republic of Egypt of the fact of such re-shipment and the quantities involved shall correspondingly be credited to the agreed export limit.

8. If, as a result of the statistics provided by Austria under para 5 of the Agreement, it has been determined that quantities covered by an export licence have not been applied for in an import licence, such quantities may be reissued in another export licence within the current quota year.

9. Austria and the Arab Republic of Egypt agree to consult at the request of either party on any matter arising from the implementation of this Agreement. Any consultations held under this paragraph shall be approached by both parties in a spirit of cooperation and with the object of reconciling any differences between them.


10. Export licences as set out in para 2 above shall cease to be valid four months after the date of issue for purpose of presentation to the competent Austrian authority.

I should be grateful if you would kindly confirm that this letter sets out correctly the understanding reached between the delegations of the two countries.

Accept, Sir, the assurances of my highest consideration.

Enclosure:

Annex I



Dr. Helmut Krehlik
Civil Service Officer
Head of the Austrian
Delegation

Dr. Adel El-Gowhary
Minister Plenipotentiary
Ministry of Economy Cairo
Head of Egyptian Delegation
for Textiles Consultations
with Austria

Embassy of the Arab Republic
of Egypt

Geweygasse 1/1/4
1190 Vienna

ANNEX I

1 Exporter (name, full address, country) Exportateur (nom, adresse complete, pays)	ORIGINAL		2 No
	3 Quota year Année contingentaire		4 Category number Numéro de catégorie
5 Consignee (name, full address, country) Destinataire (nom, adresse complete, pays)	EXPORT LICENCE (Textile products) <hr/> LICENCE D'EXPORTATION (Produits textiles)		
	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 colis - DESIGNATION DES MARCHANDISES		11 Quantity (1) Quantité (1)	12 FOB Value (2) Valeur FOB (2)
13 CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE 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 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with Austria. Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case No 3 pour la catégorie désignée dans la case No 4 dans le cadre des dispositions régissant les échanges de produits textiles avec l'Autriche.			
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complete, pays)		At - A on - le (Signature) (Stamp - Cachet)	

1. The goods must be of a kind and quality of the unit prescribed in category where other than net weight - indiquer le poids net (kg) ainsi que la quantité dans l'unité prescrite dans la catégorie. - cette limite n'est pas le poids net
 2. The goods must be of a kind and quality of the unit prescribed in category where other than net weight - indiquer le poids net (kg) ainsi que la quantité dans l'unité prescrite dans la catégorie. - cette limite n'est pas le poids net