

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1460*

6 May 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment and Extension of the bilateral agreement between the United States and Egypt

Note by the Chairman

Attached is a notification received from the United States of a further amendment and extension of its bilateral agreement with Egypt.¹

¹The text of the consultation agreement, previous amendments and extension are contained in COM.TEX/SB/312, 1009 and 1169.

*English only/Anglais seulement/Inglés solamente

TS/140-4



314

PROCESSED	DATE ISSUED	FOLIO
REG - 3 MAY 1988		
For	Action	Comment
DIRECTOR G. E. M.		
Int. Service		
Int. Affairs		
S. & T. Affairs		
Cons. Affairs		
Int. Affairs		

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND
Telephone: 32 09 70

April 25, 1988

OPER. DEPT. A			
INT. & Surv. Div.			
Development Div.			
Trade & Fin. Div.			
Tech. Coop. Div.			
Spec. Proj. Div.			
Cons. Div.			
OPER. DEPT. B			
Econ. R/Anal. Unit.			
Agriculture Div.			
Int. Div.			
Int. Sec. T. Div.			
Int. Sec. Div.			
Int. Sec. Div.			

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

Dear Ambassador Raffaelli:

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 of a further amendment of the bilateral textiles agreement between the Government of the United States of America and the Government of Egypt.

This modification, which is set out in an attachment to this letter, was sought in order to address a real risk of market disruption with respect to the products which are now subject to restraint, as well as to insure the further expansion and orderly development of textile trade between Egypt and the U.S.

This modification provides for the restraint of several products during the three year period 1987-1989 (the overall consultation agreement is extended automatically on a yearly basis unless terminated by either party). The new restraints include a cotton fabric group with a group level and sublevels, continues the restraint on cotton yarn (while dropping one sublimit) and establishes a restraint for women's cotton knit shirts (category 339).

The growth rates for cotton knit shirts and for cotton yarn (category 300/301) and its sublimit (category 301) is 6.25 percent; the growth rate for the fabric group and most subgroups is 6.55 percent for the second agreement year and 6.15 percent for the third; for two subgroups there is no growth. Swing is set at 6 percent; carryover/carry forward at 11/6 percent; carryover is not available for the first agreement year or carry forward for the last.

The Honorable Marcelo Raffaelli
April 25, 1988
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This modification also provides for the deduction of 700,000 lbs of 1986 overshipments from the restraint levels for category 300/301 in 1987 and/or 1988, as well as provisions for establishing a visa system and for modifying the category/restraint provisions when the U.S. formally adopts the Harmonized System.

Data to facilitate preparation of a fact sheet is being provided separately.

Sincerely,



Robert E. Shepherd
Minister Counsellor



Textiles Division

Public Release

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

APRIL 1, 1988

UNITED STATES AND THE REPUBLIC OF EGYPT AMEND BILATERAL TEXTILE AGREEMENT

The United States and the Republic of Egypt exchanged notes to amend their bilateral textile agreement. Texts of the notes follow:

UNITED STATES NOTE

No. 326

Cairo, March 7, 1988

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Arab Republic of Egypt and has the honor to refer to the Arrangement regarding international trade in textiles (the Arrangement), done at Geneva on December 20, 1973, as extended by protocol on July 31, 1986, and to the bilateral agreement concerning trade in cotton textiles and textile products effected by an exchange of notes of December 7 and December 28, 1977 (the Agreement), as amended by exchanges of notes dated June 21 and June 25, 1984. The Embassy also refers to the discussions between representatives of our two Governments held in Geneva, Switzerland, June 22 - 24, 1987.

For more
information
contact:

The Embassy further refers to our Notes number 1329, dated August 24, 1987, and number 1726, dated November 2, 1987, which are superseded and cancelled by this Note.

As a result of the discussions referred to above, the Embassy proposes the following amendments to the Agreement:

A. Paragraph 1 of the Agreement shall be amended to read as follows:

1. (A) The term of the 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.

(B) Specific limits for 1987, 1988, and 1989 established under the Agreement are listed in Annex A (1). Upon adoption by the United States of the harmonized system, the category structure and levels listed in Annex A (2) shall become effective, replacing the category structure and levels listed in Annex A (1).

B. Paragraph 5 of the Agreement shall be amended to read as follows:

"5. (A) 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. With respect to merged categories (e.g., 300/301) any swing adjustment will increase or decrease the sub-limits within the merged limit by the same proportion as the merged limit.

5. (B) No swing is available among categories within a merged category.

5. (C) Sub-limits within the fabric group (310-320) may be increased by not more than six (6) percent swing, provided that a corresponding reduction in square yards equivalent is made in one or more other limits or sub-limits during the same Agreement year.

5. (D) 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 pursuant to Paragraph 5."

C. Sub-paragraph 6 (A) shall be amended by changing the date corresponding the first year of the specific limits, as set out in Annex A, such that sub-paragraph 6 (A) reads as follows:

"6. (A) Carryover may be utilized as available up to 11 percent of the receiving Agreement year's limits. No carryover shall be available during 1987."

D. Sub-paragraph 6 (C) shall be amended by changing the date corresponding the last year of the specific limits, as set out in Annex A, such that sub-paragraph 6(C) reads as follows:

"6. (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 1989 Agreement year."

E. The following should be added as Paragraph 12 of the Agreement:

12. "Only shipments made in Egypt and exported on or after January 1, 1987 shall be subject to all levels specified in Annex (A) (1). However, 700,000 pounds shall be deducted from the 1987-1989 levels for category 300/301 for overshipments in 1986. The Government of Egypt shall notify the Government of the United States if all or any proportion of the overshipments shall be deducted in 1987 and/or 1988."

F. The following should be added as Paragraph 13 of the Agreement:

"13. Both Governments agree to establish a correct category, correct quantity visa arrangement."

G. The following should be added as paragraph 14 of the agreement:

"14. When shipments from Egypt of man-made fibers or products in any of the following categories in Annex A(2) (218, 219, 220, 224, 225, 226 or 227) enter the U.S. market, both Governments will consult regarding adjustments in the quota level(s)."

H. Annex A, which sets out specific limits under the Agreement for 1987, 1988, and 1989, shall be amended as follows:

ANNEX A (1)
SPECIFIC LIMITS
(Current U.S. Category System)

CATEGORY	1987	1988	1989
YARN:	- - - POUNDS - - -		
300/301	11,000,000	11,688,000	12,418,000
(301)	(1,540,000)	(1,636,320)	(1,738,520)
FABRIC:	- - - SQUARE YARDS - - -		
310-320	61,000,000	65,000,000	69,000,000
(310/318)	(3,000,000)	(3,000,000)	(3,000,000)
(311)	(15,250,000)	(16,250,000)	(17,250,000)
(312)	(15,250,000)	(16,250,000)	(17,250,000)
(313)	(24,400,000)	(26,000,000)	(27,600,000)
(314)	(15,250,000)	(16,250,000)	(17,250,000)
(315)	(15,250,000)	(16,250,000)	(17,250,000)
(316)	(15,250,000)	(16,250,000)	(17,250,000)
(317-TWILLS)	(15,250,000)	(16,250,000)	(17,250,000)
(317-SATEENS)	(3,000,000)	(3,000,000)	(3,000,000)
(319)	(15,250,000)	(16,250,000)	(17,250,000)
(320)	(15,250,000)	(16,250,000)	(17,250,000)
	Sept. 1, 1987	1988	1989
	Dec. 31, 1987		
APPAREL:	- - - DOZENS - - -		
339	158,333	504,688	536,230

ANNEX A (2)
SPECIFIC LIMITS

(Harmonized System)

CATEGORY	UNIT	1988	1989
YARN:			
300/301	KG	5,301,642	5,632,768
(301)	KG	742,230	788,587
FABRIC:			
218-220/224-227/ 313-317/326	M2	54,340,000	57,683,000
(218)	M2	(2,508,000)	(2,508,000)
(219)	M2	(13,585,000)	(14,421,000)
(220)	M2	(13,585,000)	(14,421,000)
(224)	M2	(13,585,000)	(14,421,000)
(225)	M2	(13,585,000)	(14,421,000)
(226)	M2	(13,585,000)	(14,421,000)
(227)	M2	(13,585,000)	(14,421,000)
(313)	M2	(21,736,000)	(23,073,600)
(314)	M2	(13,585,000)	(14,421,000)
(315)	M2	(13,585,000)	(14,421,000)
(317)	M2	(13,585,000)	(14,421,000)
(326)	M2	(2,508,000)	(2,508,000)
APPAREL:			
339	DOZ	504,688	536,230

I. Annexes B (1) and B(2), setting forth the categories and conversion factors subject to the Agreement, shall be added to the Agreement as follows:

ANNEX B (1)
CURRENT CATEGORY LISTINGS

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE
YARN			
300	Carded	4.6	lb.
301	Combed	4.6	lb.

FABRIC

310	Ginghams	1.0	SYD.
311	Velveteens	1.0	SYD.
312	Corduroy	1.0	SYD.
313	Sheeting	1.0	SYD.
314	Broadcloth	1.0	SYD.
315	Printcloths	1.0	SYD.
316	Shirtings	1.0	SYD.
317	Twills and Sateens	1.0	SYD.
318	Yarn-dyed	1.0	SYD.
319	Duck	1.0	SYD.
320	Other fabrics, not knit	1.0	SYD.

APPAREL

330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPr.
332	Hosiery	4.6	DPr.
333	Suit-type coats, M&B	36.2	Dz.
334	Other coats, M&B	41.3	Dz.
335	Coats, WG&I	41.3	Dz.
336	Dresses (including uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers, rompers, etc.	25.0	Dz.
338	Knit shirts (including T-shirts, other and sweatshirts), M&B	7.2	Dz.
339	Knit shirts and blouses (including T-shirts, other, and sweatshirts), WG&I	7.2	Dz.
340	Shirts, not knit	24.0	Dz.
341	Blouses, not knit	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer), M&B	17.8	Dz.
348	Trousers, slacks, and shorts (outer), WG&I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, including bath robes, lounging gowns, house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (including union suits)	11.0	Dz.
353	Down and feather-filled coats, jackets, and vests, M&B	41.3	Dz.
354	Down and feather-filled coats, jackets, and vests, WG&I	41.3	Dz.
359	Other apparel	4.6	Lb.

ANNEX B (2)
HARMONIZED SYSTEM LISTINGS

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT
YARN			
200	Sewing thread & yarns, put up for retail sale	6.6	kg
201	Other yarns	6.5	kg
300	Carded yarns	8.5	kg
301	Combed yarns	8.5	kg
FABRIC			
218	Yarns of different colors	1.0	M2
219	Duck	1.0	M2
220	Fabric of special weave	1.0	M2
222	Knit fabric	12.3	kg
223	Non-woven fabrics	14.0	kg
224	Pile tufted fabrics	1.0	M2
225	Denim	1.0	M2
226	Cheesecloth, batistes, etc.	1.0	M2
227	Oxford cloth	1.0	M2
229	Special purpose fabric	13.6	kg
313	Sheeting	1.0	M2
314	Poplin & broadcloth	1.0	M2
315	Printcloth	1.0	M2
317	Twills	1.0	M2
326	Sateens	1.0	M2
APPAREL			
330	Handkerchiefs	1.4	Doz.
331	Gloves and mittens	2.9	Dpr.
332	Hosiery	3.8	Dpr.
333	M&B suit-type coats	30.3	Doz.
334	Other M&B coats	34.5	Doz.
335	WG&I coats	34.5	Doz.
336	Dresses	37.9	Doz.
337	Playsuits, sunsuits, etc.	20.9	Doz.
338	M&B knit shirts	6.0	Doz.
339	W&G knit shirts and blouses	6.0	Doz.
340	M&B shirts, not knit	20.1	Doz.
341	W&G shirts and blouses, not knit	12.1	Doz.
342	Skirts	14.9	Doz.
345	Sweaters	30.8	Doz.
347	M&B trousers, slacks, and shorts	14.9	Doz.
348	W&G trousers, slacks, and shorts	14.9	Doz.
349	Brassieres, body-supporting garments	4.0	Doz.

350	Dressing gowns, etc.	42.6	Doz.
351	Nightwear and pajamas	43.5	Doz.
352	Underwear	9.2	Doz.
353	M&B down-filled coats	34.5	Doz.
354	W&G down-filled coats	34.5	Doz.
359	Other cotton apparel	8.5	kg
239	Infants wear, cotton & man-made	6.3	kg

MADE-UP AND MISCELLANEOUS TEXTILES

360	Pillowcases	0.9	No.
361	Sheets	5.2	No.
362	Bedspreads and quilts	5.8	No.
363	Terry and other pile towels	0.4	No.
369	Cotton manufactures, not specified	8.5	kg.

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



Embassy of the United States of America

Cairo, March 7, 1988

EGYPT NOTE

March 14, 1988

His Excellency
Frank G. Wisner
Ambassador of the United States of America
Cairo

Excellency:

I have the honor to refer to your diplomatic note number 326, dated March 7, 1988, proposing amendments to the agreement concerning trade in cotton textiles and textile products between the United States of America and the Arab Republic of Egypt concluded between our two governments on December 28, 1977, and subsequently amended.

I have the honor to inform your Excellency that the proposal, stated in your diplomatic note number 326 is acceptable to my government, and agree that your note and this note in reply will constitute an agreement between our two Governments.

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

Y. A. Moustafa

Dr. Yousri Aly Moustafa
Minister of Economy and
Foreign Trade