

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1676*

30 August 1990

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment et extension of the 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 agreement with Egypt. The agreement was extended for a further two-year period ending 31 December 1991.¹

¹The text of the consultation agreement, previous amendments and extensions are contained in COM.TEX/312, 1009, 1169 and 1397.

* English only/Anglais seulement/Inglés solamente



UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND
TELEPHONE: 732 09 70

August 29, 1990

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 textile agreement between the Government of the United States of America and the Government of Egypt.

This amendment extends all existing restraints for two years (until December 31, 1991) (with some modifications in base level increases), incorporates a new consultation mechanism with respect to products not under restraint and reflects new agreed procedures for dealing with circumvention.

Enclosed are copies of the notes giving effect to this amendment. Additional data to facilitate preparation of a fact sheet has been provided separately.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure



Textiles Division

Public Release

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

UNITED STATES AND THE ARAB
REPUBLIC OF EGYPT
AMEND BILATERAL TEXTILE AGREEMENT

The United States and the Arab Republic of Egypt exchanged notes January 16, 1990, and February 26, 1990, to amend the bilateral textile agreement between the United States and the Arab Republic of Egypt.

UNITED STATES NOTE

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 45

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 done at Geneva on December 20, 1973, as extended by protocol on July 31, 1986, and to the bilateral

For more
information

contact: S. A. Keller:EB/TEX

647-1997

agreement concerning trade in cotton textiles and textile products
_____ effected by an exchange of notes of December 7 and 28, 1977 (the
Agreement), as amended by exchanges of notes dated June 21 and June
25, 1984, and March 7 and 14, 1988. The Embassy also refers to the
discussions between representatives of the two governments held in
Cairo, December 4 and 5, 1989.

As a result of the discussions referred to above, the Embassy
proposes that Annex A (2) of the Agreement be amended to include the
following specific limits for 1990 and 1991:

Specific Limits

<u>Category</u>	<u>Unit</u>	<u>1990 Limit</u>	<u>1991 Limit</u>
Yarn:			

300/301	KG	5,632,768	5,993,265
(300)			
(301)	KG	788,587	839,057

Apparel:

339	DOZ	684,014	727,107
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Fabric:

Group	M2	61,317,029	65,180,002
218	M2	2,508,000	2,508,000
219	M2	14,421,000	15,329,523
220	M2	14,421,000	15,329,523
224	M2	14,421,000	15,329,523
225	M2	14,421,000	15,329,523
226	M2	14,421,000	15,329,523
227	M2	14,421,000	15,329,523
313	M2	26,481,090	28,149,399
314	M2	14,421,000	15,329,523
315	M2	16,934,710	18,001,597
317	M2	14,421,000	15,329,523
326	M2	2,508,000	2,508,000

Also, as a result of these discussions, the Embassy proposes that the following consultation mechanism provision replace paragraph 3 of the Agreement:

Consultation Mechanism

(A) In the event that the Government of the United States believes that imports of textile and apparel products of the Arab Republic of Egypt listed in Annex B to this Agreement are, due to market disruption or the real risk of market disruption, threatening to impede the orderly development of trade between two countries, the Government of the United States may request consultations with the Government of the Arab Republic of Egypt

with a view to easing or avoiding such market disruption or the real risk thereof. The Government of the United States shall provide the Government of the Arab Republic of Egypt, at the time of the request, with a statement of reasons and justifications for its request for consultations, which in the view of the Government of the United States demonstrates:

(1) The existence or the real risk of market

disruption; and

(2) the role of products of the Arab Republic of Egypt in that disruption or real risk thereof.

(B) The Government of the Arab Republic of Egypt agrees to consult with the Government of the United States within 30 days of receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory solution of the issue within 90 days of the receipt of such request, unless extended by mutual agreement.

(C) (1) Upon receipt of the request for consultations, and for the period remaining in the Agreement Year in which the request is made, the Government of the Arab Republic of Egypt

agrees to hold its shipments to the United States of textiles or textile products in the category or categories subject to these consultations to a level no greater than 20 percent above the amount entered, as reported in U.S. General Import Statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, prorated for the amount of time remaining in the year.

● (C) (2) Where three or fewer months remain in an Agreement Year at the time of the request for consultations, upon receipt of the request for consultations, the Government of the Arab Republic of Egypt agrees to hold its shipments to the United States of textiles or textile products of the Arab Republic of Egypt in the category or categories subject to these consultations for the remaining period of the Agreement Year plus the subsequent year to a level no greater than 20 percent above the amount entered, as reported in U.S. General Import Statistics, during the first 12 of the most recent 14 months

preceding the month in which the request for consultations was made, prorated for the remaining period of the Agreement Year plus the subsequent year.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, consultations shall continue and the Government of the United States may continue the limits for textiles or textile products in the category or categories subject to these consultations for the duration of the Agreement.

(E) (1) The first term of any restraint limit established under the preceding sub-paragraph will be effective for the period beginning on the date of the request for consultations and ending on the last day of the Agreement Year in which the restraint limit was established, or where three or fewer months remained in the Agreement Year at the time of the request for consultations, for the period ending on the last day of the subsequent year.

(E) (2) For each remaining Agreement Year any restraint limit established under this provision will be increased by 6 percent annual growth per year. The successive restrain limits

shall have any available swing, carryover or carryforward as is provided for Specific Limits under paragraph 5 of this Agreement. Carryover will not be available in the first of the remaining Agreement Years.

Also, as a result of these discussions, the Embassy proposes that the following provision for Cooperation in the Prevention of Circumvention be added to the Agreement as paragraph 15:

Cooperation in the Prevention of Circumvention

(A) The Governments of the United States and the Arab Republic of Egypt will cooperate to prevent circumvention of the Agreement.

(B) Subject to domestic laws, the competent authorities of the Arab Republic of Egypt will cooperate with the competent authorities of the United States in ensuring that the Agreement is not circumvented by transshipment, rerouting, misdescription, underinvoicing or by whatever means. To this

end, the competent authorities of the Arab Republic of Egypt and those of the United States will assist each other:

(I) In securing from parties documents, correspondence and reports considered relevant to investigations.

(II) By providing for plant visits and inspections whether by prior notification or impromptu, by authorized personnel.

(III) By facilitating personal interviews designed to ascertain needed facts.

(C) Where information available to the Government of the United States or to the Government of the Arab Republic of Egypt, as a result of investigations, constitutes evidence that products subject to this Agreement have been transshipped, rerouted, misdescribed, underinvoiced or otherwise traded in circumvention of this Agreement, either government may request consultations, with a view to invoking penalties beyond an equivalent adjustment of the corresponding agreed levels established under this Agreement, as appropriate. Such consultation shall take place and be concluded within 120 days of such request.

If these proposals are 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 the two Governments.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.



Embassy of the United States of America,

Cairo, January 16, 1990

EGYPT NOTE



MINISTER OF ECONOMY
AND FOREIGN TRADE

(598)

February 26, 1990

His Excellency

Frank G. Wisner

Ambassador of The United States of America

Cairo

Excellency

I have the honor to refer to your diplomatic note No, 45, dated January 16, 1990, 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 No, 45, 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 .

Dr. Yousri Aly Moustafa

Y. A. Moustafa
Minister of Economy and
Foreign Trade