

# GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1973<sup>\*</sup>

16 February 1993

## TARIFFS AND TRADE

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4:4

#### Extension and amendment of the bilateral agreement between the EEC and Brazil

#### Note by the Chairman

Attached is a notification received from the EEC of an extension with amendments of its agreement, initialled with Brazil for the period 1 January 1993 to 31 December 1994, with the possibility for a further twelve-month extension.<sup>1</sup>

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<sup>1</sup>The bilateral agreement, amendment and a previous extension are contained in COM.TEX/SB/1287, 1741 and 1742.

<sup>\*</sup>English only/Anglais seulement/Inglés solamente



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

DIRECTORATE-GENERAL  
EXTERNAL RELATIONS

08.02.93

002001

Brussels,  
DP/jm

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Dear Ambassador,

In accordance with Article 4.4 of the Arrangement, I am pleased to enclose a copy of the Agreement in the form of an exchange of letters amending the agreement between the European Economic Community and the Federative Republic of Brazil on trade in textiles products.

This Agreement extends the duration of the Agreement applied since 1 January 1987 for a further period of two years until 31 December 1994 with a possibility of tacit renewal for a further year if necessary. The Agreement will be terminated automatically if the Uruguay Round textiles agreement is concluded and implemented at an earlier date.

The terms of the bilateral Agreement are unchanged except for the following:

- as a result of the completion of the internal market of the EEC on 1 January 1993, there are no longer any quantitative limits at a regional level and there will be no breakdown of community limits into regional shares; in order to ensure a smooth implementation of these changes in management, certain provisions have been introduced to deal with problems which may arise in certain regions of the Community;
- the list of product categories covered by the Agreement (Annex I) has been updated to take into account changes in nomenclature<sup>1)</sup>;
- market access has been improved via uplifts to quota base levels for certain categories of products, before application of normal annual growth rates.

Yours sincerely,

*Dorian F. Prince*  
REV 58/1973  
0 FEB 1993

Dorian F. Prince

Ambassador M. Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT  
Centre William Rappard  
rue de Lausanne, 154  
CH - 1211 GENEVA 21

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JF

1) This Annex which is standard for all countries, was forwarded with the EEC-Argentina Agreement.

AGREEMENT

IN THE FORM OF EXCHANGE OF LETTERS AMENDING THE AGREEMENT

BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND

THE FEDERATIVE REPUBLIC OF BRAZIL ON TRADE IN TEXTILE PRODUCTS

Initialled in Brussels, 14 December 1992

*Maria Cleo Zduque*  
14. XII. 92

*Piaggio's M. M. M. M.*  
14. XII. 1992

AGREEMENT

in the form of Exchange of Letters amending the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile products

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Letter Number One

Sir,

1. I have the honour to refer to the consultations held on 11 December 1992 between our respective delegations for the purpose of amending the Agreement on trade in textile products between the European Economic Community and the Federataive Republic of Brazil, applied since 1 January 1987, as extended by the Exchange of Letters applied since 1 January 1992 (hereinafter "the Agreement").
2. As a result of these consultations, both Parties agreed to amend the following provisions of the Agreement :
  - 2.1. Annex I and II which sets out the quantitative restrictions for exports from the Federative Republic of Brazil to the European Economic Community are replaced for the period 1 January 1993 to 31 December 1994 by Appendix 1 and 2 to this letter, respectively.
  - 2.2. Article 7, paragraph 6 of the Agreement and Protocol B are deleted.

*WCU*

*FW*

2.3. Paragraph 2 of Article 8 is replaced by the following text :

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

2.4. Article 11 is replaced by the following text :

"1. The quantitative limits established under this Agreement on imports into the Community of textile products of Brazilian origin will not be broken down by the Community into regional shares.

2. The Parties shall cooperate in order to prevent sudden and prejudicial changes in traditional trade flows resulting in regional concentration of direct imports into the Community.

3. Brazil shall monitor its exports of products under restraint or surveillance into the Community. Should a sudden and prejudicial change in traditional trade flows arise, the Community will be entitled to request consultations in order to find a satisfactory solution to those problems. Such consultations must be held within fifteen working days of their being requested by the Community, and in accordance with Article 15, paragraph 1.

4. Brazil shall endeavour to ensure that exports of textile products subject to quantitative limits into the Community are spaced out as evenly as possible over the year due account being taken in particular of seasonal factors."

2.5. Article 13 and all references to this Article in the Agreement are deleted.

2.6. The following phrase is added at the beginning of paragraph 1 of Article 15.

" 1. Save where it is otherwise provided for in this Agreement, ..."

*man*

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2.7. The second sentence of Article 17, paragraph 1, is replaced by the following text :

" It shall be applicable until 31 December 1994. Thereafter, the application of all the provisions of this Agreement shall be extended automatically for a period of one more year up to 31 December 1995, unless either Party notifies the other at least six months before 31 December 1994 that it does not agree with this extension. However, if the Agreement on trade in textiles and clothing products resulting from the Uruguay Round GATT trade negotiations is concluded and enters into force at an earlier date, this Agreement shall be automatically terminated as of the date agreed for the implementation of the results of the Uruguay Round GATT trade negotiations."

2.8. The first sentence of paragraph 1 of Article 6 of Protocol A is replaced by the following text :

" 1. The export licence shall conform to the model annexed to this Protocol and it shall be valid for exports throughout the customs territory to which the Treaty establishing the European Economic Community is applied. However, where the Community has made recourse to the provisions of Article 7 in accordance with the provisions of the Agreed Minute No 1, or to the Agreed Minute No 2, the textile products covered by the export licences can only be put into free circulation in the region(s) of the Community indicated in those licences."

*hac*

*Jan*

2.9. The second indent of Article 11, paragraph 1, of Protocol A to the Agreement is replaced by the following text :

" The import authorisations shall be valid for six months from the date of their issue for imports throughout the customs territory to which the Treaty establishing the European Economic Community is applied. However, where the Community has recourse to the provisions of Article 7 in accordance with the provisions of the Agreed Minute No 1, or to the Agreed Minute No 2, the products covered by the import licences can only be put into free circulation in the region(s) of the Community indicated in those licences."

2.10. The second and fifth indents of Article 13, paragraph 2, of Protocol A are replaced by the following text :

"- two letters identifying the intended Member State of customs clearance as follows:...".

BL = Benelux  
DE = Germany  
DK = Denmark  
EL = Greece  
ES = Spain  
FR = France  
GB = United Kingdom  
IE = Ireland  
IT = Italy  
PT = Portugal "

" - a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance".

2.11. The first sentence in the first indent of Protocol C is replaced by the following text:

*new*

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- " 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 15 of the Agreement."
- 2.12. Agreed Minute No 1 set out in Appendix 3 to this letter shall form an integral part of the Agreement.
- 2.13. Agreed Minute No 2 set out in Appendix 4 to this letter shall form an integral part of the Agreement.
- 2.14. Agreed Minute No 3 set out in Appendix No 5 to this letter shall form an integral part of the Agreement.
- 2.15. Agreed Minute No 4 set out in Appendix No 6 to this letter shall form an integral part of the Agreement.
3. The Parties agreed that this Agreement in the form of Exchange of Letters shall enter into force on the first day of the month following the day on which the Parties have notified each other that the legal procedures necessary to this end have been completed.
- The Parties also agreed that this Agreement in the form of Exchange of Letters and the amendments hereby to the Agreement of 1987, as extended, shall be applied provisionally from 1 January 1993.
4. I should be obliged if you kindly confirm the acceptance of your Government of the foregoing.

Please accept, Sir, the assurance of my highest consideration.

For the Council  
of the European Communities

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ANNEX II

(the full product description of the categories listed in this annexe are to be found in Annex I of the Agreement)

## COMMUNITY QUANTITATIVE LIMITS

<u>CATEGORY</u>	<u>UNIT</u>	<u>1993</u>	<u>1994</u>	<u>1995 (2)</u>
1	tonnes	35.837	36.446	37.066
2	tonnes	22.231	22.453	22.678
2a)	tonnes	4.709	4.789	4.870
3	tonnes	2.200	2.288	2.380
4	1000 pieces	29.800	30.992	32.232
6(1)	1000 pieces	3.113	3.238	3.367
9	tonnes	6.502	6.762	7.033
20	tonnes	3.995	4.155	4.321
22	tonnes	11.851	12.562	13.316
39	tonnes	3.167	3.357	3.558
46	tonnes	18.352	19.453	20.620

(1) For the purpose of setting off exports against the agreed limits a conversion rate of 5 garments (other than babies' garments) of a maximum commercial size of 130 cm, for 3 garments whose commercial size exceeds 130 cm may be applied for up to 5% of the quantitative limits.

(2) To be applied in case of automatic extension according to Article 17, paragraph 1.

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AGREED MINUTE No 1

In the context of the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile and clothing products, initialled on 14 December 1992, the Parties agreed that Article 7 of the Agreement does not preclude the Community, if the conditions are fulfilled, from applying, in conformity with the principles of the Internal Market, the safeguard measures referred to in Article 7 for one or more of its regions.

In such an event, Brazil shall be informed in advance and the relevant provisions of Protocol A of this Agreement shall be applied, as appropriate.

For the Delegation of the  
Federative Republic of Brazil

For the Delegation of the  
European Economic Community

*WCH*

*WCH*

AGREED MINUTE No 2

Notwithstanding Article 11 paragraph 1 of this Agreement, for imperative technical or administrative reasons or to find a solution to economic problems resulting from regional concentration of imports, or in order to combat circumvention and fraud of the provisions of this Agreement, the Community will establish for a limited period of time a specific management system in conformity with the principles of the Internal Market.

However, if the parties are unable to reach a satisfactory solution during the consultations provided for in Article 11 paragraph 3, Brazil undertakes, if so requested by the Community, to respect temporary export limits for one or more regions of the Community. In such case, these limits shall not preclude the importation into the region(s) concerned of products which were shipped from Brazil on the basis of export licences obtained before the date of formal notification to Brazil by the Community about the introduction of the above limits.

The Community shall inform Brazil of the technical and administrative measures, such as defined in the attached Note Verbale, that need to be introduced by both Parties in order to implement the above paragraphs in conformity with the principles of the Internal Market.

 ~~Brussels~~ 

For the Delegation of the  
Federative Republic of Brazil

For the Delegation of the  
European Economic Community





AGREED MINUTE No 3

In the context of the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile and clothing products, initialled in Brussels on 14 December 1992, the Parties agreed that Brazil shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of Community quotas of imports of products serving as inputs for their processing industry.

The Community and Brazil further agreed to hold consultations, should the need arise, in order to avert any problems which might occur in this respect.

The Parties agreed that this Agreed Minute replaces the corresponding Agreed Minute of the Agreement on this subject.

For the Government of the  
Federative Republic of Brazil

For the Council of the  
European Economic Community

*WCH*

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AGREED MINUTE No 4

In the context of the Agreement between the European Economic Community and the Federative Republic of Brazil on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 27 February 1992 and further extended by the Exchange of Letters initialled on 14 December 1992, Brazil agreed that, from the date of request for and pending the consultations referred to in Article 11 paragraph 3, it shall cooperate by not issuing export licences that would further aggravate the problems resulting from the regional concentration of direct imports into the Community.

For the Government of the  
Federative Republic of Brazil

For the Council of the  
European Economic Community

*Lucy*