

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1980^{*}

17 February 1993

TARIFFS AND TRADE

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 Sri Lanka

Note by the Chairman

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

¹The bilateral agreement, amendment and a previous extension are contained in COM.TEX/SB/1350, 1659 and 1711.

^{*}English only/Anglais seulement/Inglés solamente

08.02.93

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COMMISSION
OF THE EUROPEAN
COMMUNITIES

DIRECTORATE-GENERAL
EXTERNAL RELATIONS

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 Democratic Socialist Republic of Sri Lanka 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 1) has been updated to take into account changes in nomenclature¹⁾;
- 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 RFSB/1980

Dorian F. Prince

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

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 DEMOCRATIC
SOCIALIST REPUBLIC OF SRI LANKA ON TRADE IN TEXTILE PRODUCTS

Initialled at Brussels, 17 December, 1992

Kalyananda Godage'

[Signature]
17th Dec. '92.

[Signature]

17th December '92

AGREEMENT -


in the form of Exchange of Letters amending the Agreement between the European Economic Community and the Democratic Socialist Republic of Sri Lanka on trade in textile products

Letter Number One

Sir,

1. I have the honour to refer to the consultations held on 7 and 17 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 Democratic Socialist Republic of Sri Lanka 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, Annex II and the Annex to Protocol "E" which set out the products concerned by the Agreement, the quantitative restrictions for exports and the OPT operations respectively, from the Democratic Socialist Republic of Sri Lanka to the European Economic Community, are replaced for the period 1 January 1993 to 31 December 1994 by Appendix 1, Appendix 2 and Appendix 3 to this letter, respectively.
 - 2.2. Article 8, paragraph 6 and Protocol C of the Agreement are deleted.

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- 2.3. Paragraph 2 of Article 9 is replaced by the following text :
- " The information referred to in paragraph 1 first indent shall, for all categories of products, be forwarded before the end of the month following the month to which the statistics relate."
- 2.4. Paragraphs 1 and 2 of Article 12 are replaced by the following text :
- "1. The quantitative limits established under this Agreement on imports into the Community of textile products of Sri Lankan 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. Sri Lanka 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.
 4. Sri Lanka 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 14 and all references to this Article in the Agreement are deleted.
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- 2.6. The following phrase is added at the beginning of paragraph 1 of Article 16.


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

- 2.7. The second sentence of Article 18, 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 7 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 8 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."



2.9. The second indent of Article 12, 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 8 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 third indents of Article 14, 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. Paragraph 3 (b) of Protocol E to the Agreement is deleted.
- 2.12. Agreed Minute No 1 set out in Appendix 4 to this letter shall form an integral part of the Agreement.
- 2.13. Agreed Minute No 2 set out in Appendix 5 to this letter shall form an integral part of the Agreement.
- 2.14. Agreed Minute No 3 set out in Appendix 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



APPENDIX 2

ANNEX II

(the full product descriptions of the categories listed in this annex 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</u>
6	(1)	1,000 pieces	5361	5736	6138
7		1,000 pieces	8581	9182	9825
8		1,000 pieces	6877	7358	7873
21	(1)	1,000 pieces	5768	6229	6727

Note: The numbers in brackets are references to the footnotes in Annex II of the Agreement for the appropriate Category respectively.

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APPENDIX 3

ANNEX TO PROTOCOL E

(The product descriptions of the categories figuring in this annex
are to be found in Annex I of the Agreement)

<u>CATEGORY</u>	<u>UNIT</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
6	1,000 pieces	1640	1716	1836
7	1,000 pieces	1210	1295	1386
8	1,000 pieces	1115	1193	1277
21	1,000 pieces	1205	1301	1405

AGREED MINUTE No 1

In the context of the Agreement between the European Economic Community and the Democratic Socialist Republic of Sri Lanka on trade in textile and clothing products, initialled on 17 December 1992, the Parties agreed that Article 8 of the Agreement does not preclude the Community, if the conditions are fulfilled, from applying the safeguard measures for one or more of its regions in conformity with the principles of the internal market.

In such an event, Sri Lanka shall be informed in advance of the relevant provisions of Protocol A of the Agreement to be applied, as appropriate.

For the Government of the
Democratic Socialist Republic of
Sri Lanka

For the Council of the
European Economic Community

AGREED MINUTE No 2

Notwithstanding Article 12 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 12 paragraph 3, Sri Lanka undertakes, if so requested by the Community, to respect temporary export limits for one or more regions of the Community. In such a case, these limits shall not preclude the importation into the region(s) concerned of products which were shipped from Sri Lanka on the basis of export licences obtained before the date of formal notification to Sri Lanka by the Community about the introduction of the above limits.

The Community shall inform Sri Lanka 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.

For the Government of the
Democratic Socialist Republic of
Sri Lanka

For the Council of the
European Economic Community



Appendix 6

AGREED MINUTE No 3

In the context of the Agreement between the European Economic Community and the Democratic Socialist Republic of Sri Lanka on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 25 October 1991 and further extended by the Exchange of Letters initialled on 17 December 1992, Sri Lanka agreed that, from the date of request for and pending the consultations referred to in Article 12 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
Democratic Socialist Republic of
Sri Lanka

For the Council of the
European Economic Community

