

GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1986^{*}

26 February 1993

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 Hong Kong

Note by the Chairman

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

¹The bilateral agreement, amendments and a previous extension are contained in COM.TEX/SB/1372, 1560, 1652, 1662 and 1698.

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



COMMISSION
OF THE EUROPEAN
COMMUNITIES

DIRECTORATE-GENERAL
EXTERNAL RELATIONS

2

12.02.93

002349

Brussels,
DP/jm

I/D/1

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 Hong Kong 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 nomenclature¹⁾.

164-53/1186

Yours sincerely,

Dorian F. Prince

Dorian F. Prince

Ambassador M. Raffaelli
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 HONG KONG

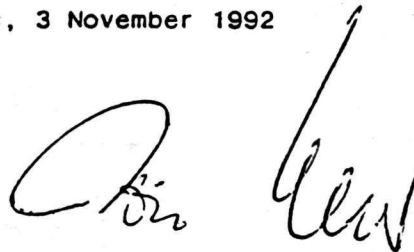
ON TRADE IN TEXTILE PRODUCTS

Initialled in Brussels, 3 November 1992



(ALAN N LAI)

3 November 92



3rd November 1992

AGREEMENT

in the form of Exchange of Letters amending the Agreement between the European Economic Community and Hong Kong on trade in textile products

Letter Number One

Sir,

1. I have the honour to refer to the consultations held on 28 to 30 October 1992 between our respective delegations for the purpose of amending the Agreement on trade in textile products between the European Economic Community and Hong Kong, 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 II which sets out the quantitative restrictions for exports from Hong Kong to the European Economic Community is replaced for the period 1 January 1993 to 31 December 1994 by Appendix 1 to this letter.
 - 2.2 Article 7, paragraphs 5(c), 7 and 9 of the Agreement are deleted. Consequently, the references to paragraphs 9 and 7 in paragraphs 5(d) and 10 are also deleted.
 - 2.3 At the end of Article 8 paragraph 2 the following phrase is added :

"This information shall, for all categories of products, be transmitted before the end of the second month following the quarter to which the statistics relate".



2.4 Paragraph 3 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."

2.5 Paragraphs 1 and 2 of Article 11 are replaced by the following text :

"1. The quantitative limits established under this Agreement on imports into the Community of textile products of Hong Kong 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. Hong Kong shall monitor its exports of products under restraint 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 14, paragraph 1.

4. Hong Kong 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."

2.6 Article 12 is deleted.

2.7 The following phrase is added at the beginning of paragraph 1 of Article 14.

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

2.8 The second sentence of Article 16, 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 automatically extended for a period of one more year up to 31 December 1995, unless either party notifies the other at least 6 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."

2.9 The first sentence of paragraph 1 of Article 5 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 N° 1, or to the Agreed Minute N° 2, the textile products covered by the corresponding export licences can only be put into free circulation in the region(s) of the Community indicated in those licences."

2.10 The second indent of Article 10, paragraph 1, of Protocol A to the Agreement is replaced by the following text :

" The import authorizations 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 N° 1, or to the Agreed Minute N° 2, the products covered by the corresponding import licences can only be put into free circulation in the region(s)

of the Community indicated in those licences."

2.11 The second and fifth indents of Article 12, paragraph 2, of Protocol A are replaced by the following text :

- " - two letters identifying the intended Member State of customs clearance as follows : ..."
- " - a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance."

2.12 Agreed Minute N° 1 set out in Appendix 2 to this letter shall form an integral part of the Agreement.

2.13 Agreed Minute N° 2 set out in Appendix 3 to this letter shall form an integral part of the Agreement.

2.14 Agreed Minute N° 3 set out in Appendix 4 to this letter shall form an integral part of the Agreement.

2.15 Agreed Minute N° 4 set out in Appendix 5 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 1

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>
2	Tonnes	13511	13538	13565
of which 2A	Tonnes	11627	11650	11674
3	Tonnes	11213	11236	11258
of which 3A	Tonnes	7511	7526	7541
4	'000 pieces (3)	37525	37788	38052
5	'000 pieces	28536	28707	28880
6	'000 pieces (1)	54167	54438	54711
of which 6A	'000 pieces (1)	45075	45301	45527
7	'000 pieces	31775	32029	32286
8	'000 pieces	48749	49041	49335
32	Tonnes	6891	7063	7240
39	Tonnes	1505	1535	1565
12	'000 pairs	12354	12724	13106
13	'000 pieces (1)	81992	82812	83640
13S	Tonnes (2)	1607	1671	1738
16	'000 sets	2282	2316	2351
18	Tonnes	7278	7459	7646
21	'000 pieces (2)	17099	17355	17615
24	'000 pieces	8378	8588	8803
26	'000 pieces	10037	10138	10239
27	'000 pieces	9953	10152	10355
29	'000 sets	2621	2686	2754
31	'000 pieces	19888	20485	21099
68	Tonnes (1)	2572	2662	2755
68S	Tonnes (2)	586	606	628
73	'000 sets (*)	2013	2054	2095
77	Tonnes	642	658	674
78	Tonnes	9051	9277	9509
83	Tonnes	369	378	388
61	Tonnes	2187	2297	2411
10	'000 pairs	87536	89287	91073
72(i)	'000 pieces	16877	17552	18254
74	'000 sets	1093	1137	1182

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

(i) Applies only to knitted swimwear.

Appendix 2AGREED MINUTE N° 1

In the context of the agreement between the European Economic Community and Hong Kong on trade in textile and clothing products, initialled in Brussels on 3 November 1992, the Parties agreed that Article 7 of the Agreement does not preclude the Community, if the conditions are fulfilled, from applying the safeguard measures referred to in Article 7 for one or more of its regions in conformity with the principles of the internal market.

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

For the Delegation of Hong Kong

For the Delegation of the
European Economic Community



AGREED MINUTE N° 2

Notwithstanding Article 11 paragraph 1 of the 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 the 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, Hong Kong 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 Hong Kong on the basis of export licences obtained before the date of formal notification to Hong Kong by the Community about the introduction of the above limits.

The Community shall inform Hong Kong 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 Delegation of Hong Kong

For the Delegation of the
European Economic Community



AGREED MINUTE N° 3

In the context of the agreement between the European Economic Community and Hong Kong on trade in textile and clothing products, initialled in Brussels on 3 November 1992, the Parties agreed that Hong Kong 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 Hong Kong 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.

For the Delegation of Hong Kong

For the Delegation of the
European Economic Community



Appendix 5AGREED MINUTE N° 4

In the context of the Agreement between the European Economic Community and Hong Kong on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 16 July 1991 and further extended by the Exchange of Letters initialled on 3 November 1992, Hong Kong 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 Delegation of Hong Kong

For the Delegation of the
European Economic Community

