

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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CONFIDENTIAL

TEX.SB/1987<sup>\*</sup>

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 the Republic of India

##### Note by the Chairman

Attached is a notification received from the EEC of an extension with amendments of its agreement, initialled with India 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, amendments and a previous extension are contained in COM.TEX/SB/1401, 1402, 1470, 1561, 1666, 1693 and 1705.

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





COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

DIRECTORATE-GENERAL  
EXTERNAL RELATIONS

Brussels 12.02.93  
DP/jm

1237  
002355

I/D1

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 Republic of India 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.

EX-53/1987

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 THE REPUBLIC

OF INDIA ON TRADE IN TEXTILE PRODUCTS

Initialled at Brussels, 18 December 1992

*S. Narayan*  
18/12/92

S. NARAYAN

*For the*  
*18th Dec 1992*



AGREEMENT

in the form of Exchange of Letters amending the Agreement between the European Economic Community and the Republic of India 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 15-17 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 Republic of India, 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 Annex II which set out the products concerned by the Agreement and the quantitative restrictions for exports, respectively, from the Republic of India to the European Economic Community are replaced for the period 1 January 1993 to 31 December 1994 by Appendix 1 and Appendix 2 to this letter, respectively.
  - 2.2. Article 8, paragraph 6 and Protocol C of the Agreement are deleted.





- 2.3. Paragraph 2 of Article 9 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 12 is replaced by the following text :
- "1. The quantitative limits established under this Agreement on imports into the Community of textile products of India 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. India 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. India 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 6 of Protocol A is replaced by the following text :

" 1. The export certificate 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 N° 1, or to the Agreed Minute N° 2, the textile products covered by the export certificates can only be put into free circulation in the region(s) of the Community indicated in those certificates."





- 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 8 in accordance with the provisions of the Agreed Minute N° 1, or to the Agreed Minute N° 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  
GE = 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."

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- 2.11. Agreed Minute N° 1 set out in Appendix 3 to this letter shall form an integral part of the Agreement.
- 2.12. Agreed Minute N° 2 set out in Appendix 4 to this letter shall form an integral part of the Agreement.
- 2.13. Agreed Minute N° 3 set out in Appendix 5 to this letter shall form an integral part of the Agreement.
- 2.14. Agreed Minute N° 4 set out in Appendix 6 to this letter shall form an integral part of the Agreement.
- 2.15. Agreed Minute N° 5 set out in Appendix 7 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





ANNEX 11

(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>
1	Tonnes	33599	34271	34956
2	Tonnes	48150	48992	49850
2 a)	Tonnes	10981	11639	12338
3	Tonnes	20725	21554	22416
a)	Tonnes	4145	4310	4483
4	,000 pieces	36505	38148	39865
5	,000 pieces	23134	24291	25505
6	,000 pieces	5269	5532	5809
7	,000 pieces	46779	49999	51249
8	,000 pieces	34044	34980	35942
9	Tonnes	6950	7298	7662
15	,000 pieces	3939	4176	4426
20	Tonnes	11664	12247	12859
26	,000 pieces	11584	12047	12529
27	,000 pieces	10553	10975	11415
29	,000 pieces	6436	6758	7096
39	,000 pieces	3052	3246	3440



Appendix 3AGREED MINUTE N° 1

In the context of the Agreement between the European Economic Community and the Republic of India on trade in textile and clothing products, initialled on 18 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, India 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  
Republic of India

For the Council of the  
European Economic Community

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AGREED MINUTE N° 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, India 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 India on the basis of export certificates obtained before the date of formal notification to India by the Community about the introduction of the above limits.

The Community shall inform India 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  
Republic of India

For the Council of the  
European Economic Community





Appendix 5AGREED MINUTE N° 3

In the context of the agreement between the European Economic Community and the Republic of India on trade in textile and clothing products, initialled in Brussels on 18 December 1992, the Parties agreed that India 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 India 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 Exchange of Letters of the Agreement on this subject.

For the Government of the  
Republic of India

For the Council of the  
European Economic Community





AGREED MINUTE N° 4

In the context of the Agreement between the European Economic Community and the Republic of India on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 15 December 1991 and further extended by the Exchange of Letters initialled on 18 December 1992, India 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 certificates that would further aggravate the problems resulting from the regional concentration of direct imports into the Community.

For the Government of the  
Republic of India

For the Council of the  
European Economic Community






AGREED MINUTE N° 5

In the context of the Agreement between the Community and the Republic of India on trade in textile products initialled on 18 December 1992, the following was agreed :

1. Exports of hand-made garments made in the cottage industry of India from fabrics referred to in paragraph 1(a) of Protocol B (i.e. those categories of products falling within Groups I-B, II-B and III-B in Annex I of the initialled Agreement) will be included in the quantitative limits established under the Agreement. These products will be covered by export certificates.
2. In addition, for such products belonging to categories 6, 8, 15 and 27, the following global quantities :

1993	4311 pieces
1994	4484 pieces
1995	4665 pieces

may be exported to the Community, provided they are accompanied by the certificate referred to in paragraph 2 of Protocol E bearing the following reference in box 7 : "Hand-made garments". The category of the product in question, as well as the quota year, must also be indicated in the same box.





For each of the categories in question the total quantity exported to the Community shall not exceed the following levels :

1,000 pieces	1993	1994	1995
Cat. 6	646	678	712
Cat. 18	1645	1690	1737
Cat. 15	730	774	821
Cat. 27	1290	1342	1395

3. The provisions of Articles 7 of the Agreement shall apply to the above quantities, except that there shall be no inter-category transfers between the quantitative limits referred to above and those set out in Annex II of the Agreement.
4. The provisions of Title III, IV and V of Protocol A shall apply "mutatis mutandis" to the above products.

For the Government of the  
Republic of India

For the Council of the  
European Economic Community

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