

GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1989*

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 Malaysia

Note by the Chairman

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

¹The bilateral agreement, amendment and a previous extension are contained in COM.TEX/SB/1289, 1668 and 1717.

*English only/Anglais seulement/Inglés solamente



COMMISSION
OF THE EUROPEAN
COMMUNITIES

DIRECTORATE-GENERAL
EXTERNAL RELATIONS

Brussels, 12.02.93
DP/jm

002353

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 Malaysia 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⁾;
- market access has been improved via uplifts to quota base levels for certain categories of products, before application of normal annual growth rates.

22.12/1987

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 MALAYSIA

ON TRADE IN TEXTILE PRODUCTS

Initialled at Brussels, 3 December 1992

M. Jayaraman

3rd Dec, 1992

Tom Allen
3rd December 1992

AGREEMENT

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

Letter Number One

Sir,

1. I have the honour to refer to the consultations held on 1 and 2 December 1992 between our respective delegations for the purpose of amending the Agreement on trade in textile products between the European Economic Community and Malaysia 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 Malaysia 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.

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. 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 Malaysian 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. Malaysia 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. Malaysia 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.



- 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 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."

1.5

2.2

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 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."

1000

22

- 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.
- 2.15. Agreed Minute No 4 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



APPENDIX 2ANNEX 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>
2	Tonnes	5.094	5.247	5.404
of which 2 a)	Tonnes	2.050	2.112	2.175
3	Tonnes	10.734	11.056	11.388
of which 3 a)	Tonnes	4.330	4.460	4.594
4	1,000 pieces	8.740	9.177	9.636
5	1,000 pieces	4.270	4.484	4.708
6	1,000 pieces	5.715	6.001	6.301
7	1,000 pieces	27.200	28.016	28.856
8	1,000 pieces	5.550	5.717	5.888
22	Tonnes	7.136	7.564	8.018

APPENDIX 3ANNEX TO PROTOCOL E

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

OPT QUOTAS

YEAR : 1992

COMMUNITY QUANTITATIVE LIMITS

<u>CATEGORY</u>	<u>UNIT</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
4	1,000 pieces	155	166	179
5	1,000 pieces	155	166	179
6	1,000 pieces	155	166	179
7	1,000 pieces	155	166	179
8	1,000 pieces	131	137	143

Appendix 4AGREED MINUTE No 1

In the context of the Agreement between the European Economic Community and Malaysia on trade in textile and clothing products, initialled on 3 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, Malaysia shall be informed in advance of the relevant provisions of Protocol A of the Agreement to be applied, as appropriate.

For the Government of Malaysia

For the Council of the
European Economic Community

Appendix 5AGREED MINUTE No 2

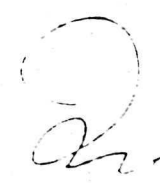
Notwithstanding Article 12 paragraph 1 of this Agreement, for imperative technical or administrative reasons or to find a solution to economic problems resulting from regional concentration of imports, or in order to combat circumvention and fraud of the provisions of this Agreement, the Community will 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, the Community may also introduce temporary limits for one or more of its regions. In such a case, these limits shall not preclude the importation into the region(s) concerned of products which were shipped from Malaysia on the basis of export licences obtained before the date of formal notification to Malaysia by the Community about the introduction of the above limits.

The Community shall inform Malaysia 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 Malaysia

For the Council of the
European Economic Community



Appendix 6AGREED MINUTE No 3

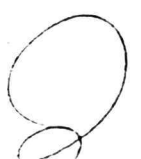
In the context of the agreement between the European Economic Community and Malaysia on trade in textile and clothing products, initialled in Brussels on 3 December 1992, the Parties agreed that Malaysia shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of Community quotas of Imports of products serving as inputs for their processing industry.

The Community and Malaysia 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 Malaysia

For the Council of the
European Economic Community



Appendix 7

AGREED MINUTE No 4

In the context of the Agreement between the European Economic Community and Malaysia on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 8 November 1991 and further extended by the Exchange of Letters initialled on 3 December 1992, Malaysia 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 Malaysia

For the Council of the
European Economic Community

h

Ch.