

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/732\*  
22 April 1982

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Modification of Bilateral Agreement between the EEC and Brazil

#### Note by the Chairman

Attached is a notification received from the Commission of the European Communities relating to a modification of the bilateral agreement between the EEC and Brazil.<sup>1</sup> This modification concerns the introduction of a new agreed limit on exports of category 80 (babies' garments) into Benelux.

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<sup>1</sup> The original agreement and previous amendments or modifications are contained in COM.TEX/SB/404, 482, 554, 604 and 721.

\* English only/Anglais seulement.

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COMMISSION  
OF THE  
EUROPEAN COMMUNITIES

Directorate-General for  
External Relations  
I E 1

Brussels  
JRB/mag

16. IV. 1982 473

ANSWERED	DOC. ISSUED	FOUO
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Dear Mr. Ambassador,

In connection with the European Economic Community's Agreement on trade in textile products with Brazil negotiated under Article 4 of the Arrangement and signed on 23 January 1980, I have to inform you of the following :

During the course of 1981 imports of babies' garments (category 80) from Brazil into the Benelux region of the Community exceeded 14 tonnes, being the level at which the Community can ask for consultations with a view to establishing a limit in respect of the region of the Community concerned under the provisions of Article 6 of the Agreement. The Community having deemed that there was real risk of market disruption in this case, the two sides consulted on 22 January 1982 in pursuance of Article 12 of the Agreement. As a result of these consultations, and in conformity with the provisions of the Agreement, Brazil agreed to limit exports to the Benelux as follows :

Category	Unit	Member State	1982
80	tonnes	Benelux	90 tonnes

These new limits contained in the Agreed Minute annexed to this letter are herewith communicated under Article 4, paragraph 4 of the Arrangement, as a modification to the Community's Agreement with Brazil.

Yours sincerely

J.R. BECK

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

For	Action	Comment	Int.
Cabinet of DG			
Off. Legal Aff.			
Ext. Rel./Info. Div.			
CHAIRMAN TSB			
OPER. DEPT. A.			
Non-Tar. M. Div.			
Development Div.			
Tech. Coop. Div.			
Inter-Agency Aff.			
Special Projects			
OPER. DEPT. B.			
Econ. R/Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Ser. T. Div.			
DEPT. CONF. AFF/ADM			
Conference Div.			
Adm/Fin. Div.			
Liaison/Doc. Div.			
Training Div.			

# BASKET EXIT LIMITATION

<u>Category</u> 80	<u>Units</u> tonnes	<u>Countries</u> : Brazil/Benelux
a) Date when new limit was agreed	-	22 January 1982
b) Basket Exit level ( 5 % of previous year's total imports in category under consideration)	-	14 tonnes
c) Level agreed	-	90 tonnes
d) First year of application of new limit	-	1982
e) Annual growth	-	none
f) Date when consultation was requested	-	2 December 1981
g) Recorded imports at date of request for consultation	-	67 tonnes
h) Period covered by g)	-	8 months 1981
i) Imports during calendar year preceding year during which consultation was requested	-	81 tonnes

AGREED MINUTE

Following a request from the Community consultations were held with Brazil on 21 January 1982 on behalf of one Community region - the Benelux, concerning imports of Category 80 (babies garments) originating in Brazil.

PRESENT

Brazil Delegation

Mr. PORTO  
Mr. GANEM  
Mr. MOSCOSO

Title/Position

Co-Chairman  
Mission  
CACEX

Commission

Mr. BEVAN  
Mr. LUCACCIONI

Co-Chairman  
DG I-E-1

Member States

Belgium

Mr. DUHAUT  
Mr. HUBERT

Ministry of Economic Affairs  
Ministry of External Commerce

Holland

Mr. KEIZER

Ministry of Economic Affairs

1. The Community referred to the fact that imports of category 80 had reached 67 tonnes for the first 8 months of 1981 - a figure nearly five times the exit level specified in Article 6 of the bilateral agreement - and this had led to the request for consultations made on 2 December of that year.
2. Indeed Brazil had been the largest supplier of this product to the Benelux for the last four years. Thus imports from Brazil into the Benelux were approximately 30% of the total. This was a clear case for a regional limit.

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*M. A. S.*

3. The economic difficulties of the textile industry continued with the familiar pattern of closing firms and falling employment accompanied by a fall in production. For this reason the Benelux sought protection for the last year of the agreement.
4. The Brazilian delegation emphasised that any concentration on the Benelux was the result of several factors, including market forces and certain aspects of the bilateral agreement, and that it was mainly the importer who decided on the marketing and distribution of the product within the EEC. The problems of the textile industry were not confined to Europe and given the economic situation in Brazil, agreement to any limit was difficult. In addition it seemed a familiar pattern that imports of a product from a new source were limited at low levels.
5. As regards the quantum Brazil emphasised that consultation would be pointless and agreement could not be reached unless a new limit took account of reasonable growth on existing trade levels.
6. Nevertheless in a spirit of cooperation Brazil agreed ad referendum to limit its total exports to the Benelux of category 80 for the year 1982 to 90 tonnes.  
Double-checking procedures would apply as soon as practicable on notice by Brazil and technical consultations if necessary be held to agree the quantity exported from Brazil between 1 January 1982 to the date double-checking commenced.

MARQUES PORTO  
Head of Delegation,  
Federal Republic of Brazil

*M.G. Bevan*  
M.G. BEVAN  
Head of Delegation,  
European Economic  
Community

Brussels, 22 January 1982