Arrangement Regarding International Trade in Textiles

Notification under Articles 7 and 8

Amendment to the Agreement between the EEC and Argentina

Note by the Chairman

Attached hereto is a letter from the Commission of the European Communities communicating a modification to the existing bilateral agreement between the EEC and Argentina. The amendment relates to the establishment of new limits on imports of wool cloth in the United Kingdom from Argentina.

For details of the original agreement see COM.TEX/SB/379.

Arrangement Concernant le Commerce International des Textiles

Notification conformément aux articles 7 et 8

Modification de l'accord entre la CEE et l'Argentine

Note du Président

La Commission des Communautés européennes a adressé au secrétariat la lettre ci-jointe concernant une modification apportée à l'accord bilatéral conclu entre la CEE et l'Argentine. La modification a trait à la fixation de nouveaux plafonds applicables aux importations britanniques d'étoffes de laine en provenance de l'Argentine.

Pour le texte de l'accord initial, voir COM.TEX/SB/379.
Dear Mr. Ambassador,

In connection with the European Economic Community's Agreement on trade in textile products with Argentina negotiated under Article 4 of the Arrangement and initialled on 24.12.1977, I have to inform you of the following:

The imports of wool cloth originating in the Argentina into United Kingdom region of the Community had risen from 8 tons in 1976 to 203 in 1977 and 136 tons (out of an EEC total of 176) being the level at which the Community can ask for a restraint measure in respect of the region of the Community concerned under the provisions of Article 6 of the Agreement.

In particular imports were concentrated in NIMEXE positions 53.11-13, in medium-weight 100% wool worsted of the serge/flannel plain design affecting a specific sector of industry.

The Community having deemed that there was real risk of market disruption in this case, the two sides held consultations in 26 July 1978 in pursuance of Article 12 of the Agreement.
As a result of these consultations, and in conformity with the provisions of the Agreement, Argentina agreed to limit exports of wool cloth (category 50) to the UK as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Member State</th>
<th>1978 August 1</th>
<th>1979</th>
<th>1980</th>
<th>1981</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>tons</td>
<td>UK</td>
<td>105</td>
<td>230</td>
<td>250</td>
<td>270</td>
<td>305</td>
</tr>
</tbody>
</table>

These new limits contained in the agreed minute annexed to this letter (as modified by the attached exchange of Notes), are herewith communicated for information under Article 7 and 8 of the Arrangement.

Yours sincerely,

[Signature]

J.R. Beck
In accordance with the request of the Commission, consultations were held on 26 July 1978 between Argentina and the European Economic Community to discuss trade in textiles and in particular trade in wool cloth (category 50) between Argentina and one region of the Community - the United Kingdom.

Present:

Argentina
Mr Spector
Mr Layus

Community
Mr Boselli
Mr Hofmann
Mr Hall
Mr Bevan

In Attendance
Mr Farry (UK)

1. During consultation the Community delegation drew attention to the threat of damage to producers in the United Kingdom market arising from imports of wool cloth originating in the Argentina. Such imports had risen from 8 tons in 1976, to 203 in 1977 and 136 tons (out of an EEC total of 176) in the first five months of 1978. In particular imports were concentrated in NIMEXE positions 53.11-13, in medium-weight 100% wool worsted of the serge / flannel plain design, affecting a specific sector of industry.

2. The Argentina delegation emphasised that, in its view, trade at such level could not produce the results feared, and that no major expansion of exports was envisaged.
3. Nevertheless in a spirit of cooperation Argentina agreed to limit exports of wool cloth (category 50 of the bilateral agreement initial led between Argentina and the Community on December 1977) to the United Kingdom as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1 - December 31, 1978</td>
<td>60 tons</td>
</tr>
<tr>
<td>1979</td>
<td>245 tons</td>
</tr>
<tr>
<td>1980</td>
<td>265 tons</td>
</tr>
<tr>
<td>1981</td>
<td>285 tons</td>
</tr>
<tr>
<td>1982</td>
<td>305 tons</td>
</tr>
</tbody>
</table>

Such exports would be subject with effect from August 1, 1978, to the double-checking procedures specified in the bilateral Agreement and to such other of its provisions as were relevant.

Elvio Baldinelli,  
Ambassador  
Head of Delegation  
Republic of Argentina

Luigi Boselli,  
Head of Delegation  
European Economy Community
The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of Argentina to the European Communities and has the honour to refer to the Mission's Note No 56 of 20 September 1973.

The Directorate-General confirms to the Mission that in view of the circumstances a special anticipation has been agreed in addition to the quota for Argentine exports of wool cloth in 1973 to the region in question, on the terms specified in the Mission's Note.

The Directorate-General for External Relations avail itself of this opportunity to renew to the Mission of the Republic of Argentina to the European Communities the assurance of its highest consideration.

Brussels,
La Mission de la République d'Argentine auprès des Communautés Européennes présente ses compliments à la Direction Générale des Relations Extérieures de la Commission des Communautés Européennes et à l'honneur de se référer à l'Acte d'Accord sur les exportations argentine de tissus de laine (catégorie 50) au Royaume-Uni, qui a été signé le 3 août 1978.

La Mission de la République d'Argentine désire manifester qu'antérieurement à la conclusion de l'Acte d'Accord mentionné, il existait au pouvoir des exportateurs argentins, des cartes de crédit couvrant l'exportation au Royaume-Uni de 105 tonnes de tissus de laine (catégorie 50) à être embarquées durant l'année 1978. À ce moment, ce fait n'était pas connu des autorités argentines, étant donné que la rapidité, avec laquelle l'Accord mentionné a été conclu, empêcha de réaliser parmi les entreprises exportatrices, un relevé minutieux des contrats en cours d'exécution.

La Mission de la République d'Argentine, considérant la nature d'obligation pour les exportateurs argentins, en ce qui concerne les compromis existants, et le dommage qui pourrait surgi de ne pas les honorer, demande que la limite des exportations de tissus de laine (catégorie 50) soit fixée à 60 tonnes pour la période allant du 1er août au 31 décembre 1978, soit portée à 105 tonnes. Les 45 tonnes supplémentaires pourraient être déduites, en parts égales, des limites accordées pour les années 1979, 1980 et 1981. En conséquence, les quantités mentionnées au point 3 de l'Acte d'Accord mentionné du 3 août 1978, seraient modifiées de la manière suivante:
La Mission de la République d'Argentine auprès des Communautés Européennes saisit cette occasion pour renouveler à la Direction Générale des Relations Extérieures de la Commission des Communautés Européennes, l'assurance de sa plus haute considération.

Bruxelles, le 20 septembre 1978.