The attached notification received from the Commission of the European Communities concerns an amendment to the initialled Article 4 agreement with Malaysia. The amendment relates to new limits on exports from Malaysia with respect to category 11 to France.

1For details of the existing agreement see COM.TEX/SB/420.

La Commission des Communautés européennes a fait parvenir au secrétariat la notification ci-jointe relative à une modification de l'accord bilatéral paraphé qui a été négocié avec la Malaisie au titre de l'article 4. Cette modification porte fixation de nouvelles limites aux exportations malaisiennes de produits de la catégorie 11 à destination de la France.

1Pour le détail de l'accord existant, voir le document COM.TEX/SB/420.
Dear Mr. Ambassador,

In connection with the European Economic Community's Agreement on trade in textile products with Malaysia negotiated under Article 4 of the Arrangement and initialled on 21 December 1977, I have to inform you of the following:

During the course of 1978 imports of gloves from Malaysia into the French region of the Community exceeded 167,000 pairs, 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. The Community having deemed that there was real risk of market disruption in this case, the two sides held consultations on 15 September 1978 in pursuance of Article 14 of the Agreement. As a result of these consultations, and in conformity with the provisions of the Agreement, Malaysia agreed to limit exports to France as follows:

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</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>1,000 pairs</td>
<td>France</td>
<td>1,180</td>
<td>1,300</td>
<td>1,378</td>
<td>1,461</td>
<td>1,548</td>
</tr>
</tbody>
</table>

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 Malaysia.

Yours sincerely,

J. R. Beck

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

1. Representatives of the Federation of Malaysia and the European Economic Community met on 15 September 1978 in Brussels for consultations in accordance with Article 14 of the Agreement on trade in textiles between the Community and Malaysia initialled on 21 December 1977.

2. As a result of these consultations, Malaysia agreed to limit its exports of gloves (Category 11, Nimex positions 60.02-50;60;70€0) to France to the following levels:

1978: 1,180,000 Pairs
(exceptiionally, a supplementary quantity of 70,000 Pairs can be drawn in 1978 only, if requested by the supplying country)

1979: 1,300,000 Pairs
1980: 1,300,000 Pairs plus growth rate of 6% = 1,378,000 Pairs
1981: 1,378,000 Pairs plus growth rate of 6% = 1,461,000 Pairs
1982: 1,461,000 Pairs plus growth rate of 6% = 1,548,000 Pairs

3. It is the understanding of both parties that the provisions of the Agreement which concern exports of products subject to quantitative limits established in Annex II, in particular the licence procedures set out in Protocol A, shall also apply to exports of gloves from Malaysia to France.

4. It is the understanding of both parties that the flexibility provisions set out in Article 5 of the Agreement are applicable to the limit for exports of gloves from Malaysia to France. In 1978 the reference quantity for the purpose of applying the flexibility provisions is to be 1,180,000 Pairs.

5. It is the understanding of both parties that the levels agreed for exports of gloves to France shall not be regarded as a precedent for any other quantitative limits which may be requested by the Community under the provisions of Article 6 of the Agreement.

Brussels, 15 September 1978