The attached notification received from the Commission of the European Communities concerns an amendment to the existing Article 4 agreement with Malaysia. The amendment relates to new limits on exports from Malaysia with respect to category 26 to Benelux.

For details of the existing agreement and previous amendment see COM.TEX/SB/420 and 476. See also TEX.SB/549.
Dear Mr Ambassador,

In connection with the European Economic Community's Agreement on trade in textile products with the Federation of 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 1979 imports of dresses (Cat 26) from Malaysia into the Benelux region of the Community exceeded 50,000 pieces, 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 11 January 1980 in pursuance of Article 14 of the Agreement. As a result of these consultations, and in conformity with the provisions of the Agreement, the Federation of Malaysia agreed to limit exports to Benelux as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Member State</th>
<th>1979</th>
<th>1980</th>
<th>1981</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>000 p</td>
<td>BNL</td>
<td>-</td>
<td>145</td>
<td>153.7</td>
<td>162.92</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,

[Signature]

J.R. BECK
AGREED MINUTE

1. Representatives of the Federation of Malaysia and the European Economic Community met on 11 January 1980 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. Following the Agreed Minutes dated 21 December 1979 and as a result of today's consultations, Malaysia agreed to limit its exports of dresses (Category 26, Nimex positions 60.05-41; 42;43;44 and 61.02-48;52;53;54) to the Benelux countries to the following levels:

   - 1980 : 145 000 pieces
   - 1981 : 153 700 pieces (includes growth rate of 6 %)
   - 1982 : 162 920 pieces (includes growth rate of 6 %)

3. It remains 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 dresses from Malaysia to the Benelux countries from 1 January 1980.

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 dresses from Malaysia to the Benelux countries.


Head of Delegation
Federation of Malaysia

Head of Delegation
European Economic Community
BASKET EXIT LIMITATION

Category: 26 (dresses)  Unit: pieces

Countries: Malaysia - BNL

a) Date when new limit was agreed - 11 January 1980
b) Basket Exit level (% of previous year's total imports in category under consideration) - 50,000 pieces
c) Level agreed - 145,000 pieces
d) First year of application of new limit - 1980
e) Annual growth - 6%
f) Date when consultation was requested - 26 November 1979
g) Recorded imports at date of request for consultation - 80,000 pieces
h) Period covered by g) - 1/1/79 - 31/8/79
i) Imports during calendar year preceding year during which consultation was requested - 120,000 pieces