

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/293  
3 March 1978

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between the United States and Egypt

Note by the Chairman

The attached notification received from the United States mission concerns a new textile agreement concluded between the United States and Egypt. This two-year consultative agreement supersedes the existing cotton textile agreement of 30 December 1975.<sup>1</sup>

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<sup>1</sup>See COM.TEX/SB/177.

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UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS  
GENEVA, SWITZERLAND

February 27, 1978

The Honorable  
Ambassador Paul Wurth  
Chairman, Textiles Surveillance Body  
Centre William Rappard  
154, rue de Lausanne  
CH-1211 Geneve 21

Dear Mr. Chairman:

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform the TSB of the conclusion of a new bilateral textile agreement between the Government of the United States of America and the Government of the Arab Republic of Egypt. The new two-year agreement, which entered into effect January 1, 1978, supersedes and replaces the cotton textile bilateral agreement of December 30, 1975. The old agreement was notified to the TSB and subsequently circulated as COM.TEX/SB/177 of 19 July 1976.

The new agreement provides for a consultative arrangement between the parties which is fully consistent with the provisions and objectives of the Arrangement.

Attached hereto is a copy of the self-explanatory text of the Note exchanged in Cairo December 7, 1977 and December 28, 1977.

Sincerely,

Harry M. Phelan, Jr.  
Minister Counselor

Enclosure:  
As stated

NOTE EXCHANGE

Cairo, December 7, 1977 and December 28, 1977

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two governments concerning exports of textiles and textile products from the Arab Republic of Egypt to the United States of America. As a result of these discussions and in conformity with the Arrangement, both governments agree that the agreement relating to trade in cotton textiles and cotton textile products between the United States of America and the Arab Republic of Egypt which entered into force on December 30, 1975, is hereby replaced and superseded, effective January 1, 1978, by the following agreement.

1. The term of this agreement shall be two years, beginning January 1, 1978; thereafter it shall be extended for further one year periods unless either government gives 90 days notice to the other government in writing that the agreement be terminated at the end of a calendar year.

2. The two governments shall give due consideration to the need, as set forth in the Arrangement, to provide for both progressive liberalization and orderly development of trade. Both governments also recognize that possibilities exist for

increased trade and that such possibilities will be enhanced by the terms of this agreement. It is the intention of both governments that the highest degree of flexibility be maintained in textile trade so that the markets of both countries may develop favorably and that the potential of each be fully realized. This in turn, it is anticipated, will contribute to the continued strengthening of economic ties between the two countries.

3. Accordingly the two governments, in order to provide for a more beneficial approach and to avoid placing the Arab Republic of Egypt at a disadvantage or in an inequitable position with respect to its trade, agree to the following:

I. In the event that the Government of the United States considers imports in any category or categories of textile products from the Arab Republic of Egypt to be causing market problems in the United States, the Government of the United States may request consultations with the Government of the Arab Republic of Egypt with a view to avoiding market disruption, and may request the Government of the Arab Republic of Egypt to restrain exports in that category or categories to the level indicated by the United States.

II. The Government of the Arab Republic of Egypt agrees to consult with the Government of the

United States on the category or categories in question within 30 days of receipt of the request, said request to be accompanied by information on which the request is based. Both governments agree to make every effort to reach a mutually satisfactory resolution of the issues within 60 days of receipt of the request, unless this period is extended by mutual agreement.

III. Until such time as a mutually satisfactory solution has been reached, or in the absence of such solution until the end of the calendar year, the Arab Republic of Egypt will limit exports of the product or products in question to the United States market as indicated by the Government of the United States, and the Government of the United States may decline to enter imports of Arab Republic of Egypt origin textiles or textile products in excess of the amount indicated for such category or categories.

IV. For the purpose of establishing any level of restraint for such limitation of exports by the Arab Republic of Egypt, the Government of the United States shall take into consideration all elements of both the history of textile trade between the Arab Republic of Egypt and the United States and the previous

permissible levels of trade and shall have full regard both to the equitable treatment of the Arab Republic of Egypt as compared with other suppliers of like textiles and textile products, and if appropriate, to the Arab Republic of Egypt's position as a potential new entrant in respect to certain textiles and textile products. To the extent possible, the Government of the United States will recognize the need to avoid undue hardship to the commercial participants in the trade involved.

V. It is further agreed that the consultations envisioned above will be resorted to sparingly, and that such consultations will be conducted in a manner consistent with the principles and objectives of the Arrangement.

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