

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1009\*

14 January 1985

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

### Amendment to the Bilateral Agreement between the United States and Egypt

The Textiles Surveillance Body received a notification from the United States of an amendment to their consultation agreement with Egypt. The parties agreed to the establishment of limits on exports of four categories (300, 301, 313 and 317) effective 1 January 1984 to 31 December 1985.<sup>1</sup>

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2</sup>, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup>The text of the consultation agreement is contained in COM.TEX/SB/312

<sup>2</sup>See COM.TEX/SB/35, Annex B

<sup>3</sup>For the TSB's observations on this notification, see COM.TEX/SB/1035

\* English only/Anglais seulement/Inglés solamente

July 20, 1984

UNITED STATES AND ARAB REPUBLIC OF  
EGYPT AMEND TEXTILE AGREEMENT

The United States and the Arab Republic of Egypt exchanged notes on June 21 and 25, 1984, respectively, to amend the bilateral textile agreement between the two countries. The texts of the notes follow:

UNITED STATES NOTE

Cairo  
June 21, 1984

His Excellency  
Moustafa Kamel El Said  
Minister of Economy and Foreign Trade  
Cairo

Dear Mr. Minister:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973 and extended by protocol adopted December 22, 1981 and to the agreement between the Government of the Arab Republic of Egypt and the United States of America regarding trade in cotton textiles and textile products (hereinafter referred to as the Agreement) done by exchange of notes December 7 and 28, 1977. I also have the honor to refer to consultations held in Cairo and Washington, D.C. which concluded May 10, 1984.

As a result of these consultations and in conformity with the Agreement, I would propose the following amendments of the Agreement:

A. The addition of an Annex A to the Agreement containing the following categories and annual specific limits:

Category	SYE Conversion Factor	Description	Unit	1984	1985
300/301	4.6	Yarn, Carded and Combed	Million Pounds	8.0	8.5
300	4.6	Carded Yarn	Million Pounds	6.88	7.31
301	4.6	Combed Yarn	Million Pounds	1.12	1.19
313	1.0	Sheeting	Million SYD	12.5	13.3125
317	1.0	Twill and Sateen	Million SYD	6.7	7.1355

B. The addition of a sentence to paragraph 1 of the Agreement such that the paragraph reads as follows:

1. The term of this Agreement shall be two years beginning January 1, 1978; thereafter it shall extend 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. Specific limits established under this Agreement are listed in Annex A.

C. The addition of the following as paragraphs 4, 5, 6, 7, 8, 9, 10 and 11 to the Agreement:

4. The Government of the Arab Republic of Egypt shall limit annual exports from Egypt to the United States of America of cotton textile and textile products manufactured in Egypt of the specific limits set out in Annex A, as such limits may be adjusted in accordance with paragraph 5 and 6. The specific limits set out in Annex A do not include any adjustments permitted under paragraph 5 and 6.

5. During any Agreement Year, the specific limits set out in Annex A may be exceeded by not more than six (6) percent (swing) provided that a corresponding reduction in square yards equivalent is made in another specific limit during the same Agreement Year except that no swing is available among categories 300/301, 300 and 301. The Government of the Arab Republic of Egypt shall inform the Government of the United States of America, in writing, as to which categories listed in Annex A are to be debited and credited. With respect to categories 300/301, 300 and 301 any swing adjustment will designate both 300/301 and either 300 or 301.

6. In any Agreement Year, in addition to any adjustment pursuant to paragraph 5, exports may exceed by a maximum of 11 percent any limit set out in Annex A by allocating to such limit for that Agreement Year an unused portion for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:

(A) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's limits. No carryover shall be available during 1984.

(B) The combination of carryover and carryforward shall not exceed 11 percent of the receiving year's applicable limits.

(C) Carryforward may be utilized up to 6 percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits. No carryforward shall be available in the 1985 Agreement Year.

(D) (1) Carryover of shortfall (as defined below) shall not be applied to any limits until the Governments of the United States and the Arab Republic of Egypt have agreed upon the amounts of shortfall involved.

(11) For purposes of the Agreement, a shortfall occurs when exports of cotton textile products from Egypt to the United States of America during an Agreement Year are below any applicable specific limit or sub-limit as set out in Annex A (or, in the case of any limit decreased pursuant to paragraph 10, when such exports are below the limit as so decreased). In the Agreement Year following the shortfall, such exports from Egypt to the United States of America may be permitted to exceed the applicable limits, subject to the conditions set forth above, by carryover or shortfall in the following manner:

(A) Carryover shall not exceed the amount of shortfall in the applicable limit;

(B) The shortfall shall be used in the category in which the shortfall occurred.

7. Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

8. (A) The Government of the United States of America shall promptly supply the Government of the Arab Republic of Egypt with data on monthly imports of cotton textiles and textile products into the United States from Egypt.

(B) The Government of the Arab Republic of Egypt shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles and textile products from Egypt to the United States of America.

9. The Government of the Arab Republic of Egypt shall use its best efforts to space exports from Egypt to the United States of America within each category evenly throughout each Agreement Year taking into consideration normal seasonal factors.

10. (A) Exports from Egypt in excess of authorized limits in any Agreement Year may be denied entry into the United States. Any such shipments denied entry may be permitted entry into the United States and be charged to the applicable limit in the succeeding Agreement Year.

(B) Exports from Egypt in excess of authorized limits in any agreement year will, if allowed entry into the United States during that Agreement Year, be charged to the applicable limit in the succeeding year.

11. If the Government of Egypt considers that as a result of limitations specified in the Agreement that Egypt is being placed in an inequitable position vis-a-vis a third country, the Government of Egypt may request consultations with the Government of the United States of America with the view of making appropriate remedial action such as a reasonable modification of this Agreement.

If this proposal is acceptable to the Government of the Arab Republic of Egypt, this note and your note of confirmation on behalf of the Arab Republic of Egypt shall constitute an amendment to the Agreement between our two Governments.

Accept, Excellency, the renewed assurance of my highest consideration.

Original duly signed  
by Nicholas A. Veliotis,  
Ambassador

EGYPTIAN NOTE

Cairo  
June 25, 1984

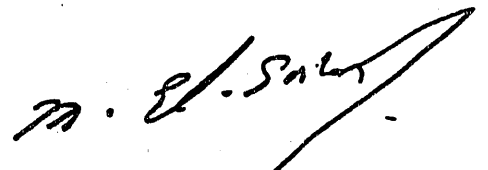
His Excellency  
N. O. Veliotis  
Ambassador of the United States of America  
Cairo

Excellency,

I have the honor to refer to your note of June 21, 1984 proposing an amendment to the agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt.

I have the honor to inform your excellency that I accept your proposal stated in your note on behalf of my Government, and agree that your excellency's note and this note in reply will constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurance of my highest consideration.



Dr. Moustafa El Said  
Minister of Economy and  
Foreign Trade