

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notifications under Article 2, Paragraphs 2(ii) and 4

Interim Bilateral Agreement between the United States and Egypt

Attached is a notification received by the Textiles Surveillance Body (TSB) from the United States under the provisions of Article 2, paragraph 2(ii) and paragraph 4, last sentence, of the Textiles Arrangement concerning the interim bilateral agreement with Egypt. In accordance with paragraph 5 of Article 2, the TSB has reviewed this notification and has found that the agreement is in conformity with the Arrangement. The TSB is circulating this notification to participating countries in the Arrangement for their information.

Note No. 1

10 May 1974

Excellency,

I have the honour to refer to the agreement concerning trade in cotton textiles between the United States and the Arab Republic of Egypt, as amended, which expired on 31 December 1973, as well as the Arrangement Regarding International Trade in Textiles, done in Geneva on 20 December 1973, under the auspices of the GATT.

In recent discussions between representatives of our two Governments, it was recognized that further study on the evolution of our bilateral textile trade during the next few months would be beneficial to both sides prior to completion of all of the provisions of a new bilateral cotton textile agreement with effect from 1 January 1975. The aggregate level for such new agreement will be 69 million square yards equivalent for the year beginning 1 January 1975, a level based on prior agreement with the Arab Republic of Egypt and discussions between representatives of the two Governments. During the further discussion of provisions of a new bilateral agreement, the development of actual trade during the present year will be taken into account in determining appropriate category limits and other provisions.

During the remaining months of 1974, as an interim measure pending formalization of such a bilateral cotton textile agreement, the two Governments agree that they will consult promptly at the request of either Government to develop a mutually satisfactory solution to any problems that may arise with respect to exports of Egyptian cotton textiles to the United States of America in any category. In the absence of such a mutually satisfactory solution, the levels of trade in the following categories in the calendar year 1974 shall not exceed the indicated percentages of the aggregate level for 1975, nor may total exports in 1974 exceed 65 million square yards equivalent.

His Excellency  
Ashraf A. Ghorbal,  
Ambassador of Egypt

	<u>Per cent</u>
Categories 1 through 4	4.35
Categories 9/26 (other than print cloth)	50.72
of which Category 9 shall not exceed	42.03
and Category 26 shall not exceed	17.39
Category 18/19/26 (print cloth)	2.9
Category 21	2.9
Category 15/16	5.8
Category 22/23	8.7
Category 27	2.9

In categories of cotton textiles not given specific limits, during calendar year 1974, the Government of the Arab Republic of Egypt may exceed consultation levels in such amounts as may be mutually agreed upon by the two Governments, the consultation levels for categories of cotton apparel (categories 39-63) being 411,000 square yards equivalent, and the consultation levels for non-apparel cotton textile categories being 616,000 square yards equivalent.

The two Governments shall also exchange statistical information on the development of trade under this arrangement.

During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from the Arab Republic of Egypt to the United States under the procedures of Article 3 of the MFA. The applicability of the MFA to trade in cotton textiles between the Arab Republic of Egypt and the United States shall otherwise be unaffected by this agreement.

If the foregoing is acceptable to your Government, this note and your note of confirmation will constitute an agreement between our two Governments, to expire 31 December 1974.

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

For the Acting Secretary of State:

Note No. 2

10 May 1974

Excellency,

I have the honour to refer to your note of today's date, 10 May 1974, proposing an agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt.

I further have the honour to accept your Excellency's proposal, as contained in your note of today's date, on behalf of my Government and agree that Your Excellency's note and this note in reply shall constitute an agreement between our two Governments.

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

(Signed) Ashraf Ghorbal  
Ambassador

The Honorable  
Henry A. Kissinger,  
Secretary of State,  
C Street, N.W.,  
Washington, D.C.