

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/312

14 April 1978

Special Distribution

Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement Between the United States and Egypt

The Textiles Surveillance Body has received a notification from the United States of a new bilateral consultation agreement concluded between the United States and Egypt. The notification was made under Article 4, paragraph 4 of the Arrangement.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{1/}, has examined the relevant documentation and is circulating the text of the notification to participating countries for their information.

^{1/}See COM.TEX/SB/35, Annex B.

30 January 1978

No. 55

UNITED STATES AND THE ARAB REPUBLIC OF EGYPT
SIGN NEW TEXTILE AGREEMENT

The United States and the Arab Republic of Egypt exchanged notes on 7 December 1977 and 28 December 1977 respectively, to replace the existing textile agreement on cotton textiles and cotton textile products between the two countries. The texts of the notes follow:

UNITED STATES NOTE

7 December 1977

Excellency,

I have the honour to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on 20 December 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. 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the United States and the Arab Republic of Egypt which entered into force on 30 December 1975, is hereby replaced and superseded, effective 1 January 1978 by the following agreement.

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

His Excellency
Zakaria Tewfik Abdel Fattah,
Minister of Trade,
Cairo,
Arab Republic of Egypt.

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 favourably 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 thirty days of receipt of the request, said request to be accompanied by information in which the request is based. Both Governments agree to make every effort to reach a mutually satisfactory resolution of the issues within sixty 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.

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 Government of the Arab Republic of Egypt shall constitute an agreement between the Government of the United States and the Government of the Arab Republic of Egypt.

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

(signed) Hermann Frederick Eilts
Ambassador

ARAB REPUBLIC OF EGYPT NOTE

28 December 1977

Excellency,

I have the honour to refer to your note of 7 December 1977 proposing an agreement concerning trade in cotton textiles between the United States and the Arab Republic of Egypt to replace the previous agreement relating to trade in cotton textiles and cotton textiles products concluded between our two Governments on 30 December 1974 and expires on 31 December 1977.

I have the honour to inform your Excellency that I accept your proposal, stated in your note of 7 December 1977 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.

I would like to express the hope that the United States will refrain from imposing limitations on exports from Egypt to the United States within the framework of the above-mentioned agreement before reaching the previous permissible levels agreed upon in the previous agreement.

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

(signed) Zakaria Tewfik Abdel Fattah
Minister of Trade

His Excellency
Hermann Frederick Eilts,
Ambassador of the United States,
Cairo,
Arab Republic of Egypt.