GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
COM.TEX/SB/487
21 November 1979

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Amendment to the Bilateral Agreement between the EEC and Uruguay

The Textiles Surveillance Body has received from the EEC a notification of an amendment to its existing initialled bilateral agreement, which had been concluded under Article 4 of the Arrangement between the EEC and Uruguay, concerning trade in textiles.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 42, has examined the relevant documentation and is circulating the text of this amendment to the participeting countries.

^{1/}For original agreement see COM.TEX/SB/486.

^{2/}See COM.TEX/SB/35, Annex B.

AGREED MINUTE

Following a request from the European Economic Community made by Note Verbale dated 26.3.79, consultations were held during the period May to July 1979 between Uruguay and the Community to discuss trade in combed and carded wool Category 46 ('wool tops') with two Community regions - Italy and the United Kingdom.

- attention to the increase of total imports of wool tops originating in Uruguay. In the case of Italy these had risen from 3,129 tons in 1976, to 3,705 in 1977 and 4,214 in 1978. Net imports had risen from 3,443 tons in 1977 to 3,588 in 1978. In the case of the United Kingdom total imports had risen from 70 tons in 1976, to 428 in 1977 and 450 in 1978. Net imports had increased from 382 tons in 1977 to 439 in 1978.
 - in the view of the Community such increases had contributed to uncertainty, damage and the threat of further damage for Community producers in these regions. These levels of imports were far in excess of the limits specified in Protocol C of the Bilateral Agreement initialled in December 1977.
- 2. Delegations from Uruguay had emphasised that exports of this category from Uruguay had not produced disruptions on the markets of Italy and United Kingdom and, therefore, there was no economic justification for the request made by the Community for exports to be limited. It should in any case be noted that net imports into Italy had only risen by 4.2% between 1977 and 1978, whilst Uruguay attributed the increase in the United Kingdom to that country's full entry into the Community external tariff system.

3. Nevertheless, in a spirit of cooperation, and in conformity with paragraph 10 of this minute, Uruguay agreed to limit exports of combed and carded wool (category 46) to Italy and United Kingdom as follows:

	Italy	U.K.
1979	4,200	500
1980	4,452	580
1981	4,719	086
1982	. 5,002	800

- 4. Trade in this product would, with effect from 1 October 1979, be subject to the provisions of the double-checking system annexed to this minute.
- 5. Imports into the Community of this product would not be subject to the quantitative limits, provided that they were declared to be for re-export outside the Community in the same state or after processing, under the administrative system of control set up for this purpose within the Community.

However, the release for home use of products imported under the conditions referred to above would be subject to the production of an export certificate issued by the Uruguay authorities, and to proof of origin in accordance with the provisions of Protocol B of the Bilateral Agreement.

Where the authorities in the Community found that imports of textile products had been set off against a quantitative limit, but that the products had subsequently been re-exported outside the Community, the authorities concerned would inform the Uruguay authorities within four weeks of the quantities involved and authorize imports of identical quantities of the same products, which would not be set off against the quantitative limit for the current or the following year.

- 6. a) Uruguay undertook to supply the Community with precise statistical information on all export certificates issued by the Uruguay authorities.
 - b) The Community would likewise transmit to the Uruguay authorities precise statistical information on import authorizations or documents issued by the Community authorities.
 - c) The information referred to above would be transmitted before the end of the second month following the quarter to which the statistics relate.
 - d) Should it be found on analysis of the information exchanged that there were significant discrepancies between the returns for exports and those for imports, consultations could be initiated in accordance with the procedure specified in Article 6 of the Bilateral Agreement.
- 7. In any year advance use of a portion of the quantitative limit established for the following year was authorized up to 5% of the quantitative limit for the current year.

Amounts delivered in advance would be deducted from the corresponding quantitative limits established for the following year.

Carryover to the corresponding quantitative limit for the following year of amounts not used during any year was authorized up to 5% of the quantitative limit for the current year.

Prior notification would be given by the authorities of Uruguay in the event of recourse to these provisions.

- 8. It was agreed that the provisions concerning certificates of origin contained in Articles 2 to 6 inclusive of Protocol B of the Bilateral Agreement should apply mutatis mutandis to export certificate.
- 9. The Delegation from Uruguay stated that :
 - a) Uruguay was traditionally the leading foreign supplier of combed and carded wool to the Community and wished to maintain its share of the market in the future. In particular, great importance was attached to paragraph 7 (b) of Protocol C of the Bilateral Agreement.
 - D) Uruguay expressed the wish that the export limits now agreed should not be followed by further requests for regional restrictions creating effective Community quantitative limits at levels inconsistent with Uruguay's leading position.
- 10. The two sides noted that in view of the provisions of paragraph 5 of this minute the quantitative limits and therefore the double checking system did not apply to imports of the product declared to be for re-export outside the Community in the same state or after processing
- 11. The two sides finally agreed to exchange statistics on trade during the first nine months of 1979 as soon as possible after October 1 1979, in order to agree the quantities of net imports exported from Uruguay during that period.

GUSTAVO MAGARINOS

Ambassador, Head of Delegation,

Eastern Republic of Uruquay

M-G. REVAN

Head of Delegation

European Economic

Community

Brussels, 30 July, 1979

ANNEX

TO AGREED MINUTE BETWEEN URUGUAY AND THE EUROPEAN ECONOMIC COMMUNITY DATED 30 JULY 1979

Double-Checking System

Section I : Exportation

- 1. The competent authorities of Uruguay shall issue an export certificate in respect of all consignments from Uruguay of the products subject to quantitative limit, up to the relevant quantitative limits as may be modified by the agreed minute.
- 2. The export certificate shall conform to the model attached to this Annex. It must certify, inter alia, that the quantity of the product in Question has been set off against the prescribed quantitative Limit.
- 3. The competent Community authorities must be notified forthwith of the withdrawal or alteration of any export certificate already issued.
- 4. Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected, even if the export certificate is issued after such shipment.

Section II : Importation

- 5. Importation into the Community of products subject to quantitative limits shall be subject to the presentation of an import authorization or document.
- 6. The competent Community authorities shall issue such import authorization or document automatically within five working days of the presentation by the importer of a certified copy of the corresponding export certificate.

The import authorization or document shall be valid for six months.

- 7. a) If the competent Community authorities find that the total quantities covered by export certificates issued by Uruguay in any year exceeds a quantitative limit, as may be modified by paragraph 7 of the agreed minute, the said authorities may suspend the further issue of import authorizations or documents. In this event, the competent Community Authorities shall immediately inform the authorities of Uruquay and the consultation procedure, set out in Article 6 of the Agreement shall be initiated forthwith.
 - Exports of Uruguay origin not covered by Uruguay export certificates issued in accordance with the provisions of this Annex may be refused the issue of import authorizations or documents by the competent Community authorities. However, if the imports of such products are allowed into the Community by the competent Community authorities, the quantities involved shall not be set off against the appropriate limits without the express agreement of Uruguay

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