

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/767

1 June 1982

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of Bilateral Agreement between the EEC and Brazil

The Textiles Surveillance Body has received from the Commission of the European Communities a notification concerning a further modification to the bilateral agreement between the EEC and Brazil.^{1/}

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

^{1/} The original agreement and previous amendments or modifications are contained in COM.TEX/SB/404, 482, 554, 604 and 721.

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

^{3/} The TSB's observations on this notification are contained in COM.TEX/SB/772, paragraph 12.

AGREED MINUTE

Following a request from the Community consultations were held with Brazil on 21 January 1982 on behalf of one Community region - the Benelux, concerning imports of Category 80 (babies garments) originating in Brazil.

PRESENT

	<u>Title/Position</u>
<u>Brazil Delegation</u>	
Mr. PORTO	Co-Chairman
Mr. GANEM	Mission
Mr. MOSCOSO	CACEX
<u>Commission</u>	
Mr. BEVAN	Co-Chairman
Mr. LUCACCIONI	DG I-E-1
<u>Member States</u>	
<u>Belgium</u>	
Mr. DUHAUT	Ministry of Economic Affairs
Mr. HUBERT	Ministry of External Commerce
<u>Holland</u>	
Mr. KEIZER	Ministry of Economic Affairs

1. The Community referred to the fact that imports of category 80 had reached 67 tonnes for the first 8 months of 1981 - a figure nearly five times the exit level specified in Article 6 of the bilateral agreement - and this had led to the request for consultations made on 2 December of that year.
2. Indeed Brazil had been the largest supplier of this product to the Benelux for the last four years. Thus imports from Brazil into the Benelux were approximately 30% of the total. This was a clear case for a regional limit.

3. The economic difficulties of the textile industry continued with the familiar pattern of closing firms and falling employment accompanied by a fall in production. For this reason the Benelux sought protection for the last year of the agreement.
4. The Brazilian delegation emphasised that any concentration on the Benelux was the result of several factors, including market forces and certain aspects of the bilateral agreement, and that it was mainly the importer who decided on the marketing and distribution of the product within the EEC. The problems of the textile industry were not confined to Europe and given the economic situation in Brazil, agreement to any limit was difficult. In addition it seemed a familiar pattern that imports of a product from a new source were limited at low levels.
5. As regards the quantum Brazil emphasised that consultation would be pointless and agreement could not be reached unless a new limit took account of reasonable growth on existing trade levels.
6. Nevertheless in a spirit of cooperation Brazil agreed ad referendum to limit its total exports to the Benelux of category 80 for the year 1982 to 90 tonnes. Double-checking procedures would apply as soon as practicable on notice by Brazil and technical consultations if necessary be held to agree the quantity exported from Brazil between 1 January 1982 to the date double-checking commenced.

MARQUES PORTO
Head of Delegation,
Federal Republic of Brazil


M.G. BEVAN
Head of Delegation,
European Economic
Community

Brussels, 22 January 1982