

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/885  
14 December 1983

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Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Austria and Brazil

The Textiles Surveillance Body has received from Austria a notification of a new bilateral agreement with Brazil, concluded under Article 4 of the MFA, valid for the period 1 November 1982 to 31 October 1987.<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 previous bilateral agreement and subsequent extension are contained in COM.TEX/SB/385 and 743

<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/890

Vienna, July 6, 1983

Excellency,

I have the honour to refer to the exchange of notes between Austria and Brazil effected on October 27, 1982 and October 28, 1982 under Article 3 of the Arrangement Regarding International Trade in Textiles, as extended (hereinafter referred to as the MFA).

I further wish to refer to consultations which took place between Austria and Brazil from February till July 1983. As a result of these consultations I should like to propose the following modifications of the above mentioned exchange of notes between Austria and Brazil:

1. In the second paragraph of the Preamble to the Austrian note the reference to Article 3 of the MFA should be deleted and replaced by a reference to Article 4 of the MFA.

2. In paragraph (2) of the Austrian note before the last sentence the following text should be inserted:

" The base level for a category during any agreement year can be exceeded, after notification by Brazil to Austria, up to 5 % of such level by utilization of swing from the base level of the other category for the relevant agreement year, provided that a corresponding reduction is applied to the base level of the other product."

At the end of para (8) the following subparagraph should be added:

"Both parties agree to hold consultations after the expiration of three years of the life time of the agreement in order to consider which eventual modifications of the agreement

might be necessary in the light of the development occurred  
in the meantime"

I should be grateful if you could kindly confirm that  
this letter sets out correctly the understanding reached between  
our countries.

Accept, Sir, the assurances of my highest consideration.

Gerhard Waas  
Director

H.E.  
Mr. Geraldo Eulalio do Nascimento e Silva  
Ambassador  
Embassy of the Federative  
Republic of Brazil

Lugeck 1/V/15  
1010 V i e n n a

Vienna, July 19, 1983.

Ministerialrat Dr. Gerhard  
Waas  
Bundesministerium fuer Handel,  
Gewerbe und Industrie  
Stubenring 1  
1011 - W I E N

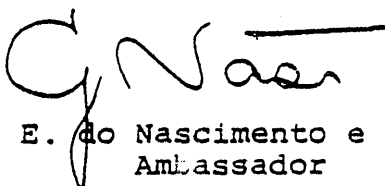
Dear Dr. Waas,

I have the honour to acknowledge receipt of your letter dated July 6, 1983, ref. 27.647.1/9-II/7/83, in which you refer to the exchange of notes between Austria and Brazil, dated October 27 and 28, 1982 and to the further consultations from February until July 1983, regarding the Bilateral Agreement Austria/Brazil concerning Trade on Textiles.

2. In this connection, I am pleased to inform you that the Brazilian Government agrees with the amendments proposed by the Austrian Authorities to the extension of the Bilateral Agreement between our two countries.

3. I further wish to confirm that your above mentioned letter sets out correctly the understanding reached between the Republic of Austria and the Federative Republic of Brazil.

Please accept, dear Sir, the assurances of my highest consideration.

  
G. E. do Nascimento e Silva  
Ambassador

FEDERAL MINISTRY FOR  
TRADE, COMMERCE AND INDUSTRY

Vienna, October 27 , 1982

Excellency,

I have the honour to refer to the ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (hereinafter referred to as the ARRANGEMENT), done at Geneva on 20 December 1973, and to the PROTOCOL EXTENDING THE ARRANGEMENT, done at Geneva on 22 December 1981.

I further wish to refer to the bilateral agreement between Austria and Brazil under Article 3 of the ARRANGEMENT which is due to expire on 31 October 1982. As a result of negotiations carried out between Austria and Brazil the following agreement concerning direct and/or indirect exports of the cotton textiles specified below from the Federative Republic of Brazil to Austria has been reached under Article 3 of the ARRANGEMENT:

(1) Export limits in metric tons for the twelve-month period beginning

<u>Category</u>	<u>1Nov.1982</u>	<u>1Nov.1983</u>	<u>1Nov.1984</u>	<u>1Nov.1985</u>	<u>1Nov1986</u>
(a) Cotton yarn CCCN No.55.05	1.691.7	1.742.5	1.794.7	1.848.6	1.904
(b) Printed fabrics of cotton, CCCN No. ex55.09	180	183.6	187.3	191	194.8

(2) The export limit for any category may be exceeded, after consultations between Austria and the Federative Republic of Brazil, by a carryover of not more than 10 per cent of the receiving agreement year's applicable export limit in the case of shortfalls in the corresponding export limit for the previous agreement year, and by a carry forward of not more than 5 per cent of the receiving year's applicable export limit. The carryover shall not exceed the amount of shortfall in the specific category and shall be used in the same category in which the shortfall occurred. Carry forward shall be deducted from the export limit established for the same category for the succeeding agreement year. The combination of carryover and carry forward shall not exceed 10 per cent of the receiving year's applicable export limit.

(3) Upon presentation of export licences for exports to Austria issued by the authorities of the Federative Republic of Brazil within the export limits set out in paragraph (1) above for direct and/or indirect exports from the Federative Republic of Brazil to Austria and endorsed to the effect that the consignments concerned have been debited to the agreed export limits, the competent Austrian authorities will licence the corresponding imports. For purposes of debiting imports of the aforementioned products to the relevant twelve-month period export limit, the Austrian importer has to submit the Brazilian certificate of origin bearing the actual date of shipment to the competent Austrian authority immediately upon receipt of that certificate. The Brazilian authorities will provide the competent Austrian authority with a specimen of both documents in order to avoid counterfeit.

(4) An undue concentration of exports of the products specified in paragraph (1) above from the Federative Republic of Brazil to Austria shall be avoided. Accordingly, the Brazilian authorities will endeavor to space exports evenly throughout the respective agreement year, taking into account normal seasonal factors.

(5) Austria will, as far as possible, inform the Federative Republic of Brazil when imports into Austria of the products that have been debited to the agreed export limits are subsequently re-exported from Austria. The Federative Republic of Brazil may then credit the quantities involved to the export limits set out in paragraph (1) above.

(6) The Federative Republic of Brazil will provide Austria on a monthly basis with information in respect of exports of the products specified in paragraph (1) above to Austria, showing: the names of the exporters, the category number of the items exported, the numbers and dates of export licences and certificates of origin, the respective quantities covered by these documents as well as the respective dates of shipment.

(7) Austria will provide the Federative Republic of Brazil with information concerning import licences issued within the agreed export limits upon presentation of export licences and certificates of origin indicated in paragraph (3) above, on a monthly and cumulative basis.

(8) As regards:

(a) Bed linen of cotton, CCCN.No. ex 62.02 and

(b) Kitchen linen of cotton, CCCN No. ex 62.02      Austria

will automatically issue import licences. The Federative Republic of Brazil accepts to enter into consultations with Austria upon request of the latter if exports of such products develop in a manner which, in the view of Austria, causes real risks of market disruption, with a view to

reaching an agreement on mutually acceptable terms. The request for such consultations shall be accompanied by a statement containing relevant data on market conditions which, in the view of Austria, make necessary the aforementioned request for consultations. If no agreement is reached, an import limit may be applied which shall not be lower than the respective imports into Austria for retention during the twelve-month period ending thirty days before the date of the request for consultations.

(9) Austria and the Federative Republic of Brazil agree to consult, upon the request of either party, on any question arising from the application of this agreement. Any consultations held under this paragraph shall be approached by both parties in a spirit of cooperation and with the object of reconciling any differences between them.

(10) The attached ANNEX concerning the question of circumvention is an integral part of this agreement.

I should be grateful if you would confirm that this note sets out correctly the understanding reached between the delegations of our two countries.

Accept, Excellency, the assurances of my highest consideration.

  
Gerhard Waas  
Director

H.E.  
Mr. Geraldo Eulalio de Nascimento e Silva  
Ambassador  
Embassy of the Federative  
Republic of Brazil

Lugeck 1/V/15  
1010 V i e n n a



A N N E X

The delegation of Austria drew the attention of the delegation of the Federative Republic of Brazil to the problem of circumvention regarding exports of the items specified below from Brazil to Austria:

(a) Woven slacks, shorts, jeans and trousers,  
CCCN Nos.ex 61.01 and ex 61.02;

(b) Woven shirts, CCCN No. ex 61.03.

For surveillance purposes only Austria will automatically issue licences for the import of such products originating in Brazil.

Ministerialrat Dr. Gerhard Waas  
Bundesministerium fuer Handel,  
Gewerbe und Industrie  
Stubenring 1  
1011 - W I E N

Vienna, October 28, 1982

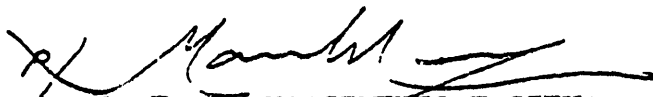
Dear Ministerialrat Dr. Waas,

I have the honour to acknowledge receipt of your letter ref. 27.647.1/20-II/7/82, dated October 27, 1982, in which you refer to the bilateral agreement between Austria and Brazil concerning trade on textiles.

2. In this connection, I am pleased to inform you that the Brazilian Government agrees with the proposed extension of the above mentioned bilateral agreement, due to expire on October 31, 1982, for a five-year period, under the conditions set out on your letter of October 27, 1982.

3. Therefore, your letter of October 27, 1982 and the present reply to it constitutes a formal agreement between the Government of the Republic of Austria and the Federative Republic of Brazil.

Please accept, Sir, the assurances of my highest consideration.

  
G. E. do NASCIMENTO E SILVA  
Ambassador of Brazil