

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1568\*

8 February 1991

Special Distribution

Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Amendment and extension of the Agreement Between the United States and Egypt

The Textiles Surveillance Body received a notification from the United States of the extension of restraints in its agreement with Egypt for the period 1 January 1990 to 31 December 1991, and of certain modifications in the consultation provisions.<sup>1</sup>

The TSB, pursuant to its procedures regarding notifications made 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 text of the consultation agreement, previous amendments and extensions are contained in COM.TEX/SB/312, 1009, 1169 and 1397.

<sup>2</sup>See COM.TEX/SB/35, Annex B.

<sup>3</sup>For the TSB's observation on this notification see COM.TEX/SB/1573.

\* English only/Anglais seulement/Inglés solamente

Textiles Division  
**Public Release**

United States Department of State  
Bureau of Economic and Business  
Affairs  
Washington, D. C.

**UNITED STATES AND THE ARAB REPUBLIC OF EGYPT**  
**AMEND BILATERAL TEXTILE AGREEMENT**

The United States and the Arab Republic of Egypt exchanged notes on January 16, 1990, and February 26, 1990, to amend the bilateral textile agreement between the United States and the Arab Republic of Egypt.

**UNITED STATES NOTE**

Embassy of the  
United States of America

No. 45

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Arab Republic of Egypt and has the honour to refer to the arrangement regarding international trade in textiles done at Geneva on December 20, 1973 as extended by protocol on July 31, 1986, and to the bilateral agreement concerning trade in cotton textiles and textile products effected by an exchange of notes of December 7 and 28, 1977 (the Agreement), as amended by exchange of notes dated June 21 and June 25, 1984 and March 7 and 14, 1988. The Embassy also refers to the discussions between representatives of the two governments held in Cairo, December 4 and 5, 1989.

As a result of the discussions referred to above, the Embassy proposes that Annex A (2) of the Agreement be amended to include the following specific limits for 1990 and 1991:

Specific Limits

<u>Category</u>	<u>Unit</u>	<u>1990 Limit</u>	<u>1991 Limit</u>
<u>Yarn</u>			
300/301	KG	5,632,768	5,993,265
(300)			
(301)	KG	788,587	839,057

Apparel

339	DOZ	684,014	727,107
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Fabric

Group	M2	61,317,029	65,180,002
218	M2	2,508,000	2,508,000
219	M2	14,421,000	15,329,523
220	M2	14,421,000	15,329,523
224	M2	14,421,000	15,329,523
225	M2	14,421,000	15,329,523
226	M2	14,421,000	15,329,523
227	M2	14,421,000	15,329,523
313	M2	26,481,090	28,149,399
314	M2	14,421,000	15,329,523
315	M2	16,934,710	18,001,597
317	M2	14,421,000	15,329,523
326	M2	2,508,000	2,508,000

Also, as a result of these discussions, the Embassy proposes that the following consultation mechanism provision replace paragraph 3 of the Agreement:

Consultations Mechanism

(A) In the event that the Government of the United States believes that imports of textile and apparel products of the Arab Republic of Egypt listed in Annex B to this Agreement are, due to market disruption or the real risk of market disruption, threatening to impede the orderly development of trade between two countries, the Government of the United States may request consultations with the Government of the Arab Republic of Egypt with a view to easing or avoiding such market disruption or the real risk thereof. The Government of the United States shall provide the Government of the Arab Republic of Egypt, at the time of the request, with a statement of reasons and justifications for its request for consultations, which in the view of the Government of the United States demonstrates:

- (1) the existence or the real risk of market disruption; and
- (2) the rôle of products of the Arab Republic of Egypt in that disruption or real risk thereof.

(b) The Government of the Arab Republic of Egypt agrees to consult with the Government of the United States within 30 days of receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory solution of the issue within 90 days of the receipt of such request, unless extended by mutual agreement.

(C) (1) Upon receipt of the request for consultations, and for the period remaining in the Agreement year in which the request is made, the

Government of the Arab Republic of Egypt agrees to hold its shipments to the United States of textiles or textile products in the category or categories subject to these consultations to a level no greater than 20 per cent above the amount entered, as reported in US General Import Statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, prorated for the amount of time remaining in the year.

(C) (2) Where three or fewer months remain in an Agreement Year at the time of the request for consultations, upon receipt of the request for consultations, the Government of the Arab Republic of Egypt agrees to hold its shipments to the United States of textiles or textile products of the Arab Republic of Egypt in the category or categories subject to these consultations for the remaining period of the Agreement Year plus the subsequent year to a level no greater than 20 per cent above the amount entered, as reported in US General Import Statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, prorated for the remaining period of the Agreement Year plus the subsequent year.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, consultations shall continue and the Government of the United States may continue the limits for textiles or textile products in the category or categories subject to these consultations for the duration of the Agreement.

(E) (1) The first term of any restraint limit established under the preceding sub-paragraph will be effective for the period beginning on the date of the request for consultations and ending on the last day of the Agreement Year in which the restraint limit was established, or where three or fewer months remained in the Agreement Year at the time of the request for consultations, for the period ending on the last day of the subsequent year.

(E) (2) For each remaining Agreement Year any restraint limit established under this provision will be increased by 6 per cent annual growth per year. The successive restraint limits shall have any available swing, carryover or carry forward as is provided for Specific Limits under paragraph 5 of this Agreement. Carryover will not be available in the first of the remaining Agreement Years.

Also, as a result of these discussions, the Embassy proposes that the following provision for Cooperation in the Prevention of Circumvention be added to the Agreement as paragraph 15:

Cooperation in the Prevention of Circumvention

(A) The Governments of the United States and the Arab Republic of Egypt will cooperate to prevent circumvention of the Agreement.

(B) Subject to domestic laws, the competent authorities of the Arab Republic of Egypt will cooperate with the competent authorities of the

United States in ensuring that the Agreement is not circumvented by transshipment, rerouting, misdescription, underinvoicing or by whatever means. To this end, the competent authorities of the Arab Republic of Egypt and those of the United States will assist each other:

- (I) In securing from parties documents, correspondence and reports considered relevant to investigations.
- (II) By providing for plant visits and inspections whether by prior notification or impromptu, by authorized personnel.
- (III) By facilitating personal interviews designed to ascertain needed facts.

(C) Where information available to the Government of the United States or to the Government of the Arab Republic of Egypt, as a result of investigations, constitutes evidence that products subject to this Agreement have been transshipped, rerouted, misdescribed, underinvoiced or otherwise traded in circumvention of this Agreement, either government may request consultations, with a view to invoking penalties beyond an equivalent adjustment of the corresponding agreed levels established under this Agreement, as appropriate. Such consultations shall take place and be concluded within 120 days of such request.

If these proposals are acceptable to the Government of the Arab Republic of Egypt, this note and the note of confirmation on behalf of the Arab Republic of Egypt shall constitute an amendment to the Agreement between the two Governments.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Embassy of the United States of America,  
Cairo, January 16, 1990

EGYPT NOTE

(598)

26 February 1990

His Excellency  
Frank G. Wisner  
Ambassador of the United States of America  
Cairo

Excellency

I have the honour to refer to your diplomatic note No. 45, dated January 16, 1990 proposing amendments to the agreement concerning trade in cotton textiles and textile products between the United States of America and the Arab Republic of Egypt concluded between our two Governments on December 28, 1977, and subsequently amended.

I have the honour to inform your Excellency that the proposal, stated in your diplomatic note No. 45, is acceptable to my Government, and agree that your note and this note in reply will constitute an agreement between our two Governments.

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

(signed for)  
Dr. Yousri Aly Moustafa  
Minister of Economy and  
Foreign Trade