COMMISSION OF THE EUROPEAN COMMUNITIES

· COM (75) 684 final

Brussels, 18 December 1975.

COMMISSION COMMUNICATION TO THE COUNCIL

result of negociations for conclusion of framework-agreement between the European Economic Community and the Arab Republic of Egypt on the supply of agricultural products.

PROPOSAL FOR A DECISION OF THE COUNCIL

Concluding a framework agreement between the European Economic Community and the Government of the Arab Republic of Egypt relating to the supply of agricultural products.

(Submitted by the Commission to the Council)

REPORT OF THE COMMISSION TO THE COUNCIL ON THE RESULTS OF THE NEGOTIATIONS

- 1. On the basis of the decision taken on November 24, 1975 by the Community Council authorizing the opening of negotiations with the Arab Republic of Egypt concerning the supply of agricultural products, discussions have taken place since then between qualified representatives of the A.R.E. and representatives of the Commission.
- 2. At the conclusion of these discussions it has been possible to establish :
 - a Draft Framework-Agreement which re-states in legal form the respective obligations of the Community and the Government of the Arab Republic of Egypt, the main points of the measures contained therein corresponding to the text of the negotiating directives drawn up by the Council;
 - a series of letter exchanges forming an integral part of the Framework-Agreement in which a certain number of specific measures are recorded concerning the terms and conditions of the delivery of products covered by the Framework-Agreement and some particular problems related to the state of progress of the 1975/1976 agricultural season;
 - the text of this Framework-Agreement, as well as the letters which will be mutually exchanged, are attached in appendix form.
- 3. The Commission calls the attention of the Council to the particular point with regard to the sugar commitment.

In its directives proposal, the Commission had indicated that the Egyptian Government was able to give a commitment to import each year, for a period of three years, 75.000 tons of white sugar.

The Council had agreed to the principle of this proposal but on condition that "the availability be subjected to an annual examination in accordance with the procedure of the Management Committee" and that "the quantities be fixed annually".

Since the Representatives of the Government of Egypt were unable to accept that the three-year commitment of the Community be subordinated in this manner to the results of a unilateral study of Community availability (1), the Commission proposed as a compromise that the sugar commitment be limited to one year, as in the case of other products, it being understood that negiotations can commence between the two parties during the year 1976 to establish if it is possible (and under what conditions) to renew this commitment.

4. The Commission proposes to the Council to conclude these negotiations on the basis of the project annexed

⁽¹⁾ Attention must be drawn to the fact that the price level for the considered deliveries for the 1976/1977 and 1977/1978 seasons would also have been submitted to Community decisions regarding the annual fixing of agriculture prices.

DECISION OF THE COUNCIL OF THE

Concluding a framework agreement between the European Economic Community and the Government of the Arab Republic of Egypt relating to the supply of agricultural products

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community, and in particular article 113 thereof,

Having regard to the recommendation from the Commission

Whereas the Arab Republic of Egypt has submitted a request for the supply of agricultural products;

Whereas, in order to facilitate the orderly development of exports of agricultural products by the European Economic Community, it is necessary to act upon this request and to lay down the supply arrangements in a framework agreement;

HAS DECIDED

Article 1

A framework agreement for the supply of agricultural products, the text of which is annexed to this decision, is hereby concluded on behalf of the European Economic Community between the European Economic Community and the Arab Republic of Egypt

Article ?

The President of the Council shall be authorized to designate the persons empowered to sign the framework agreement and to confer on them the powers they require to bind the Community.

For the Council

FRAMEWORK AGREEMENT

BETWEEN THE EUROPEAN ECONOMIC COMMUNITY

AND THE ARAB REPUBLIC OF EGYPT

ON THE SUPPLY OF AGRICULTURAL PRODUCTS

FRAMEWORK AGREEMENT

between the European Community and the Arab Republic of Egypt on the supply of agricultural products

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part, and THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT, of the other part,

DETERMINED to consolidate and to extend the economic and trade relations existing between the European Economic Community and the Arab Republic of Egypt,

HAVE DECIDED to conclude an Framework Agreement between the European Economic Community and the Arab Republic of Egypt, and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE COVERNMENT OF THE ARAB REPUBLIC OF EGYPT:

WHO HAVE AGREED AS FOLLOWS:

TITLE I

General provisions

Article 1

The aim of this Framework Agreement, hereinafter called the "Agreement", is to supply the Arab Republic of Egypt with agricultural products from the European Economic Community on the terms set out in this Agreement.

Article 2

- 1. The products which are the subject of this Agreement are wheat and wheat flour, sugar, frozen beef and veal and corned beef, skimmed-milk powder and cheese and compound feedingstuffs.
- 2. The quantities concerned by the undertakings are those referred to in Articles 12, 15, 18, 21, 24 and 26 of this Agreement.

Article 3

1. This Agreement involves an undertaking, on the terms stipulated in the Articles below:

by the European Economic Community to supply certain quantities of products to the Arab Republic of Egypt, and

- by the Arab Republic of Egypt to import from the European Economic Community the same quantities of products.
- 2. For the purposes of this Agreement:
 - the term "undertaking to supply" shall mean that the European Economic Community undertakes to take all appropriate measures compatible with Community rules on the common agricultural policy to guarantee the availability of the products on the terms specified in this Agreement.
 - the term "commitment to import" shall mean for the Arab Republic of Egypt that she will commit itself to take all appropriate measures to import and in particular to proceed by a tender or by adjudication in order to achieve the importations from the Community of the products on the terms specified in this Agreement.

Article 4

The commercial transactions to be carried out under the terms arising from the European Economic Community's undertaking as expressed in Article 3 of this Agreement shall be the responsability of private traders.

The Government of the Arab Republic of Egypt shall take all appropriate measures to ensure that, when the import procedures for products from the Community are established, there is no discrimination between the different traders in the European Economic Community.

Article 6

The Government of the Arab Republic of Egypt undertakes to take all appropriate measures to ensure that the products imported from the Community under this Agreement are not reexported.

Article 7

The Government of the Arab Republic of Egypt undertakes to take the utmost care to ensure that the awarding of sea transport contracts is without prejudice to free and fair competition.

Article 8

The European Economic Community and the Government of the Arab Republic of Egypt undertake to keep each other informed of the arrangements made and the measures adopted to comply with the obligations contracted under this Agreement.

Article 9

A Joint Committee is hereby established which shall ensure the proper implementation of this Agreement.

The Joint Committee shall be composed, on the one hand, of representatives of the Commission of the European Communities and, on the other hand, of representatives of the Arab Republic of Egypt.

Article 11

The Joint Committee shall meet once every four months at a date and place decided by mutual agreement. It shall, in addition, meet whenever necessary, at the request of either of the Parties to this Agreement.

TITLE II

Wheat and wheat flour

Article 12

- 1. The European Economic Community undertakes to supply to the Arab Republic of Egypt and the Arab Republic of Egypt undertakes to import from the Community, in the 1975/76 cereals marketing year, a quantity of approximately one million metric tons of wheat or the equivalent in the form of wheat flour, of which at least 200 000 metric tons in the form of flour.
- 2. The wheat and wheat flour which are the subject of the transactions must correspond to the qualities, types and specifications traditionally used in transactions between the Community and the Arab Republic of Egypt.
- 3. The 1975/76 cereals marketing year referred to in paragraph 1 of this Article shall run from 1 August 1975 to 31 July 1976.

- 1. The European Economic Community undertakes to take all appropriate measures to ensure that traders are able to deliver two-thirds of the total quantity referred to in the preceding Article before 1 March 1976.
- 2. The Arab Republic of Egypt undertakes for its part to take all appropriate measures to ensure that 50% at least of the total quantity specified in paragraph 1 of Article 12 is loaded before 1 March 1976, the balance to be imported during the six months following 1 February 1976.

Article 14

- 1. The European Economic Community and the Arab Republic of Egypt shall take the necessary steps to ensure that traders can undertake their transactions in wheat at prices between a minimum of US \$120 per metric ton, equivalent to 96,60 up and a maximum of US \$175 per metric ton, equivalent to 140,80 us. These prices shall be understood to be FOB Community ports.
- 2. The European Economic Community and the Arab Republic of Egypt shall take the necessary steps to ensure that traders can undertake their transactions in wheat flour at prices related to those for wheat, account being taken of the technical specifications of the two products.

TITLE III

White sugar

Article 15

The European Economic Community undertakes to supply annually to the Arab Republic of Egypt and the Government of the Arab Republic of Egypt undertakes to import from the European Economic Community in the year starting from the entry into force of this Agreement a quantity of 75.000 metric tons of white sugar.

Article 16

- 1. The European Economic Community and the Government of the Arab Republic of Egypt agree that, for each of the three years, the purchases on the Community market shall be made at the Community price level within a price bracket the minimum and maximum levels of which shall correspond to the Community intervention price and target price respectively, these prices being calculated as on the basis f.o.b. at Community ports.
- 2. For the first year of application of the Agreement, the minimum and maximum price levels shall be 320.5 ua and 336.5 ua per metric ton respectively.

TITLE IV

Frozen beef and veal and corned beef

Article 17

The European Economic Community undertakes to supply and the Government of the Arab Republic of Egypt undertakes to import, in the year starting from the entry into force of this Agreement, a quantity of approximately 11.000 metric tons of frozen beef and veal and corned beef, of which approximately 1.000 metric tons of corned beef.

Article 18

The frozen beef and veal referred to in Article 18 must be meat from animals of not more than three yeras of age and shall be supplied in the form of "compensated" quarters, corresponding to the characteristics as to quality and presentation of meat traditionally exported by the Community to the Arab Republic of Egypt.

Article 19

The European Economic Community and the Government of the Arab Republic of Egypt shall take all appropriate steps to ensure that traders can undertake their transactions in frozen beef and veal at prices between a minimum of US \$ 800 per metric ton, equivalent to 644 ua, and a maximum of US \$ 850 per metric ton, equivalent to 684 ua, f.o.b. Community ports.

TITLE V

Milk products

Article 20

The European Economic Community under these to supply and the Government of the Arab Republic of Egypt undertakes to import 10 000 metric tons of skimmed-milk powder in the year starting from the entry into force of this Agreement.

Article 21

The skimmed-milk powder to be supplied by the European Economic Community must be fit for human consumption and of first quality within the meaning of the Community regulation defining the qualities of skimmed-milk powder bought in by the intervention agencies.

Article 22

The European Economic Community and the Government of the Arab Republic of Egypt undertake to take all appropriate steps to ensure that traders can undertake their transactions in skimmed-milk powder at prices between a minimum of US \$ 630 per metric ton, equivalent to 507 ua and a maximum of US \$ 650 per metric ton, equivalent to 523 ua, FOB Community ports.

Article 23

The European Economic Community undertakes to supply and the Government of the Arab Republic of Egypt undertakes to import from the Community, in the year starting from the entry into force of this Agreement, 3 000 metric tons of cheeses of every possible variety, in particular those which are the subject of traditional trade between the Community and the Arab Republic of Egypt.

The European Economic Community and the Government of the Arab Republic of Egypt take all appropriate steps to ensure that traders undertake their transactions in cheese at prices between a minimum of US \$ 1000 per metric ton, equivalent to 305 wa amd a maximum of US \$ 1150 per metric ton, equivalent to 926 wa. These prices shall be understood to be fob community ports.

TITLE VI

Compound feedingstuffs

Article 25

The European Economic Community undertakes to supply to the Arab Republic of Egypt and the Government of the Arab Republic of Egypt undertakes to import from the Community, in the year starting from the entry into force of this Agreement, a minimum quantity of 5000 metric tons of compound feedingstuffs.

Article 26

The product referred to in Article 26 must normally comprise more than 50 % of skimmed-milk powder and approximately 15 % of whey powder and approximately 20 % of animal or vegetable fats and oils; the remaining percentage may include other protein products of various origins to be specified at the time of the transactions.

TITLE VII

Final provisions

Article 27

The annexes shall form an integral part of this Agreement.

Article 28

This Agreement shall enter into force on the date on which the European Economic Community and the Government of the Arab Republic of Egypt notify each other that the procedure necessary to this end have been completed.

. Article 29

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Arabic languages, each of these texts being equally authentic.

ANNEX 1.

EXCHANGE OF LETTERS

CONCERNING CEREALS

Cairo,

THE RENEWAL OF THE UNDERTAKING ON CEREALS

Sir.

With reference to the discussions which have taken place between our delegations concerning cereals, I have the honour to confirm to you hereby that the Arab Republic of Egypt would like negotiations to begin between the European Economic Community and my Government with the aim of renewing for 1976/1977 and 1977/1978 the delivery agreement in respect of wheat and wheat flour, which is valid only for 1975/1976, on terms to be determined by mutual agreement.

I should be grateful if you would kindly confirm that you have noted this communication.

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

(Signature).....

The President

of the

Commission of the European Communities

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

REPLY FROM THE COMMUNITY TO THE LETTER CONCERNING THE RENEWAL OF THE UNDERTAKING ON CEREALS

Your Excellency,

I have the honour to acknowledge receipt of your letter in which yo communicated to me the following:

"With reference to the discussions which have taken place between our delegations concerning cereals, I have the honour to confirm to you hereby that the Arab Republic of Egypt would like negotiatio to begin between the European Economic Community and my Government with the aim of renewing for 1976/1977 and 1977/1978 the delivery agreement in respect of wheat and wheat flour, which is valid for 1975/1976, on terms to be determined by mutual agreement."

I have duly noted this communication.

Please accept, your Excellency, the assurance of my highest consideration.

REPLY FROM THE EGYPTIAN DELEGATION CONCERNING DELIVERIES OF CEREALS ALREADY MADE SINCE 1ST AUGUST 1975

Sir.

I have the honour to acknowledge receipt of your letter of worded as follows:

"I have the honour to refer to the discussions which have taken place between our respective delegations concerning the Community!s undertaking to deliver to Egypt in 1975/1976 approximately 1 million metric tons of wheat and wheat flour, including not less than 200.000 metric tons of flour.

Since the commitments undertaken by the parties concerned apply as of August 1, 1975, there is good reason to establish the quantities imported from the Community by the arab republic of Egypt since August 1, 1975, and to deduct this total from the global quantity to be imported during the 1975/1976 season. As agreed between our respective delegations, the quantities imported between August 1 and October 31, 1975, which are to be deducted total 288.000 tons of wheat including approximately 124.000 tons of flour (wheat equivalent). There therefore remains to be imported 712.000 tons of wheat and wheat flour between November 1, 1975, and July 31, 1976."

I am able to confirm the agreement of my Government with the contents of your letter.

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

(Signature)

President of the Commission he European Communities

Brussels.

LETTER FROM THE COMMUNITY CONCERNING DELIVERIES OF CEREALS ALREADY MADE SINCE 1ST AUGUST 1975

Your Excellency,

I have the honour to refer to the discussions which have taken pla between our respective delegations concerning the Community's unde taking to deliver to Egypt in 1975/1976 approximately 1 million me tons of wheat adn wheat flour, including not less than 200.000 met tons of flour.

Since the comitments undertaken by the parties concerned apply as a August 1, 1975, there is good reason to establish the quantities imported from the Community by the arab republic of Egypt since August 1, 1975, and to deduct this total from the global quantity to be imported during the 1975/1976 season. As greed between our respective delegations, the quantities imported between August 1 and October 31, 1975, which are to be deducted total 288.000 tons of wheat including approximately 124.000 tons of flour (wheat equivalent therefore remains to be imported 712.000 tons of wheat and wheat flour between November 1, 1975 and July 31, 1976.

I should be grateful if you would kindly confirm your agreement with the above.

Please accept, your Excellency, the assurance of my highest consideration.

(Signature)

H.E. Mr.

of the Arab Republic of Egypt

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels.

LETTER FROM THE COMMUNITY CONCERNING THE CHARACTERISTICS OF THE WHEAT AND WHEAT FLOUR DELIVERED BY THE COMMUNITY

Your Excellency.

I have the honour to communicate to you in the annexes hereto the characteristics of the common wheat and common wheat flour of Community standard quality.

I should be grateful if you would inform the authorities of your country that these characteristics should be taken into account when considering offers submitted by private Community traders for the delivery of products of Community origin, bearing no prejudice to the disposition of article 12 of the Framework-Agreement.

I should be obliged if you would kindly confirm that you have taken note of this communication.

Please accept, your Excellency, the assurance of my highest consideration.

(Signature)

H.E. Mr.

of the Arab Republic of Egypt.

ANNEX 1

Basis: Council Regulation (EEC) No 768/69 of 22 April 1969 fixing the standard quality for Community common wheat (Article 1)

The standard quality for common wheat is defined as follows:

- (a) common wheat of a sound and fair marketable quality, free from abnormal smell and live pests, of a colour proper to this cereal and of a quality corresponding to the average quality of common wheat harvested under normal conditions in the Community;
- (b) moisture content: 16 %
- (c) total percentage of matter other than basic cereals of unimpaired quality: 5%, of which:
 - percentage of broken grains : 2 %;
 - percentage of grain impurities: 1.5 % ('grain impurities'
 means shrivelled grains, grains of other cereals, grains
 damaged by pests and grains showing discoloration of the germ);
 - percentage of sprouted grains : 1 %;
 - percentage of miscellaneous impurities: 0.5 % ('miscellaneous impurities' consist of weed seeds, damaged grains, extraneous matter, husks, ergot, decayed grains, dead insects and fragments of insects);
- (d) specific weight: 75 kilogrammes per hectolitre

ANNEX 2

Basis: Council Regulation (EEC) No 1397/69 of 17 July 1969 fixing the standard quality for flour (Article 6(1))

The standard quality for which the threshold price for wheat flour is fixed is defined as follows:

- wheat flour having an ash content of 550 milligrams per 100 grams of flour and a moisture content of 15.50%, called "type 550 wheat flour".

THE QUALITY CHARACTERISTICS OF THE WHEAT AND FLOUR

Sir,

I have the honour to acknowledge receipt of your letter worded as follows:

"I have the honour to communicate to you in the annexes hereto the characteristics of the common wheat and common wheat flour of Community standard quality.

I should be grateful if you would inform the authorities of your country that these characteristics should be taken into account when considering offers submitted by private Community traders for the delivery of products of Community origin, bearing no prejudice to the disposition of article 12 of the Framework-Agreement."

I have duly noted this communication.

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

(Signature)

The President
of the Commission of the ***
European Communities

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

LETTER FROM THE COMMUNITY CONCERNING THE PRICE OF FLOUR

Your Excellency,

I have the honour to refer to the discussions which took place between our two delegations concerning, for the purposes of the supply of wheat flour, the relation which should exist between the price of wheat and that of wheat flour and I take this opportunity of communicating to you the following:

- when the price of wheat on the world market lies between the minimum and maximum levels under the Framework-Agreement, the Community shall take all necessary steps to enable deliveries of wheat flour to the Arab Republic of Egypt to take place at the level of the world market price for flour;
- when the price of wheat on the world market is above the maximum level or below the minimum level under the Framework-Agreement, the price to be used for wheat flour, in respect of the agreed quantity, shall be subject to consideration by the Joint Committee.

The "world market price" of wheat shall be taken to mean the average of the prices f.o.b. United States of wheat of the qualities Hard Winter ordinary and/or Soft Red Winter during a reference period of fifteen days.

I should be grateful, Your Excellency, if you could confirm the agreement of your Government to the above.

Please accept, Your Excellency, the assurance of my highest consideration.

(Signature)

Mr.

the Arab Republic of Egypt

CONCERNING THE PRICE OF FLOUR

Mr. President,

I have the honour to be in receipt of your letter of of which the contents is as follows:

"I have the honour to refer to the discussions which took place between our two delegations concerning, for the purposes of the supply of wheat flour, the relation which should exist between the price of wheat and that of wheat flour and I take this opportunity of communicating to you the following:

- when the price of wheat on the world market lies between the minimum and maximum levels under the Framework-Agreement, the Community shall take all necessary steps to enable deliveries of wheat flour to the Arab Republic of Ehypt to take place at the level of the world market price for flour.
- when the price of wheat on the world market is above the maximum level under the Framework-Agreement, the Community shall take all necessary steps to enable deliveries of wheat flour to the Arab Republic of Egypt to take place, in respect of the agreed quantity, at the Community internal price level;
 - when the price of wheat on the world market is above the maximum level or below the minimum level under the Framework-Agreement, the price to be used for wheat flour, in respect of the agreed quantity, shall be subject to consideration by the Joint Committee

The "world market price" of wheat shall be taken to mean the average of the prices f.o.b. United States of wheat of the qualities Hard Winter ordinary and/or Soft Red Winter during a reference period of fifteen days."

I am able to confirm the agreement of my Government with the contents of your letter.

Please accept, Mr. President, the assurance of my highest consideration

ANNEX 2

EXCHANGE OF LETTERS

CONCERNING BEEF AND VEAL

Brussels.

THE CHARACTERISTICS OF FROZEN BEEF

Your Excellency,

I have the honour to inform you that the frozen beef which can be delivered by the Community traders in the context of the Framework-Agreement will be frozen beef of Community origin stocked by the Intervention Boards and which will conform to the specifications applied for purchase and sales carried out by these organisations.

The Community will ensure, as far as possible, that the frozen beef is made available to the trade which corresponds to the particular specifications asked for by the authorities of the Arab Republic of Egypt.

I should be grateful if you would inform the authorities in your country that, when considering offers by Community traders, these specifications should be taken into account.

I should be obliged if you would kindly confirm that you have taken note of this communication.

Please accept, your Excellency, the assurance of my highest consideration.

(Signature)

Mr.

he Arab Republic of Egypt

REPLY FROM THE EGYPTIAN DELEGATION CONCERNING THE QUALITY CHARACTERISTICS OF FROZEN BEEF

Sir,

I have the honour to acknowledge receipt of your letter of worded as follows:

"In have the honour to inform you that the frozen beef which can be delivered by Community traders in the context of the Framework Agreement will be frozen beef of Community origin stocked by the Intervention Boards and which will conform to the specifications applied for purchases and sales carried out by these organisations.

The Community will ensure, as far as possible, that the frozen beef is made available to the trade which corresponds to the particular specifications asked for by the authorities of the Arab Republic of Egypt.

I should be grateful if you would inform the authorities in your country that, when considering offers by Community traders, these specifications should be taken into account."

I have duly noted this communication.

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

(Signature)

he President of the Commission f the European Communities

Brussels.

THE PRICE OF CORNED BEEF

Sir.

I have the honour to refer to the discussions which have taken place between our respective delegations concerning the delivery of corned beef and notably the price to apply for this product.

As agreed, the price level will be the subject of discussions between our two delegations during the first meeting of the mixed Committee, taking into account the product quality requirements and specifications which will finally be established.

I should be grateful, Sir, if you would kindly confirm the agreement of your Government with the above.

Please accept, Sir, the assurance of my highest consideration,

(Signature)

the Arab Republic of Egypt

REPLY FROM THE EGYPTIAN DELEGATION CONCERNING THE PRICE OF CORNED BEEF

Mr. President.

I have the honour to acknowledge receipt of your letter worder as follows:

"I have the honour to refer to the discussions which have taken place between our respective delegations concerning the delivery of corned beef and notably the price to apply for this product.

As agreed, the price level will be the subject of discussions between our two delegation during the first meeting of the mixed Committee, taking into account the product quality requirements and specifications which will finally be established."

I am able to confirm the agreement of my Government with the contents of your letter.

Please accept, Mr. President, the assurance of my highest consideration.

(Signature)

The President of the Commission of the European Communities

ANNEX 3

EXCHANGE OF LETTERS

CONCERNING MILK PRODUCTS

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

LETTER FROM THE COMMUNITY CONCERNING THE CHARACTERISTICS AS TO QUALITY OF SKIMMED-MILK POWDER

Your Excellency,

I have the honour to communicate to you in the annex hereto the characteristics of first-quality skimmed-milk powder.

I should be grateful if you would inform the authorities of your country that these characteristics should be taken into account when considering offers submitted by private Community traders for the delivery of products of Community origin, bearing no prejudice to the disposition of article 22 of the Framework-Agreement.

I should be obliged if you would kindly confirm that you have taken note of this communication.

Please accept, your Excellency, the assurance of my highest consideration.

(Signature)

H.E. Mr.

of the Arab Republic of Egypt

ANNEX

Spray skimmed-milk powder

1. Quality

(a) fat content 1.5 % maximum 4.0 % maximum (b) water content

0.15 % maximum (18° Dornic) (c) total acidity in lactic aid

(d) test for neutralisation agents/negative

(e) authorized additives none

(f) phosphatase test negative

0.5 ml maximum (99 % minimum) (g) solubility

(h) degree of purity disc B (15.0 minimum)

(i) germ content 50 000 per g maximum

(j) colon bacillus titer negative in O.1 g

(k) taste and smell clean

(1) appearance white or slightly yellowish colour, free from impurities or coloured

particles

2. Packing

Containing a net weight of 25 kilograms and made up in one of the following ways :

- (a) four Kraft paper bags of a strength representing at least 70 g/m^2 one interposed tar-lined paper bag, of a strength representing at least 140 g/m, one polyethylene inner bag at least 0.06 mm thick, welded or double bound;
- (b) one Kraft paper bag of a strength representing at least 70 g/m², one Kraft paper bag with polyethylene layer of a strength representing at least 80 g + 15 g/m⁻, three Draft paper bags of a strength representing at least 70 g/m one polyethylene inner bag at least 0.06 mm thick, welded or double bound ;
- (c) one Kraft paper outer bag of a strength representing at least 8.5 g/zone Kraft paper bag with a polyethylene layer of a strength representing at least 70 g + 15 g/m⁻, two Kraft paper bags of a strength representing at least 70 g/m one polyethylene inner bag at least 0.12 mm thick, welded or double bound.

Filling

At the time of filling the bag of powder must be well compressed and the penetration of loose powder between the diffirent folds and layers shoul be entirely avoided.

3. Marking

- (a) Name and address of the producer or merchant or registered control number of the producer or merchant,
- (b) description in one of the languages of the Community "Spray skimmed-milk powder",
- (c) net weight,
- (d) month of manufacture, possibly in code.

REPLY FROM THE EGYPTIAN DELEGATION CONCERNING THE CHARACTERISTICS AS TO QUALITY OF SKIMMED-MILK

Sir.

I have the honour to acknowledge receipt of your letter of worded as follows:

"I have the honour to communicate to you in the annex hereto the characteristics of first quality skimmed-milk powder.

I should be grateful if you would inform the authorities of your country that these characteristics should be taken into account when considering offers submitted by private Community traders for the delivery of products of Community origin, bearing no prejudice to the disposition of article 21 of the Framework-Agreement."

I have duly noted this communication.

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

(Signatura)

The President of the Commission of the European Communities

ANNEX 4

EXCHANGE OF LETTERS

CONCERNING SUGAR

Brussels,

LETTER FROM THE COMMUNITY CONCERNING THE WHITE SUGAR DELIVERY PERIOD

Sir,

With reference to the discussions which have taken place between our respective delegations concerning the sugar commitment, I have the honour to request that you call the attention of the authorities of your country to take all the necessary measures to enable importations to be effected to July 1, 1976, the date corresponding to the opening of the Community's 1976/1977 sugar season for which new indicative and intervention prices will be fixed.

I should be grateful, Mr., if you would kindly confirm the agreement of your Government with the above.

Please accept, Mr., the assurance of my highest consideration.

(Signature)

the Arab Republic of Egypt

REPLY OF THE EGYPTIAN DELEGATION CONCERNING THE WHITE SUGAR DELIVERY PERIOD

Mr. President,

I have the honour to acknowledge the receipt of your letter of worded as follows:

"With reference to the discussions which have taken place between our respective delegations concerning the sugar commitment, I have the honour to request that you call the attention of the authorities of your country to take all the necessary measures to enable importations to be effected prior to July 1, 1976, the date corresponding to the opening of the Community's 1976/1977 sugar season for which new indicative and intervention prices will be fixed."

I am able to confirm the agreement of my Government with the contents of your letter.

Please accept, Mr. President, the assurance of my highest consideration.

(Signature)

The President of the Commission of the European Communities

THE RENEWAL OF THE UNDERTAKING ON SUGAR

Sir,

With reference to the discussions which have taken place between our delegations concerning sugar, I have the honour to confirm to you hereby that the Arab Republic of Egypt would like negotiations to begin between the European Economic Community and my Government with the aim of renewing for 1976/1977 and 1977/1978 the delivery agreement in respect of white sugar, which is valid only for 1975/1976, on terms to be determined by mutal agreement.

I should be grateful if you woould kindly confirm that you have noted this communication.

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

(Signature)

The President of the Commission of the European Communities

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels.

REPLY FROM THE COMMUNITY TO THE LETTER CONCERNING THE RENEWAL OF THE

UNDERTAKING ON SUGAR

Your Excellency,

I have the honour to acknowledge receipt of your letter in which you communicated to me the following:

"With reference to the discussions which have taken place between our delegations concerning sugar, I have the honour to confirm to you hereby that the Arab Republic of Egypt would like negotiations to begin between the European Economic Community and my Government with the aim of renewing for 1976/1977 and 1977/1978 the delivery agreement in respect of white sugar, which is valid for 1975/1976, on terms to be determined by mutual agreement."

I have duly noted this communication.

Please accept, Your Excellency, the assurance of my highest consideration.

(Signature)

....