

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 90 final.

Brussels, 6 March 1980

Recommendation for a

COUNCIL DECISION

authorizing the Commission to open negotiations with the Arab Republic
of Egypt for the conclusion of a multiannual voluntary restraint arrange-
ment for cotton yarn

(submitted to the Council by the Commission)

COM(80) 90 final.

EXPLANATORY MEMORANDUM

1. The Council established global ceilings for imports of eight highly-sensitive textile products, one of which was cotton yarn, originating in low-cost supplying countries, including Egypt and other Mediterranean suppliers.
2. Where Egypt is concerned, compliance with the ceilings entails seeking a voluntary restraint arrangement on cotton yarn compatible with the spirit of the EEC-Egypt Cooperation Agreement, since the agreement liberalizes that product.
3. It was not possible to conclude such an arrangement for 1978 or 1979, however, and the Commission accordingly notified Egypt of the limits to be observed to avoid application of the safeguard clause under the Interim Agreement (for 1978) and the Cooperation Agreement (for 1979).
4. Following exchanges of views which took place in Brussels at the end of 1979 and the beginning of 1980, Egypt indicated that it was prepared to conclude a two-year voluntary restraint arrangement (1980 and 1981, plus the possibility of an extension for 1982) for cotton yarn, in return for improved access to the Community market for that product.

Egypt's request for improved access is motivated inter alia by the reorientation of its trade flows from East to West, following the fundamental switch in the country's foreign policy. Hence the outcome of the negotiations could involve a certain overstepping of the limits set out in the directives adopted by the Council in December 1977.

5. The Commission therefore considers it necessary to ask the Council for additional directives, in accordance with the statement on textiles entered in the Council minutes of 29 October 1979.

It accordingly recommends that the Council adopt the annexed draft directives, in order that negotiations with Egypt may be opened as soon as possible. Any further delay could appreciably affect the outcome of the negotiations.

Recommendation for a Council Decision authorizing
the Commission to open negotiations with the
Arab Republic of Egypt for the conclusion of a
multiannual voluntary restraint arrangement for
cotton yarn

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 Council has adopted commercial policy Decisions in respect
of textiles;

Whereas Egypt, which has concluded a Cooperation Agreement with the
Community, is one of its major suppliers of cotton yarn;

Whereas Egypt is prepared to conclude a voluntary restraint arrangement
with the Community to ensure the orderly growth of exports of cotton yarn
to the Community market,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to open negotiations for the
conclusion of an arrangement regarding textiles (cotton yarn) between
the Economic Community and the Arab Republic of Egypt.

The Commission shall conduct these negotiations in consultation with the Special Committee provided for in Article 113 of the Treaty and in accordance with the directives annexed to this Decision.

Brussels,

For the Council

The President

NEGOTIATING DIRECTIVES

I. ECONOMIC CONTENT

PRODUCT: COTTON YARN (CATEGORY 1) UNIT : Tonnes

	D	F	I	BNL	UK	IRL	DK	EEC
1980	5.000	2.500	500	2.350	700	150	800	12.000
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