

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 662 final

Brussels, 13 December 1976

RECOMMENDATION FOR A REGULATION OF THE COUNCIL

concluding an Agreement between the European Economic
Community and the Arab Republic of Egypt on trade in
textiles

(submitted to the Council by the Commission)

COM(76) 662 final

EXPLANATORY MEMORANDUM

1. By a decision of 24 February 1976, the Council authorised the Commission to open negotiations with the Arab Republic of Egypt for the conclusion of an Agreement on trade in textiles. This Agreement, negotiated under the provisions of Article 4 of the Arrangement regarding International Trade in Textiles, will replace the various autonomous or bilateral dispositions in force for the textile products between the Community and its Member States on the one hand and Egypt on the other
2. In accordance with the above Council Decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Egypt on 12 and 13 May 1976. Following these negotiations a draft Agreement was drawn up.
3. The essence of the draft Agreement is a clause laying down a consultation procedure which may be engaged whenever, in the Community's opinion, conditions in any of its markets are such that a limitation on trade in any product covered by the Agreement appears necessary to eliminate real risks of market disruption. Where such consultations are requested, Egypt has agreed to limit at a defined level the issue of export licences for the product in question. The Agreement applies to those categories of textiles products, originating in and exported from Egypt, to which the Geneva Arrangement applies.
4. For its part, the Community has undertaken, for these same products and subject to the satisfactory operation of the Agreement, to suspend all quantitative restrictions in force within the Community, not to introduce new quantitative restrictions and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement.
5. The heads of delegation found the draft Agreement to be in accordance with the results of the negotiations and initialled the text on 13 May 1976.
6. The Commission considers that this draft Agreement constitutes a result that is acceptable to the Community. It proposes that the Council conclude this Agreement by adopting the draft Regulation annexed hereto.

RECOMMENDATION FOR A REGULATION OF THE COUNCIL

concluding an Agreement between the European Economic Community
and the Arab Republic of Egypt on trade in textiles

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 Agreement on trade in textiles negotiated between the
European Economic Community and the Arab Republic of Egypt should be
concluded;

HAD ADOPTED THIS REGULATION:

Article 1

The Agreement between the European Economic Community and the Arab
Republic of Egypt on trade in textiles, the text of which is given in
the Annex, is hereby concluded on behalf of the Community.

Article 2

The President of the Council shall notify the other Contracting Party
of the accomplishment by the Community of the procedures required for
the entry into force of the Agreement.

Article 3

This Regulation shall enter into force on the third day following its
publication in the Official Journal of the European Communities.

Done at Brussels,

For the Council

The President

DRAFT FOR INITIALLING
AGREEMENT BETWEEN THE ARAB REPUBLIC OF
E G Y P T
AND THE
EUROPEAN ECONOMIC COMMUNITY
ON TRADE IN TEXTILES

13.5.1976

The Council of the European Communities
of the one part,

The Government of the Arab Republic of Egypt of the other part,

Desiring to ensure the orderly and equitable development of trade in textiles between the European Economic Community, hereinafter called "the Community" and the Arab Republic of Egypt, hereinafter called "Egypt";

Having regard to the provisions of the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Geneva Arrangement) and especially its Article 4,

Have decided, in a spirit of mutual co-operation and in conformity with the said Geneva Arrangement, to conclude this Agreement and to this end have designated as their Plenipotentiaries :

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT :

Who have agreed as follows :

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Article 1

1. The Parties recognise and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, and under their Agreement dated 18 December, 1972, the conduct of their mutual trade in textiles shall be governed by the provisions of the Geneva Arrangement.

2. This Agreement shall apply to trade in those categories of textiles products, originating in and despatched from Egypt to which the Geneva Arrangement applies.

Article 2

The Community undertakes, in respect of the categories of textiles products to which this Agreement applies, and subject to the satisfactory operation of this Agreement, and in particular Article 4 hereof, to suspend forthwith all quantitative restrictions at present in force within the Community, not to introduce new quantitative restrictions, and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement.

Article 3

The Parties shall enter promptly into consultations with each other, at the request of either and in conformity with the provisions of the Geneva Arrangement, on any matter concerning their trade in textiles and in particular on any problems arising from the application of this Agreement. Consultations held under the provisions of this Article shall be approached by the Parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

Article 4

1. In view of the desire of the Community and Egypt to avoid, on one hand, real risks of market disruption and, on the other hand, disruption to the textile trade of Egypt, and having full regard to the need for equitable treatment of participating countries in the Geneva Arrangement, the following specific consultation procedure shall apply to the products to which this Agreement applies.

2. The Community may request consultations with a view to reaching agreement on an appropriate level of restraint for any product to which this Agreement applies whenever in the view of the Community, conditions in any of its markets are such that a limitation on further trade in any such product may be necessary to eliminate real risks of market disruption (as defined in Annex A of the Geneva Arrangement). The consultation procedure referred to in this paragraph will only be resorted to sparingly and will be implemented in a manner consistent with the principles and objectives of the Geneva Arrangement.

3. The request for such a consultation shall be accompanied within a reasonable period of time, by a statement of the market conditions in the Community which, in the opinion of the Community, make necessary the request for consultations.

4. Until such time as a mutually satisfactory solution has been reached, Egypt undertakes, if so requested by the Community, to limit issue of export licences for the products in question to the Community, or to the region or regions of the Community market as indicated by the Community. For the purpose of establishing any level of restraint for such limitation of export licences by Egypt, the Community shall not treat Egypt's historical trade performance as being necessarily determinant; the Community shall have full regard both to the equitable treatment of Egypt as compared with other suppliers of like textile products with which the Community has negotiated bilateral agreements under the Geneva Arrangement, and also, as the case may be, to Egypt's position as a potential new entrant in respect of certain textile products.

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Article 4 continued

5. The Parties shall consult as soon as possible within 60 days following the communication of the statement referred to in paragraph above and will make their best efforts to complete such consultations within 60 days of their commencement.

6. In the event that the Parties are unable to reach, within a reasonable period of time, a satisfactory solution during the consultation provided for in this Article, either of the parties may refer the matter to the Textiles Surveillance Body in accordance with Article 11, paragraph 4, of the Geneva Arrangement. Either Party choosing to adopt such a course of action, shall notify the other in advance of its intention.

7. Consultations will take place at the request of Egypt in order to review the need for the maintenance or modification of any level of restraint established under this Article whenever market conditions which led to the establishment of such level of restraint no longer prevail.

Article 5

The Parties shall exchange all useful information concerning their mutual trade in textiles in order to ensure the successful implementation of this Agreement.

Article 6

Any level of restraint that may be established under Article 4 hereof shall be managed under a system of double control, details of which are set out in the Annex hereto.

Article 7

1. The Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and Egypt are maintained.

Article 8

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to Egypt.

Article 9

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for the purpose. It shall remain in force until 31 December 1977.
2. This Agreement shall have effect from 1 January 1976.
3. Either Party may at any time propose modifications to this Agreement or denounce it provided that notice is given at least 120 days before the expiry of any twelve-month period; in the latter event the Agreement will come to an end at the expiry of the said twelve-month period.

Article 10

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

As agreed between the Parties in Article 6 of the Agreement, the administration of any restraint established under Article 4 shall be based on a system of double control. The details of this system have been agreed between the Parties and are set out below.

The competent authorities within the Community will, automatically and without delay, accept imports of textile products on submission of the importer's application together with a certified copy of the export licence. The competent authorities within the Community shall be entitled to require the presentation of an export licence in respect of goods originating in Egypt of the categories where the provisions of Article 4 have been invoked.

These export licences will be issued by the Egyptian authorities up to the total amount of the levels of restraint.

The export licence must specify:

1. destination (relevant Member State)
2. serial number
3. importer's name and address
4. exporter's name and address
5. net weight (in kilograms or metric tons) or other units as may be agreed upon
6. description of product (including Customs Cooperation Council Nomenclature, formerly called BTN number)
7. certification by the Egyptian authorities that the quantity has been debited against the level of restraint for exports to the Community (relevant Member State) or, where appropriate, is for immediate re-export or for inward processing and subsequent re-export outside the Community.

The competent authorities within the Community will not raise difficulties in the event of a discrepancy between the weight indicated in the export licence and the shipment or import weight provided it is within reasonable limits, while the Egyptian authorities, for their part, will endeavour to keep any discrepancies to a minimum.

In the event of total or partial withdrawal of an export licence, the Egyptian authorities will notify the competent authorities within the Community of such total or partial withdrawal. The competent authorities within the Community will take the appropriate measures in accordance with prevailing administrative arrangements.

The Egyptian authorities will forward to the competent authorities within the Community, via the Representations of the Member States of the Community and directly to the Commission, quarterly returns showing the total quantity covered by the export licences issued against any levels of restraint established for exports to the Community.

The Community will forward to the authorities of Egypt, on a quarterly basis, precise statistical information of imports of such products into the Community.