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**UNITED STATES OF AMERICA
and
EGYPT**

**Exchange of notes constituting an agreement relating to
trade in cotton textiles and cotton textile products (with
annexes). Cairo, 30 December 1975**

Authentic text: English.

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**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Échange de notes constituant un accord concernant le com-
merce des textiles de coton et des produits de textiles de
coton (avec annexes). Le Caire, 30 décembre 1975**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 19 août 1976.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND EGYPT RELATING TO TRADE IN COTTON TEXTILES AND COTTON TEXTILE PRODUCTS

I

The American Ambassador to the Egyptian Minister of Trade

AMERICAN EMBASSY
CAIRO, EGYPT

December 30, 1975

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973,² hereinafter referred to as the Arrangement. I also refer to recent discussions between Representatives of our two Governments concerning exports of cotton textiles and textile products from the Arab Republic of Egypt to the United States of America. As a result of these discussions and in conformity with Articles 2, 4 and 6 of the Arrangement, I wish to propose the following agreement relating to trade in cotton textiles and cotton textile products between the Arab Republic of Egypt and the United States of America, to replace and supersede, effective January 1, 1975, the Cotton Textile Agreement of May 10, 1974,³ as corrected and extended.

1. The term of this Agreement shall be from January 1, 1975, through December 31, 1977. During such term, the Government of the Arab Republic of Egypt will limit annual exports of cotton textiles and textile products from the Arab Republic of Egypt to the United States of America to aggregate and specific limits at the levels specified in the following paragraphs.

2. The aggregate limit for cotton textiles and cotton textile products for the three years of the Agreement shall be 222,000,000 square yards equivalent. This three year aggregate limit shall be distributed among the three agreement years as follows:

	<i>Limit Square Yards Equivalent</i>
1st Agreement Year (January 1-December 31, 1975)	45,000,000
2nd Agreement Year (January 1-December 31, 1976).....	72,000,000
3rd Agreement Year (January 1-December 31, 1977)	105,000,000

¹ Came into force on 30 December 1975 by the exchange of the said notes, with retroactive effect from 1 January 1975, in accordance with their provisions.

² United Nations, *Treaty Series.*, vol. 930, p. 166.

³ *Ibid.*, vol. 953, p. 305, and annex A in volumes 992 and 1021.

3. Within the applicable aggregate limit, the following specific limits shall apply:

	<i>Limit (Square Yards)</i>		
	<i>1st Agreement Year</i>	<i>2nd Agreement Year</i>	<i>3rd Agreement Year</i>
Categories 9/26	22,000,000	36,000,000	40,000,000
Category 9 (Sub-ceiling)	(19,000,000)	(30,000,000)	(36,000,000)
Category 26 (Sub-ceiling)	(8,000,000)	(12,000,000)	(15,000,000)
Categories 22/23	6,000,000	12,000,000	14,000,000
Categories 15/16	6,000,000	8,000,000	12,000,000

4. (a) In any agreement year, within the aggregate limit, the specific limits for non-apparel categories may be exceeded by 10 percent, and specific limits for apparel categories, if any are established by mutual agreement, may be exceeded by 7 percent.

(b) Shortfalls in categories given specific limits may be used in categories without specific limits in accordance with the provisions of paragraph 5 (hereof).

5. (a) Categories not given specific limits are subject to annual consultation levels and to the applicable aggregate limit.

(b) Giving due consideration to the understandings of our two Governments that there are possibilities to increase exports of cotton textiles from the Arab Republic of Egypt to the United States of America so that the Arab Republic of Egypt may enjoy a greater share of the United States' market, especially in categories other than those listed in paragraph 3 (above), and that the possibilities for increased trade represented by the terms of this Agreement will be enhanced by the continued rendering by both Governments of all appropriate facilities to the business communities of both countries in their efforts to identify and explore these possibilities for such trade, thus contributing to the strengthening of economic ties between our two countries, and the desire of both of our Governments to maintain the highest degree of flexibility so that the textile sector's export plans may develop favorably according to the potential of both markets, some categories (listed in Annex A, hereto) have been assigned, within the annual aggregate levels, consultation levels which may be increased by mutual agreement should the trade develop.

(c) For categories not enumerated in paragraph 3 (above) or in Annex A, hereto, and within the applicable aggregate level the United States of America will not designate an annual level of less than 1,000,000 square yards equivalent for any nonapparel category or less than 700,000 square yards equivalent for any apparel category.

(d) In the event that the Government of the Arab Republic of Egypt wishes to export to the United States cotton textile products in excess of the consultation level, the Government of the Arab Republic of Egypt shall notify the Government of the United States of America specifying the category (or categories) and quantity it desires to export, and the United States will respond to the Government of the Arab Republic of Egypt within 7 working days from the date of receipt of such request by the United States Department of State at Washington, D.C., through diplomatic channels. If the Government of the United States of America does not provide a response to the Government of the Arab Republic of Egypt within the specified period, such failure to respond shall constitute a favorable response.

(e) The United States of America will not respond unfavorably to a request from the Arab Republic of Egypt to increase exports in a consultation category unless such action is necessary to eliminate real risks of market disruption. In the event of an unfavorable response, the United States of America will provide the Arab Republic of Egypt with a factual statement of market conditions in the United States of America which makes the unfavorable response necessary. The statement will include data similar to that contemplated in paragraphs 1 and 2 of Annex A of the Arrangement. In such event, the United States of America will be prepared to consult promptly with the Arab Republic of Egypt to determine an appropriate course of action.

6. (a) In any agreement year exports may exceed the aggregate limit and any specific limit by allocation to the limits for that year an unused portion of the limit for the previous agreement year (carry over) or a portion of the applicable limit for the succeeding agreement year (carry forward).

(b) Carry over and carry forward together shall total a maximum of 11 percent, of which carry forward may be no more than 6 percent, and carry over no more than 11 percent. For the first agreement year only, carry over may total no more than 5 percent. The levels of carry over and carry forward shall be calculated on the basis of the limits of the receiving year. Short falls must actually exist in aggregate and specific ceilings (where appropriate) of the past year so as to provide the amount being added to the receiving year. The amount of carry forward must be charged to the levels of the forthcoming agreement year.

(c) The limits referred to in sub para (b) of this paragraph are without any adjustment under paragraph 4 above.

(d) The total adjustment under this paragraph shall be in addition to the adjustments permitted by paragraph 4 to the limits for any year.

7. The Government of the Arab Republic of Egypt shall use its best efforts to space exports from the Arab Republic of Egypt to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

8. The two Governments recognize that the successful implementation of this agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of the Arab Republic of Egypt with data on monthly imports of cotton textiles from the Arab Republic of Egypt. The Government of the Arab Republic of Egypt shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

9. In the implementation of this Agreement, the system of categories and the rates of conversion into square yards equivalent listed in the Annex B hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the weight or chief value criterion provided for in Article 12 of the Arrangement is used, the chief value criterion used by the Government of the United States of America shall apply.

10. The Government of the United States of America and the Government of the Arab Republic of Egypt agree to consult on any question arising in the implementation of this agreement.

11. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement including differences in points or procedure or operation.

12. If, with regard to the provisions of the Arrangement, the Government of the Arab Republic of Egypt considers that as a result of limitations specified in this agreement the Arab Republic of Egypt is being placed in an inequitable position vis-à-vis a third country, the Government of the Arab Republic of Egypt may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as a reasonable modification of this agreement.

13. During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from the Arab Republic of Egypt to the United States under the procedures of Article 3 of the Arrangement. The applicability of the Arrangement to trade in cotton textiles between the Arab Republic of Egypt and the United States shall otherwise be unaffected by this Agreement.

14. In conformity with Article 12, paragraph (3) of the Arrangement, and subject to the establishment of a mutually satisfactory certification system, exports of handloom fabrics of the cottage industry of the Arab Republic of Egypt, or handmade cottage industry products

made of such handloom fabrics, or traditional folklore handicraft textile products shall not be subject to the provisions of this Agreement.

15. Either Government may terminate this Agreement effective at the end of an agreement year by written notice to the other Government to be given at least 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this agreement.

If this proposal is acceptable to the Government of the Arab Republic of Egypt, this note and your note of confirmation on behalf of the Government of the Arab Republic of Egypt shall constitute an agreement between the Government of the United States of America and the Government of the Arab Republic of Egypt.

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

HERMANN FR. EILTS

His Excellency Zakaria Tawfik Abdel Fattah
Minister of Trade
Cairo

A N N E X A

(Designated Annual Consultation Levels Pursuant to Paragraph 5(b)
of the Agreement)

<i>Category</i>	<i>Level (Square Yards Equivalent)</i>	<i>Category</i>	<i>Level (Square Yards Equivalent)</i>
1-4	5,000,000	35	3,000,000
18/19/26 (Print Cloth)	6,000,000	36	3,000,000
21	3,000,000	41/42	2,500,000
27	3,000,000	45	2,000,000
28	2,500,000	46	1,500,000
29	2,500,000	56	2,000,000
31	5,000,000	58	2,000,000
34	3,000,000	60	3,000,000

A N N E X B

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
1	Yarn, carded, singles	Lb.	4.6
2	Yarn, carded, plied	Lb.	4.6
3	Yarn, combed, singles	Lb.	4.6
4	Yarn, combed, plied	Lb.	4.6
5	Gingham, carded	Syd.	1.0
6	Gingham, combed	Syd.	1.0
7	Velveteen	Syd.	1.0
8	Corduroy	Syd.	1.0
9	Sheeting, carded	Syd.	1.0
10	Sheeting, combed	Syd.	1.0
11	Lawn, carded	Syd.	1.0
12	Lawn, combed	Syd.	1.0
13	Voile, carded	Syd.	1.0
14	Voile, combed	Syd.	1.0
15	Poplin and broadcloth, carded	Syd.	1.0

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
16	Poplin and broadcloth, combed	Syd.	1.0
17	Typewriter ribbon cloth	Syd.	1.0
18	Print cloth, shirting type, 80×80 type, carded	Syd.	1.0
19	Print cloth, shirting type, other than 80×80 type, carded	Syd.	1.0
20	Shirting, Jacquard or dobby, carded	Syd.	1.0
21	Shirting, Jacquard or dobby, combed	Syd.	1.0
22	Twill and sateen, carded	Syd.	1.0
23	Twill and sateen, combed	Syd.	1.0
24	Woven fabric, n.e.s., yarn dyed, carded	Syd.	1.0
25	Woven fabric, n.e.s., yarn dyed, combed	Syd.	1.0
26	Woven fabric, other, carded	Syd.	1.0
27	Woven fabric, other, combed	Syd.	1.0
28	Pillowcases, not ornamented, carded	No.	1.084
29	Pillowcases, not ornamented, combed	No.	1.084
30	Dish towels	No.	0.348
31	Other towels	No.	0.348
32	Handkerchiefs, whether or not in the piece	Doz.	1.66
33	Table damask and manufactures	Lb.	3.17
34	Sheets, carded	Lb.	6.2
35	Sheets, combed	No.	6.2
36	Bedspreads and quilts	No.	6.9
37	Braided and woven elastics	Lb.	4.6
38	Fishing nets and fish netting	Lb.	4.6
39	Gloves and mittens	Doz. Prs.	3.527
40	Hose and half hose	Doz. Prs.	4.6
41	T-shirts, all white, knit, men's and boys'	Doz.	7.234
42	T-shirts, other, knit	Doz.	7.234
43	Shirts, knit, other than T-shirts and sweatshirts	Doz.	7.234
44	Sweaters and cardigans	Doz.	36.8
45	Shirts, dress, not knit, men's and boys'	Doz.	22.186
46	Shirts, sport, not knit, men's and boys'	Doz.	24.457
47	Shirts, work, not knit, men's and boys'	Doz.	22.186
48	Raincoats, ¾ length or longer, not knit	Doz.	50.0
49	Other coats, not knit	Doz.	32.5
50	Trousers, slacks and shorts (outer), not knit, men's and boys'	Doz.	17.797
51	Trousers, slacks and shorts (outer), not knit, women's, girls' and infants'	Doz.	17.797
52	Blouses, not knit	Doz.	14.53
53	Dresses (including uniforms), not knit	Doz.	45.3
54	Playsuits, washsuits, sunsuits, creepers, rompers, etc., not knit, n.e.s.	Doz.	25.0
55	Dressing gowns, including bathrobes, beach robes, housecoats and dusters, not knit	Doz.	51.0
56	Undershirts, knit, men's and boys'	Doz.	9.2
57	Briefs and undershorts, men's and boys'	Doz.	11.25
58	Drawers, shorts, and briefs, knit, n.e.s.	Doz.	5.0
59	All other underwear, not knit	Doz.	16.0
60	Pajamas and other nightwear	Doz.	51.96
61	Brassieres and other body-supporting garments	Doz.	4.75
62	Wearing apparel, knit, n.e.s.	Lb.	4.6
63	Wearing apparel, not knit, n.e.s.	Lb.	4.6
64	All other cotton textiles	Lb.	4.6

II

The Egyptian Minister of Commerce to the American Ambassador

ARAB REPUBLIC OF EGYPT
MINISTRY OF FOREIGN TRADE
OFFICE OF THE MINISTER

Cairo, December 30, 1975

Excellency,

I have the honour to refer to your note of today's date, 30 December 1975, proposing an Agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt.

I further have the honour to accept Your Excellency's proposal, as contained in your note of today's date, on behalf of my Government and agree that Your Excellency's note and this note in reply shall constitute an agreement between our two Governments.

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

[Signed]

ZAKARIA TAWFIK ABDEL FATTAH
Minister of Commerce

His Excellency Hermann Frederick Eilts
Ambassador of the United States of America
Cairo
