

No. 17268

**UNITED STATES OF AMERICA
and
EGYPT**

**Exchange of notes constituting an agreement relating to
trade in textiles and textile products. Cairo, 7 and
28 December 1977**

Authentic text: English.

Registered by the United States of America on 24 November 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Échange de notes constituant un accord concernant le com-
merce des textiles et des produits textiles. Le Caire,
7 et 28 décembre 1977**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 24 novembre 1978.

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

I

The American Ambassador to the Egyptian Minister of Trade

AMERICAN EMBASSY
CAIRO, EGYPT

December 7, 1977

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 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 the Arrangement, both governments agree that the Agreement relating to trade in cotton textiles and cotton textile products between the United States of America and the Arab Republic of Egypt³ which entered into force on December 30, 1975, is hereby replaced and superseded, effective January 1, 1978, by the following agreement.

1. The term of this Agreement shall be two years, beginning January 1, 1978; thereafter it shall be extended for further one-year periods unless either government gives 90 days' notice to the other government in writing that the Agreement be terminated at the end of a calendar year.

2. The two governments shall give due consideration to the need, as set forth in the Arrangement, to provide for both progressive liberalization and orderly development of trade. Both governments also recognize that possibilities exist for increased trade and that such possibilities will be enhanced by the terms of this Agreement. It is the intention of both governments that the highest degree of flexibility be maintained in textile trade so that the markets of both countries may develop favorably and that the potential of each be fully realized. This in turn, it is anticipated, will contribute to the continued strengthening of economic ties between the two countries.

3. Accordingly the two governments, in order to provide for a more beneficial approach and to avoid placing the Arab Republic of Egypt at a disadvantage or in an inequitable position with respect to its trade, agree to the following:

(I) In the event that the Government of the United States considers imports in any category or categories of textile products from the Arab Republic of Egypt to be causing market problems in the United States, the Government of the United States may request consultations with the Government of the Arab Republic of Egypt with a view to avoiding market disruption, and may request the Government of the Arab Republic of Egypt to restrain exports in that category or categories to the level indicated by the United States.

(II) The Government of the Arab Republic of Egypt agrees to consult with the Government of the United States on the category or categories in question within 30 days of receipt of the

¹ Came into force on 28 December 1977 by the exchange of the said notes, with effect from 1 January 1978, in accordance with their provisions.

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

³ *Ibid.*, vol. 1020, p. 285.

request, said request to be accompanied by information in which the request is based. Both governments agree to make every effort to reach a mutually satisfactory resolution of the issues within 60 days of receipt of the request, unless this period is extended by mutual agreement.

(III) Until such time as a mutually satisfactory solution has been reached, or in the absence of such solution until the end of the calendar year, the Arab Republic of Egypt will limit exports of the product or products in question to the United States market as indicated by the Government of the United States, and the Government of the United States may decline to enter imports of Arab Republic of Egypt origin textiles or textile products in excess of the amount indicated for such category or categories.

(IV) For the purpose of establishing any level of restraint for such limitation of exports by the Arab Republic of Egypt, the Government of the United States shall take into consideration all elements of both the history of textile trade between the Arab Republic of Egypt and the United States and the previous permissible levels of trade and shall have full regard both to the equitable treatment of the Arab Republic of Egypt as compared with other suppliers of like textiles and textile products, and if appropriate, to the Arab Republic of Egypt's position as a potential new entrant in respect to certain textiles and textile products. To the extent possible, the Government of the United States will recognize the need to avoid undue hardship to the commercial participants in the trade involved.

(V) It is further agreed that the consultations envisioned above will be resorted to sparingly, and that such consultations will be conducted in a manner consistent with the principles and objectives of the Arrangement.

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 Tewfik Abdel Fattah
Minister of Trade
Cairo, A.R.E.

II

The Egyptian Minister of Commerce to the American Ambassador

MINISTER OF COMMERCE

Cairo, December 28, 1977

Excellency

I have the honour to refer to your note of December 7, 1977, proposing an agreement concerning trade in cotton textiles between the United States of America and the Arab Republic of Egypt to replace the previous Agreement relating to trade in cotton textiles and cotton textiles products concluded between our two governments on December 30, 1974,¹ and expires on December 31, 1977.

¹ Should read: "30 December 1975".

I have the honour to inform Your Excellency that I accept your proposal, stated in your note of December 7, 1977, on behalf of my government, and agree that Your Excellency's note and this note in reply will constitute an agreement between our two governments.

I would like to express the hope that the U.S.A. will refrain from imposing limitations on exports from Egypt to the U.S.A. within the framework of the above-mentioned agreement before reaching the previous permissible levels agreed upon in the previous Agreement.

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

ZAKARIA A. FATTAH

His Excellency Hermann Frederick Eilts
Ambassador of the United States of America
Cairo, A.R.E.
