

# WORLD TRADE ORGANIZATION

**G/TMB/N/269/Add.1**

22 July 1997

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**Textiles Monitoring Body**

Original: English

## AGREEMENT ON TEXTILES AND CLOTHING

### Notification under Article 2.17

#### UNITED STATES

#### Administrative Arrangements with Egypt

#### Addendum

The Textiles Monitoring Body has received a further notification from the United States pursuant to paragraph 17 of Article 2.

The TMB, in accordance with paragraph 17 of Article 2, is circulating this notification to WTO Members.

Executive Office of the President  
Office of the United States Trade Representative  
Geneva

18 April 1997

Dear Ambassador Szepesi,

I refer to your letter of 4 April 1997 concerning United States Administrative Arrangements with Egypt. With respect to the question posed in paragraph 2<sup>1</sup>, paragraphs 3 and 4 of the United States Article 2.17 notification are included in these arrangements by mutual agreement of Egypt and the United States. The exchange of letters affecting this inclusion are attached.

With respect to the question posed in paragraph 3<sup>2</sup>, only products subject to Article 2.1 restraints are subject to these administrative arrangements.

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The Honourable  
Ambassador András Szepesi  
Chairman  
Textiles Monitoring Body  
World Trade Organization  
154 Rue de Lausanne  
1211 Geneva

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<sup>1</sup>Paragraph 2 of that letter reads: "The TMB would appreciate receiving information on the bilateral agreements referred to in the first paragraph of the administrative arrangements, since the dates mentioned therein do not coincide with the date the Memorandum of Understanding, joined to the notification, was signed. The TMB has also noted that paragraphs 3 and 4 of the administrative arrangements are not among the provisions mentioned in paragraph 4 of the MOU of 12 September 1993; it would, therefore, appreciate receiving clarification in this regard."

<sup>2</sup>Paragraph 3 of that letter reads: "The TMB would also appreciate receiving clarification regarding the product coverage of the administrative arrangements with Egypt. Annex A, referred to in paragraph 3(A) of the text notified, covers a broad range products. Is this Annex limited to products falling within the coverage of the ATC? On the other hand, certain other provisions of the administrative arrangements, e.g. paragraph 5, refer to an 'Annex B' which is not included in the administrative arrangements and is, presumably, the list of products whose imports from Egypt are subject to the quantitative restrictions notified by the United States under paragraph 1 of Article 2 of the ATC. Therefore, the TMB would appreciate receiving indications as to the correct understanding of the products covered by the administrative arrangements, and, if applicable, which product coverage applies to which provisions of the arrangements. Equally, if applicable, any clarification as to the legal grounds for the broader coverage adopted in these administrative arrangements, which are 'deemed necessary in relation to the implementation of any provision of [...] Article [2]', would be also appreciated."

With respect to the question posed in paragraph 4<sup>3</sup>, this provision authorizes the United States to apply flexibility adjustments in cases where a category is about to fill. It does not impede Egypt's right to administer its quantitative restraints.

With respect to the question posed in paragraph 5<sup>4</sup>, circumvention often damages a country's legitimate trade by making it impossible to administer effectively its Article 2.1 quotas. Our two countries deem these circumvention provisions to be necessary to the implementation of these quotas. Subparagraph 13(e) has also been deemed by our two Governments to be a necessary deterrent to circumvention. Since its application would affect the restraint levels contained in the United States Article 2.1 notification, it is appropriately included here.

With respect to the question posed in paragraph 6<sup>5</sup>, the text of the visa arrangement associated with this agreement will be notified to the TMB in the near future.

Sincerely,

(Signed for) Ambassador Rita Hayes  
Chief Textile Negotiator

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<sup>3</sup>Paragraph 4 of that letter reads: "Explanation would also be appreciated as to the justification under the ATC and the reasons why, that although the quantitative restrictions are administered by Egypt in accordance with Article 4 of the ATC, paragraph 5(E) of the administrative arrangements states, *inter alia*, 'the Government of the United States may supply adjustments under this Section to any Specific Limit whenever that adjustment appears appropriate to facilitate the flow of trade and the sound administration of the Agreement'."

<sup>4</sup>Paragraph 5 of that letter reads: "With respect to paragraph 13, relating to cooperation in the prevention of circumvention, the TMB would appreciate receiving information as to how, in the view of the United States, such provisions are deemed necessary in relation to the implementation of any provision of Article 2 of the ATC. Moreover, it would appreciate receiving explanation as to how such provisions, in particular sub-paragraph 13(E), fit within the provisions of the ATC."

<sup>5</sup>Paragraph 6 of that letter reads: "Finally, paragraph 4 of the MOU refers also to the visa arrangement as a provision which will be directly relevant to the ability of the United States and Egypt to implement the ATC. While observing that, contrary to the last sentence of the same paragraph, the visa arrangement has not been notified as yet to the TMB, the Body would appreciate your views as to whether the visa arrangement is part of the administrative arrangements concluded under paragraph 17 of Article 2 of the ATC."

Executive Office of the President  
Office of the United States Trade Representative  
Geneva

17 March 1997

Dear Ms. Shahin,

I have attached to this letter a copy of the United States notification to the TMB of the administrative arrangements we notified on 21 March 1996. As you will note on page 14, paragraph 4 indicates those paragraphs from the bilateral agreement that were to be notified to the TMB. I believe that paragraphs 3 and 4 (see pages 2 and 3 of the United States notification) from the bilateral agreement were inadvertently left out of that list. Both of these paragraphs should be part of the United States notification. If your Government agrees, please confirm this fact with a letter to this effect. I will then submit a corrected notification to the TMB.

Sincerely,

(signed) William Tagliani  
Attache

Dr. Magda Shahin  
Mission of Egypt  
Avenue Blanc 49  
1202 Geneva

Permanent Mission of the Arab Republic of Egypt

Geneva, 4 April 1997

Dear Mr. Tagliani,

With reference to your letter dated 17 March 1997, regarding the inadvertent omission of paragraphs 3 and 4 from the United States notification to the TMB of the Administrative Arrangements for Egypt, I would like to inform you that the Government of Egypt does not have any objections to their inclusion in a corrected notification to the TMB.

Yours sincerely,

Magda Shahin  
Minister Plenipotentiary

Mr. William Tagliani  
Attache  
Executive Office of the USTR  
1-3, avenue de la Paix  
1202 Geneva