II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 18 May 1998

on the conclusion of a Memorandum of Understanding between the European Community and the Arab Republic of Egypt on trade in textile products

(98/355/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 in conjunction with Article 228(2), first sentence thereof,

Having regard to the proposal from the Commission,

Whereas the Commission has negotiated on behalf of the European Community a Memorandum of Understanding on trade in textile products with the Arab Republic of Egypt;

Whereas, pursuant to Decision 98/135/EC [1], pending the completion of procedures required for its formal conclusion, this Memorandum of Understanding has been applied on a provisional basis from 1 January 1998;

Whereas this Memorandum of Understanding should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Memorandum of Understanding between the European Community and the Arab Republic of Egypt on trade in textile products is hereby approved on behalf of the Community.

The text of the Memorandum of Understanding is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Memorandum of Understanding in order to bind the Community.

Done at Brussels, 18 May 1998.

For the Council

The President

C. SHORT

[1] OJ L 41, 13. 2. 1998, p. 1.

MEMORANDUM OF UNDERSTANDING

between the European Community and the Arab Republic of Egypt on trade in textile products

The European Community (hereinafter 'the Community') and the Arab Republic of Egypt on 5 and 6 November 1997 agreed that there is a need to renew for two years the existing system of administrative cooperation on textile products, done and initialled as a Memorandum of Understanding in Geneva on 26 November 1993 as last amended by an Exchange of Letters initialled on 13 October 1995.

Both Parties confirm their readiness to seek acceptable solutions to any problems which might arise and hence to avoid recourse to measures which might be prejudicial to the interests of both Parties.

In this spirit of cooperation, both Parties agree that the trade in textile products between the Community and the Arab Republic of Egypt shall be based on the following provisions:

1. The Community will underake not to apply safeguard measures provided for by Article 34 of the Cooperation Agreement between the Community and the Arab Republic of Egypt, as long as the imports of products listed in Annex I are not higher than the levels indicated in the said Annex.

2. The administrative cooperation system agreed during the discussions and set out in Annex II will apply to the products covered by this Memorandum of Understanding.

3. The Community undertakes not to charge to the agreed levels imports intended for inward processing or re-export.

4. The Egyptian authorities undertake to organise their exports of the products listed in Annex I so that the agreed levels laid down therein are not exceeded.

5. The Parties shall cooperate in order to prevent sudden and prejudicial changes in traditional trade flows resulting in regional concentration of direct imports into the Community.

6. Egypt shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of Community quotas of imports serving as inputs for their processing industry.

7. The Egyptian authorities may, in their management of export, make use of the flexibility provisions laid down in Annex III.

8. At the request of either Party, consultations may be held to examine specific problems in the field of this Memorandum of Understanding. Such consultations shall be held within a maximum of 10 working days following a request by either Party.

9. The present regime will enter into force on 1 January 1998 and will last until 31 December 1999.

Signed at Brussels, 6 November 1997.

For the Arab Republic of Egypt	*For the European Community*

ANNEX I

Category	CN code 1997	Description	Unit	Quantitative levels from 1 January to 31 December	
				1998	1999
1	5204 11 00 5204 19 00 5205 11 00 5205 12 00 5205 13 00 5205 14 00 5205 15 10 5205 15 90 5205 21 00 5205 22 00 5205 23 00 5205 24 00 5205 25 10 5205 25 30 5205 25 90 5205 31 00 5205 32 00 5205 33 00 5205 34 00 5205 35 10 5205 35 90 5205 41 00 5205 42 00 5205 43 00 5205 44 00 5205 45 10 5205 45 30 5205 45 90 5206 11 00 5206 12 00 5206 13 00 5206 14 00 5206 15 10 5206 15 90 5206 21 00 5206 22 00 5206 23 00 5206 24 00 5206 25 10 5206 25 90 5206 31 00 5206 32 00 5206 33 00 5206 34 00 5206 35 10 5206 35 90 5206 41 00 5206 42 00 5206 43 00 5206 44 00 5206 45 10 5206 45 90 ex 5604 90 00	Cotton yarn, not put up for retail sale	Tonnes	56 500	58 500

Category	CN code 1997	Description	Unit	Quantitative levels from 1 January to 31 December	
				1998	1999
2	5208 11 10 5208 11 90 5208 12 11 5208 12 13 5208 12 15 5208 12 19 5208 12 91 5208 12 93 5208 12 95 5208 12 99 5208 13 00 5208 19 00 5208 21 10 5208 21 90 5208 22 11 5208 22 13 5208 22 15 5208 22 19 5208 22 91 5208 22 93 5208 22 95 5208 22 99 5208 23 00 5208 29 00 5208 31 00 5208 32 11 5208 32 13 5208 32 15 5208 32 19 5208 32 91 5208 32 93 5208 32 95 5208 32 99 5208 33 00 5208 39 00 5208 41 00 5208 42 00 5208 43 00 5208 49 00 5208 51 00 5208 52 10 5208 52 90 5208 53 00 5208 59 00 5209 11 00 5209 12 00 5209 19 00 5209 21 00 5209 22 00 5209 29 00 5209 31 00 5209 32 00 5209 39 00 5209 41 00 5209 42 00 5209 43 00 5209 49 10 5209 49 90 5209 51 00 5209 52 00 5209 59 00	Woven fabrics of cotton, other than gauze, terry fabrics, narrow-woven fabrics, pile fabrics, tulle and other net fabrics	Tonnes	20 000	20 700

Category	CN code 1997	Description	Unit	Quantitative levels from 1 January to 31 December	
				1998	1999
	5210 11 10				
	5210 11 90				
	5210 12 00				
	5210 19 00				
	5210 21 10				
	5210 21 90				
	5210 22 00				
	5210 29 00				
	5210 31 10				
	5210 31 90				
	5210 32 00				
	5210 39 00				
	5210 41 00				
	5210 42 00				
	5210 49 00				
	5210 51 00				
	5210 52 00				
	5210 59 00				
	5211 11 00				
	5211 12 00				
	5211 19 00				
	5211 21 00				
	5211 22 00				
	5211 29 00				
	5211 31 00				
	5211 32 00				
	5211 39 00				
	5211 41 00				
	5211 42 00				
	5211 43 00				
	5211 49 11				
	5211 49 19				
	5211 49 90				
	5211 51 00				
	5211 52 00				
	5211 59 00				
	5212 11 10				
	5212 11 90				
	5212 12 10				
	5212 12 90				
	5212 13 10				
	5212 13 90				
	5212 14 10				
	5212 14 90				
	5212 15 10				
	5212 15 90				
	5212 21 10				
	5212 21 90				
	5212 22 10				
	5212 22 90				
	5212 23 10				
	5212 23 90				
	5212 24 10				
	5212 24 90				
	5212 25 10				
	5212 25 90				
	ex 5811 00 00				
	ex 6308 00 00				

Category	CN code 1997	Description	Unit	Quantitative levels from 1 January to 31 December	
				1998	1999
4	6105 10 00 6105 20 10 6105 20 90 6105 90 10 6109 10 00 6109 90 10 6109 90 30 6110 20 10 6110 30 10	Shirts, T-shirts, lightweight fine knit roll, polo or turtle-necked jumpers and pullovers (other than of wool or fine animal hair), undervests and the like, knitted or crocheted	1 000 pieces	Administrative cooperation	
20	6302 21 00 6302 22 90 6302 29 90 6302 31 10 6302 31 90 6302 32 90 6302 39 90	Bedlinen, other than knitted or crocheted	Tonnes	Administrative cooperation	

ANNEX II

ADMINISTRATIVE COOPERATION

The system of administrative cooperation to be applied by the Community and the Arab Republic of Egypt in their trade in textile products will be as follows:

1. The Egyptian authorities (Cotton Textile Consolidation Fund) shall issue an export document for every consignment of products listed in Annex I of the Memorandum of Understanding. The export document shall correspond to the specimen as shown in Annex IV hereto.

   (a) For products for which levels have been agreed and which are intended to enter into free circulation within the Community, export licences shall only be issued up to the agreed Community levels. Each licence must, in particular, certify that the amount in question has been charged against the level for the product category concerned. For such products for which no level has been agreed, export licences are issued without restriction but account is kept of the quantities issued.

   Where export documents are cancelled the Egyptian authorities shall inform the European Commission immediately, providing all the necessary information to prevent the relevant quantity from being set off against the limit concerned.

   (b) The actual date of shipment shall determine the quota year against which goods are to be charged. To this end, the date shown on the bills of lading or airway bills or any other equivalent document shall be regarded as constituting proof.

2. The authorities of the Member States shall issue import documents or authorisations automatically within five working days on receipt of the request, provided that it is accompanied by the export document referred to under paragraph 1.

3. In order to facilitate this cooperation system:

   — the Parties will exchange statistics about actual imports and exports as well as import and export documents issued during each calendar year,

   — in addition, the Parties will exchange cumulative statistics on a quarterly basis. These data will be communicated to the other Party before the end of the third month following every quarter.

4. The classification of the products referred to in Annex I shall be based on the tariff and statistical nomenclature of the Community (hereinafter called the 'Combined Nomenclature' or in abbreviated form 'CN') and any amendments thereof.

   No decision relating to the classification of goods or amendment to the Combined Nomenclature (CN) concerning the category of products in question, shall have the effect of reducing the agreed levels.

ANNEX III

FLEXIBILITIES

The flexibility shall be as follows:

1. The Egyptian authorities may carry over unused levels from the preceding year up to a maximum of 10 % of the levels for the year in progress.

2. Advance use of agreed levels for the next year may be made up to a maximum of 10 % of the levels for the year in progress.

3. The transfer between category 1 and category 2 is authorised within the limit of 7,5 % of the figure initially agreed for the category to which the transfer is made.

ANNEX IV

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	**ORIGINAL**	2 **No**
	3 Quota period Année contingentaire	4 Category number Numéro de catégorie
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	**EXPORT LICENCE** **(Textile products)** **LICENCE D'EXPORTATION** **(Produits textiles)**	
	6 Country of origin Pays d'origine	7 Country of destination Pays de destination
8 Place and date of shipment — Means of transport Lieu et date d'embarquement — Moyen de transport	9 Supplementary details Données supplémentaires	

10 Marks and numbers — Number and kind of packages — DESCRIPTION OF GOODS Marques et numéros — Nombre et nature des colis — DÉSIGNATION DES MARCHANDISES	11 Quantity (1) Quantité (1)	12 FOB value (2) Valeur fob (2)

13 CERTIFICATION BY THE COMPETENT AUTHORITY — VISA DE L'AUTORITÉ COMPÉTENTE

I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with the European Community.

Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case 3 pour la catégorie désignée dans la case 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la Communauté européenne.

14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At — À ..... , on — le .....
	(Signature) (Stamp — Cachet)

(1) Show net weight (kg) and also quantity in the unit prescribed for category where other than net weight — Indiquer le poids net en kilogrammes ainsi que la quantité dans l'unité prévue pour la catégorie si cette unité n'est pas le poids net.
(2) In the currency of the sale contract — Dans la monnaie du contrat de vente.

AGREED MINUTE

With regard to the question of management of the levels below which the Community undertakes not to apply safeguard measures provided for by Article 34 of the Cooperation Agreement, the Arab Republic of Egypt makes clear its intention to take the necessary measures to ensure that Egyptian exports of products listed in Annex I do not exceed the Community agreed levels as provided for under the flexibility provisions in the Memorandum of Understanding itself.

The Government of Egypt also takes note of the Community's desire to resume the normal regime of trade as soon as possible. It recalls in this connection that the system governing access to the Community for cotton products originating in Egypt is one of free entry without quantitative restrictions or equivalent measures.

Signed at Brussels, 6 November 1997.

For the Arab Republic of Egypt *For the European Community*

AGREED MINUTE

Should the Community and the Arab Republic of Egypt conclude an Association Agreement, the Memorandum of Understanding on textiles emerging from these negotiations on 5 and 6 November 1997, will take the form envisaged by the provisions of the Agreement and of the Joint Declarations annexed to it.

Signed at Brussels, 6 November 1997.

For the Arab Republic of Egypt *For the European Community*