Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between Canada and Maldives

The Textiles Surveillance Body received a notification from Canada of a bilateral agreement concluded with Maldives for the period 1 January 1986 to 31 December 1990.

The TSB decided to transmit the notification to participating countries under Articles 7 and 8 for their information.

*English only/Anglais seulement/Inglés solamente

1For TSB decision see COM.TEX/SB/1241.
The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs of the Republic of Maldives and has the honour to refer to the Memorandum of Understanding reached by representatives of Maldives and Canada in Male on March 14, 1986 regarding the restraint on exports of clothing to Canada from Maldives.

The Canadian authorities wish to confirm that Canadian Ministers have given approval to the provisions contained in the Memorandum and propose that this Note, in conjunction with the Note from the Maldives authorities, No. (E) WE-8-B/86/11 of April 19, 1986 confirming acceptance by its Government, give effect to the arrangement outlined in the Memorandum.

The Canadian High Commission wishes to advise the Ministry that the Government of Canada will advise the textile surveillance body that an understanding has been reached under Article 4/4 of the Multi Fibre Agreement.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

COLOMBO
June 23, 1986
The Ministry of Foreign Affairs of the Republic of Maldives presents its compliments to the Canadian High Commission to the Republic of Maldives and further to the discussions held between the representatives of the Governments of Canada and the Maldives, has the honour to refer to the Memorandum of Understanding reached between the two Governments.

The Ministry is pleased to forward the signed copy of the Memorandum of Understanding between the Government of Canada and the Government of the Maldives Relating to the Export from the Maldives of Certain Textile Products for Import into Canada.

The Ministry further confirms the acceptance of the agreements contained in the Memorandum of Understanding by the Government of the Republic of Maldives.

The Ministry of Foreign Affairs of the Republic of Maldives avails itself of this opportunity to renew to the Canadian High Commission to the Republic of Maldives the assurances of its highest consideration.

MALE, 19 April 1986

Canadian High Commission to the Republic of Maldives,
COLOMBO

Delegates Representing the Maldives
Mr. Abdul Azeez Yousuf
Mr. Ibrahim Shakeeb
Mr. Ibrahim Shafeeg
Mr. Rodney Wade

Delegates Representing Canada
Mr. Thomas MacDonald
Mr. Michael Caplan
Mr. Maurice Chapleau

In response to the request made by the Canadian Government through their High Commission's Telegram of January 27, 1986 concerning Tailored Collar Shirts Exports from the Maldives into Canada and further to that communication and the telegram No. 307 of that date, deliberative negotiations were conducted at the Ministry of Foreign Affairs, Male' Republic of Maldives between 12-14 March, 1986.

During the negotiations a Draft for the Memorandum of Understanding between the Governments of Canada and the Maldives relating to certain textile products for Import into Canada was submitted by the Canadian delegates.

After discussions and consultations the delegates agreed that following procedures shall be adopted regarding the negotiations.

1. The Draft submitted by the Canadian delegates known as the "Memorandum of Understanding between the Government of Canada and the Government of the Maldives Relating to the Export from the Maldives of Textile Products for Import into Canada" shall be channelled through the different procedures and formalities required by the Maldivian Government to acquire the affirmative legal consideration before its endorsement by the parties concerned.
2. Definitive Restraint Levels have been agreed by the delegates of the Governments of the Maldives and Canada on certain exports of textile products from the Maldives into Canada for the Restraint Period referred to in the paragraph 3 of the draft Memorandum submitted by the Canadian Delegates. The List of Textile Products and the Restraint Levels described in the Annex of this Aide-Memoire shall be the List of Products and the Restraint Levels for the Annex I stated in paragraphs 4 and 5 under "Restraint Levels" of the draft Memorandum.

Executed in Male' this 14th Day of March 1986.

[Signatures]

for and on behalf of the Maldivian Government
Abdul Azeez Yousuf

for and on behalf of the Canadian Delegates
Thomas MacDonald
Memorandum of Understanding between the Government of Canada and the Government of the Maldives relating to the export from the Maldives of certain textile products for import into Canada.

Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and the Maldives regarding the export of certain textile products from the Maldives for import into Canada.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the MFA") and in particular to Article 4 thereof, and to the Protocol extending the said Arrangement.

Restraint Periods

3. These arrangements will apply for the period commencing on 1 January 1986 and ending on 31 December 1990.

Restraint Levels

4. Except as provided for in paragraphs 13 to 18 below, the Government of the Maldives will restrain its exports to Canada of the textile products described in Annex I for the calendar year commencing 1 January 1986 to the limits specified therein.

5. For the four calendar year periods commencing 1 January 1987 and ending on 31 December 1990, the Government of the Maldives will, based on a formal request provided by the Canadian Government prior to December 31, 1986, continue to restrain its exports to Canada of the textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column D of Annex I.

Coverage

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in the MFA.

7. For the purpose of classifying textiles and textile products in the appropriate category, the definition and notes set out in Annex II will apply.

Administration

8. These arrangements will be implemented on the basis of the export control system operated by the Government of the Maldives.
9. The Government of Canada will admit imports of the textile products described in Annex II and subject to a specific quantitative limit in Annex I, provided such imports are covered by an original copy of a Maldives "Export Licence" endorsed and issued by the proper Maldives authority to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.

10. The export licences issued by the Government of the Maldives in respect of products subject to restraint levels as specified in Annex I of this arrangement will contain the following information:

1. Country of destination
2. Country of origin
3. Licence number
4. Importer's name and address
5. Exporter's name and address
6. Category number and description of product as set out in Annex I of the MOU
7. Quantity expressed in units as designated in Annex I of the MOU.
8. F.O.B. or C.I.F. value except for non-commercial consignments
9. Certification by the Maldives Authority that the quantity has been debited against the agreed restraint level for exports to Canada.

11. In the event any quantity covered by an export licence is not shipped, the Government of the Maldives will notify the Government of Canada of such quantity which may be credited by the Government of the Maldives to the appropriate restraint level.

12. The Government of the Maldives will endeavour to ensure that exports of all textile products which are listed in Annex II and are subject to a restraint level as per Annex I are spaced out as evenly as possible during the restraint period, due account being taken of seasonal factors and of normal channels of trade.

Swing

13. Subject to the specific limitations set out in Annex I, and following notification to the Canadian authorities, any restraint level may be exceeded by the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level. When any restraint level is exceeded by the application of swing, the Government of the Maldives will so indicate in subsequent monthly returns.
14. For the purpose of implementing the swing provisions in paragraph 14, the conversion factors shown in Annex I will apply.

**Carryover/Carryforward**

15. When the arrangement is applicable to more than one restraint period, following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during the restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period. The restraint level for any such restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

16. Commencing January 1, 1987 and following notification to the Government of Canada, any restraint level may be increased within the lower percentage limit set out in column (F) of Annex I by an amount advanced from the corresponding restraint level for the following restraint period. The restraint level for any such following restraint period will be reduced by an amount equal to the amount so advanced.

17. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

18. Further to paragraphs 13 to 17 above, where applicable, the restraint levels in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.

**Exchange of Statistics**

19. Both Governments will exchange such other statistical data relating to exports of textile products not subject to these arrangements as may reasonably be required.

20. The Government of the Maldives will provide the Government of Canada with monthly statistics relating to exports of the textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period as per Annex I.

21. When submitting the monthly statistics mentioned in paragraph 20, the Government of the Maldives undertakes to include the following information:

   a. Category and description of goods as set out in Annex I.
b. Original and adjusted restraint level for the restraint period.
c. Total quantity licensed for the restraint period to date in the units designated in Annex I.

This information would be provided as soon as possible following the end of each month.

22. The Government of Canada will provide the Government of the Maldives with monthly statistics relating to import permits issued for imports originating in the Maldives of the textile products listed in Annex I.

23. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

Equity

24. Should either Government consider, as a result of these arrangements, that it is placed in an inequitable position compared with any third party, that Government may request the other to consult as provided in paragraph 27 with a view to implementing appropriate remedial measures.

Re-Exports

25. The Government of Canada will, so far as possible, inform the Government of the Maldives when imports into Canada of textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Maldives Government to quantitative limits, the Government of the Maldives may then credit the amount involved to the appropriate quantitative limits.

Handloom Products

26. With reference to Article 12(3) of the MFA, this arrangement shall not apply to bona fide handmade clothing of handloomed fabric as defined in Annex III when accompanied on importation by a certificate validated by the competent Maldives authorities.

Consultations

27. Either Government has the right to request consultations with the other Government on any matter arising from the implementation or operation of these arrangements or on any matter germane thereto. Such consultations will be governed by the following:

- Any request for consultations will be notified in writing to the other Government;
The request for consultations will be accompanied by or followed within a reasonable period (and in any case not later than twenty-one days following the request) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Government, justify the submission of such a request;

- The other Government will accept such a request and such consultations will be held within thirty days of the date of notification of the request;

- Both Governments will enter into consultations with a view to reaching a mutually acceptable conclusion within thirty days of the date on which actual consultations commence.

**MFA Rights**

28. Each Government reserves its rights under the MFA with respect to textile products not subject to a specific restraint under these arrangements. For textile products covered by these arrangements, it is understood that either Government may have recourse to any or all of the provisions of the MFA, save that the Government of Canada waives its rights under Article 3 of the MFA with respect to products covered by a specific restraint under these arrangements as long as this MOU remains in effect.

**Termination**

29. Either Government may terminate these arrangements effective at the end of any restraint period by written notice to the other Government, to be given at least ninety days prior to the end of any restraint period.

**Annexes**

30. The annexes to this Memorandum of Understanding will be considered an integral part of it.

**Final Provisions**

31. This Memorandum of Understanding will become effective on January 1, 1986, subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

For the Government of the Maldives

For the Government of Canada
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>(A) UNITS</th>
<th>(B) RESTRAINT LEVEL</th>
<th>(C) GROWTH</th>
<th>(D) SWING</th>
<th>(E) CARRY-OVER/ CARRY-FORWARD</th>
<th>(F) COMBINED FLEXIBILITY</th>
<th>(G) CONVERSION FACTOR (m2/UNIT)</th>
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<tr>
<td>GROUP</td>
<td>ALL CLOTHING</td>
<td>2,500,000</td>
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<td>11% (6%)</td>
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<td>1</td>
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<td>7%</td>
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<td>2</td>
<td>TROUSERS, SHORTS, OVERALLS, COVERALLS MBWGCI</td>
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<td>7%</td>
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<td>3</td>
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<td>13</td>
<td>FINE SUITS MB</td>
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<td>7%</td>
<td>11% (6%)</td>
<td>15%</td>
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ANNEX I : RESTRAINT LEVELS

NOTE: FOR ITEMS NOT SUBJECT TO SPECIFIC RESTRAINT LEVELS, THE GOVERNMENT OF CANADA MAY REQUEST CONSULTATIONS IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 27 WHEN EXPORTS IN ANY TWELVE MONTH PERIOD OF THE PRODUCTS CONCERNED HAVE REACHED AT LEAST FIFTEEN PERCENT OF THE GROUP LEVEL.

Tom Mac Donell
FOR THE GOVERNMENT OF CANADA

FOR THE GOVERNMENT OF THE MALDIVES
Annex II
Definitions and Description of Terms

General Notes

1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men, boys, women, girls, children and infants. Children's and infants' garments include all garments sized 0 - 6X.

2. All garment items include partially manufactured garments, i.e., garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing.

3. Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.

4. "Wholly or mainly" is 50 percent or more in all items unless otherwise indicated.

Description of Product Categories

Clothing

1. Winter Outerwear Garments

Winter Outerwear Garments (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski-pants, and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre filling, etc. but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).
Note: A unit comprises garments which have been designed to be sold as a set, e.g., matching or coordinated ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.

2. Trousers, Shorts, Overalls and Coveralls

A. Trousers, pants, slacks and jeans wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof, being garments which do not extend above the waist but extend to the knee or below. Included are jodhpurs, knickers, footless tights, gauchos.

Note: Men's and boys' garments in this item manufactured of fabric containing five percent or more by weight of wool or hair are considered to be woolen garments.

B. Overalls and coveralls wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Overalls and coveralls are one-piece garments, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included.

C. Outershorts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Shorts are garments similar to pants but not extending to the knees.

3. Shirts, Tailored Collar

Shirts with tailored collars, men's and boys' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted or woven, being garments covering the upper part of the body normally worn next to the skin or directly over underwear and with a full or partial front opening which may include a zipper and may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or part of a set.

Note: Included are children's sizes 4-6X.

Note: A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends. The following may be used, when needed, in the construction: stays, lining, stiffening by any means.
4. Shirts, blouses, T-shirts, Sweatsuits

A. Blouses and shirts, women's and girls', children's and infants' wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof, knitted or woven, being garments which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweatshirts and sweaters.

B. Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see description for Item 3 above.

C. T-shirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which may have collarless front openings or no front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.

D. Sweatshirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirt and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

5. Sweaters, Pullovers and Cardigans

Sweaters, pullovers, cardigans, (including knitted ponchos), wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being knitted or crocheted garments covering the upper part of the body and which may be of any length of construction coarser than 19 cut, i.e. less than 19 vertical stitches per inch. Included are such items with coordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such coordinating or matching accessories will be considered a set and counted as one unit.
6. **Sleepwear and Bathrobes**

A. *Pyjamas and sleepwear*, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.

B. *Bathrobes, dressing gowns and housecoats*, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

7. **Dresses and Skirts**

A. *Dresses, women's and girls', children's and infants'*', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extended above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

B. *Skirts, women's and girls', children's and infants'*, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.

8. **Suits, Coordinates and Outerwear Sets**

A. *Coordinates or matching sets and blazers, men's and boys', children's and infants'*', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof packed, shipped and sold as a set and not covered by other definitions in this annex.

B. *Suits, coordinates, or matching sets, and blazers, women's and girls', childrens and infants',* wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Coordinates include: coat or jacket and dress sets, blouses and pant or skirt sets, shirt and skirt or pants sets, jacket and pant or skirt sets, coat and pant or skirt sets.
C. Miscellaneous Garments, Children's and infants' garments not meeting any of the descriptions relating to children's and infants' wear contained elsewhere in this annex, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.

D. Athletic sets or suits, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or coordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition in this annex including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross-country ski suits (subject to the description in Item 1).

E. Leisure wear, coordinates or sets not defined by any definitions in this annex. These may include shortsets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and loungewear, nes.

9. Underwear

Underwear, wholly, or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

10. Swimwear

Swimwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or coordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this annex as individual garments. Coordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and coordinates in Item 8.
11. **Foundation Garments**

Foundation garments, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: Brassieres, girdles, corselettes, and panty girdles.

12. **Coats, Jackets and Rainwear**

A. **Jackets**, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Jackets are outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this annex.

B. **Overcoats and topcoats**, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof being outerwear garments extending to the knee or below excluding rainwear.

C. **Professional and shop coats**, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.

D. **Rainwear**, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

13. **Fine Suits**

Fine suits, sportcoats and blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.

Note: The suit-jacket, sportcoat or blazers may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.

Note: A unit is either a jacket, sportcoat or a suit. A suit is a two-or-three piece garment consisting of matching or coordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.
1. The exemption provided for in paragraph 25 of this Memorandum of Understanding in respect of cottage industry products will apply only to the following products:

   a) garments or other textile articles of a kind traditionally made in the cottage industry, having been cut, sewn or embroidered, if applicable, solely by hand from handloom textile fabrics without the aid of any machine. Handloom textile fabrics are fabrics, which have been woven on looms operated solely by hand or foot and are of a kind traditionally made in the cottage industry.

   b) traditional folklore handicraft textile products, made by hand in the cottage industry, set out in the list attached hereto.

2. The exemption will apply only in the respect of products covered by a certificate issued by the competent Maldives authorities.

3. Such certificates will indicate the grounds on which the exemption is based and will be accepted by Canadian authorities provided that they are satisfied that the products concerned conform to the conditions set out in this Annex.