ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension of the bilateral agreement between
Canada and Brazil

The Textiles Surveillance Body received a notification from Canada of an extension of its bilateral agreement with Brazil for the period 1 January to 31 December 1992.¹

The TSB, pursuant to its procedures regarding notifications received under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The bilateral agreement is contained in COM.TEX/SB/1574.
²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Inglés solamente

92-0854
Letter from Brazil

DCP/44/XIEX L00 G08

O Ministério das Relações Exteriores cumprimenta a Embaixada do Canadá e tem a honra de referir-se à Nota n° B-149, de 1º de novembro corrente, pela qual a Embaixada reitera proposta de extensão, até 31 de dezembro de 1992, do Memorando de Entendimento (MOU) firmado entre o Governo do Canadá e a República Federativa do Brasil com o objetivo de disciplinar o comércio bilateral de determinados produtos têxteis.

2. O Ministério das Relações Exteriores informa, em resposta, que o Governo brasileiro concorda com a proposta canadense, no entendimento de que, de acordo, aliás, com a formulação da citada proposta - permanecerão em vigor os termos e condições do MOU sobre o comércio têxtil bilateral vigente, inclusive no que diz respeito a taxas de crescimento e flexibilidades.

Brasília, em 22 de novembro de 1991
Text of Canadian Embassy, Brasilia,

Note of 1 November 1991

1. "... Has the honour to refer to note DPC/35/XIEX-LOO-G08 of 20 September 1991 proposing that the Memorandum of Understanding between the Government of Canada and the Government of Brazil relating to the export from Brazil of certain textiles and textile products for import into Canada (MOU) not be extended to 31 December 1992.

2. At present, Canada has reached one-year extension agreements without changes (i.e. simple roll-overs) with exporting countries representing over eighty per cent of its imports of textiles and clothing. The expiry of the current MOU at the end of this year continues to cause considerable uncertainty in the textile and clothing industries in both Canada and Brazil. Brazilian Authorities will recall that circumstances surrounding conclusion of MOU in 1989 were highly controversial, and that this created significant uncertainty.

3. Although in 1991 Brazilian imports of bed sheets and pillowcases into Canada have declined temporarily, in 1990 Brazil was the third largest low-cost supplier and continues to hold the second largest export restraint level to Canada for bed sheets and pillowcases. In 1991, terry towels imports from Brazil remain strong and could reach 100/100 per cent quota utilization. Brazil is the second largest supplier of low-cost imports of cotton terry towels. Brazil holds the largest export restraint level to Canada for terry towels.

4. Therefore, in order to minimize any uncertainty in trade in textiles and clothing between Brazil and Canada, Canadian Authorities reiterate their proposal that the MOU governing our bilateral textile trade be extended for a period of one year, until 31 December 1992. This extension would apply to all terms and conditions contained in the current MOU, including growth rates and flexibility provisions. The extension will be without prejudice to any changes which may be negotiated in the Uruguay Round governing textile trade beyond 1991."