The following communication has been received from the Permanent Mission of Australia for notification to the Cotton Textiles Committee.

I have the honour to inform you that following consultations between the Governments of Australia and Hong Kong regarding exports of cotton denim fabric to Australia, a Memorandum of Understanding was signed at Hong Kong on 14 August 1972.

A copy of the Memorandum of Understanding is attached.
MEMORANDUM OF UNDERSTANDING

This Memorandum sets out the arrangements which have been made between the Governments of Australia and Hong Kong regarding the limit to be applied by the Government of Hong Kong to exports of certain cotton fabrics to Australia.

2. The Governments of Australia and Hong Kong agree:

(a) these arrangements are made under Article 3 of the Arrangement Regarding International Trade in Cotton Textiles;

(b) these arrangements relate to domestic exports from Hong Kong of fabrics within the following descriptions: ex-Hong Kong Export Statistical Classification Nos. 652 142 and 652 253 - Denims, cotton, of not less than 6 ounces by weight per square yard and not more than 15 ounces by weight per square yard;

(c) these arrangements relate to the period 1 September 1972 to 31 August 1973.

3. The Hong Kong Government agrees that it will restrain exports of the fabrics described in paragraph 2(b) above for the period described in paragraph 2(c) above to a limit of 3,600,000 square yards.

4. The Governments of Australia and Hong Kong will provide to each other on request any available statistical data relevant to these arrangements. In particular, recognizing the uncertain nature of future developments in Australian consumption of these fabrics in the year ending 31 August 1973; and noting that Hong Kong has established a dominant position as principal supplier of the Australian import market for such fabrics; both Governments agree to keep import, production and consumption figures under regular review during the currency of this arrangement. If it should become apparent that Hong Kong is being placed at a disadvantage as a result of this export restraint arrangement, the two Governments will promptly enter into consultations with a view to remedial action.

5. Additionally, the arrangements in the Annex in regard to cotton drills form an integral part of this Memorandum of Understanding.

6. The Governments of Australia and Hong Kong will enter into consultations on request about any matter arising from or related to these arrangements.

Signed at Hong Kong
14 August 1972

K. McKernan,
Senior Trade Commissioner,
Australian Commission

J. Cater,
Director,
Department of Commerce and Industry
ANNEX

The Hong Kong Government will supply promptly to the Australian Government statistics showing monthly licensed exports and re-exports of cotton fabrics falling within ex-Hong Kong Export Statistical Classification No. 652-255 - Drills, cotton, other than grey, of not less than 6 ounces by weight per square yard and not more than 15 ounces by weight per square yard.

This arrangement relates to the period 1 September 1972 to 31 August 1973.