ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Canada and Sri Lanka

Note by the Chairman

Attached is a notification received from Canada of a new bilateral agreement, concluded under Article 4:4, between Canada and Sri Lanka for the period 1 January 1983 to 31 December 1986.¹

¹The previous bilateral agreement is contained in COM.TEX/SB/525

*English only/Anglais seulement/Inglés solamente
March 6, 1985

Dear Ambassador Raffaelli,

With reference to Article 4(4) of the Arrangement Regarding International Trade in textiles (hereafter referred to as the MFA), done at Geneva on December 2, 1973, and to the protocol extending the MFA done at Geneva, December 22, 1981, I have the honour to notify the Textiles Surveillance Body that a restraint arrangement has been concluded between the Government of Canada and the Government of the Democratic Socialist Republic of Sri Lanka regarding certain textiles and textile products for import into Canada. This bilateral textile arrangement became effective January 1, 1983 and is in effect until December 31, 1986. The arrangement takes into account circumstances facing the Canadian market in regard to the items covered by the arrangement.

The original textile arrangement, which was ratified on June 11th, 1984, has also been subsequently amended to include underwear, T-shirts, sweatshirts, blouses and shirts. These products fall within the scope of the MFA.

In addition, a consultation mechanism has been incorporated into the original arrangement by which both governments agree to enter into consultation to resolve market disruption problems threatening to impede the orderly development of trade between the two Countries.
The Government of Canada believes this arrangement to be in conformity with the provisions of the MFA and its Protocol of Extension and, as such, in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

Accept, Sir, the renewed assurance of my highest consideration.

Yours sincerely,

J.L. MacNeil
Minister
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA
RELATING TO THE EXPORT FROM SRI LANKA OF
CERTAIN TEXTILES AND 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 Sri Lanka regarding the export of certain textile products from Sri Lanka 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 four (4) years commencing on 1 January 1983 and ending on 31 December 1986.

Restraint Levels

4. Except as provided for in paragraphs 14 to 19 and 26 below, the Government of Sri Lanka will restrain its exports to Canada of the textile products described in Annex I for the calendar year commencing 1 January 1983 to the limits specified therein.

5. For the three calendar year periods commencing 1 January 1984 and ending on 31 December 1986, the Government of Sri Lanka will 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).

Coverage

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12 (1) of the MFA.

7. For the purpose of classifying textile products in the appropriate category, the definition and notes set out in Annex II will apply.
8. These arrangements will be implemented on the basis of the export control system operated by the Government of Sri Lanka.

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 an "Export Licence" endorsed and issued by the proper Sri Lankan 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 Sri Lanka 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 the 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 Government of Sri Lanka that the Quantity has been debited against the agreed restraint level for exports to Canada,

10. Quota year.

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

12. The Government of Sri Lanka will endeavour to ensure that export of all textile products which are listed in Annex II and are subject to restraint levels as per Annex I are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.
13. If, on the basis of export data provided by the Government of Sri Lanka, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textile products, other than that attributable to normal seasonal factors, it may request consultations in accordance with the provisions of paragraphs 28 and 29 with a view to remedying this situation.

Swing

14. 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 Sri Lanka will so indicate in subsequent monthly returns.

15. For the purpose of implementing the swing provisions in paragraph 14, the conversion factors shown in Annex I will apply.

Carry-Over/Carry-Forward

16. 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.

17. 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.

18. 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.

19. Further to paragraphs 14 to 18 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

20. The Government of Sri Lanka 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 21, the Government of Sri Lanka 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 issued for the restraint period to date in the units designated in Annex I,

d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 14, and 16-19 above.

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

22. The Government of Canada will provide the Government of Sri Lanka with monthly statistics relating to import permits issued for imports originating in Sri Lanka of the textile products listed in Annex II, along lines similar to the statistics to be provided by the Government of Sri Lanka pursuant to paragraph 20 above.

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 paragraphs 27 and 28 with a view to implementing appropriate remedial measures.
Re-Exports

25. The Government of Canada will, so far as possible, inform the Government of Sri Lanka when imports into Canada of textiles and textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of Sri Lanka to quantitative limits the Government of Sri Lanka 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 Sri Lanka 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.

28. Any consultations held under these provisions will be approached by both Governments in a spirit of cooperation and with a desire to reconcile the differences between them.
Revision and termination

29. Either Government may at any time propose revision to the terms of these arrangements having regard to the MFA and to the Protocol extending it.

30. 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

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

Final Provisions

32. This Memorandum of Understanding will be effective as of 1 January 1983 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

IN WITNESS WHEREOF, the undersigned, on behalf of their respective governments have signed this Memorandum of Understanding. Signed in Colombo this 11th day of June 1984 in two copies, each of which is authentic.

ON BEHALF OF THE GOVERNMENT OF CANADA

( D.M.Collacott )
Canadian High Commissioner

ON BEHALF OF THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA.

( W.L.P.de Mel )
Secretary
Ministry of Trade & Shipping.
## ANNEX I : RESTRAINT LEVELS

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SHORT DESCRIPTION</th>
<th>RESTRAINT LEVEL</th>
<th>GROWTH</th>
<th>SWING</th>
<th>CARRY-OVER/ CARRY FORWARD</th>
<th>COMBINED ELEXIBILITY (E) &amp; (F)</th>
<th>CONVERSION FACTOR (M²/UNIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group I</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>1.</td>
<td>Trousers, Shorts, Overalls and Coveralls MBWGCI</td>
<td>235,000 units</td>
<td>6%</td>
<td>7%</td>
<td>11(6)%</td>
<td>15%</td>
<td>1.9</td>
</tr>
<tr>
<td>2.</td>
<td>Shirts with tailored Collars MB (Including Children's sizes 4-6X)</td>
<td>355,000 units</td>
<td>6%</td>
<td>7%</td>
<td>11(6)%</td>
<td>15%</td>
<td>1.7</td>
</tr>
<tr>
<td>3.</td>
<td>Jackets, MBWGCI</td>
<td>395,000 units</td>
<td>6%(1984-85)</td>
<td>7%</td>
<td>11(6)%</td>
<td>15%</td>
<td>1.4</td>
</tr>
<tr>
<td>Group II</td>
<td></td>
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<tr>
<td>4.</td>
<td>Work Gloves</td>
<td>1,700,000 pairs</td>
<td>6%</td>
<td>NA</td>
<td>11(6)%</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**NOTE:**
1. No swing between products in Group I and products in Group II.
2. Detailed definitions for all above items are given in Annex II.
ANNEX II - DEFINITIONS AND DESCRIPTIONS OF TERMS USED IN ANNEX I

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. Unless otherwise indicated, swing is permitted from adult garments to children's and infants' garments at a 3 to 5 ratio.

3. 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.

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

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

Description of Product Categories

1. Trousers, Shorts, Overalls and Coveralls

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.

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

2. 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 as 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.

3. Jackets

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.

4. Work Gloves

Work Gloves, both finished and partially manufactured, that are wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof whether or not impregnated or coated including such gloves manufactured partly of leather. Liners are included.
ANNEX III

1. The exemption provided for in paragraph 27 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 and 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 Sri Lankan handicraft batik fabrics and clothing products made by hand from such batik fabrics. Handicraft batik is produced by a process which involves the following three operations, carried out by hand, for each of the colours or shades applied to the fabric:

      i) Waxing (Application of wax by hand to the fabric),
      ii) Dyeing/Printing (Application of colour either by the traditional cottage method of dyeing or handprinting),
      iii) Dewaxing (Boiling the fabric to remove the wax).

2. The exemption will apply only in the respect of products covered by a certificate issued by the competent Sri Lankan 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.
The Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka presents its compliments to the Canadian High Commission and has the honour to acknowledge the receipt of its Note No. 90 of July 4, 1984 concerning the Memorandum of Understanding signed in Colombo on June 11, 1984 on the trade in certain textiles and textile products between Sri Lanka and Canada.

The Ministry of Foreign Affairs confirms that Note No. 90 from the Canadian High Commission together with this reply dated shall constitute an arrangement between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of Canada on the trade in certain textiles and textile products between Sri Lanka and Canada for the period January 1, 1984 to December 31, 1986 in terms of paragraph 32 of the Memorandum of Understanding.

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

Colombo, 20th July, 1984

Canadian High Commission, Colombo.

2. During these discussions it was agreed that Sri Lankan authorities will begin to restrain, effective July 1, 1984, Sri Lankan exports to Canada of underwear, as described in item 9 of Appendix I attached, through the issuance of "Export Licences" endorsed and issued by the proper Sri Lankan authority. It was also agreed that during the period July 01 to December 31 1984, exports of underwear shall be restrained to the level of 250,000 units. The provision for swing will be 7 percent and the provision for carry-forward will be 6%. The conversion factor will be 0.5 square metres per unit.

3. It was further agreed that exports from Sri Lanka to Canada of underwear shall be restrained for the period 1985 to 1986. The two delegations further agreed that the 1985 restraint level governing the export of this product will be 530,000 units and that the restraint level for 1986 will be accorded a further growth rate of 6 percent. The provision for swing will be 7 percent and the provision for carryover/carry-forward will be 11 percent, of which carry-forward will not be more than 6 percent. The combined use of swing, carryover and carry-forward will not exceed 15 percent. The conversion factor will be 0.5 square metres per unit.

4. It was also agreed that Sri Lankan authorities will begin to restrain, effective July 01, 1984, exports from Sri Lanka to Canada of blouses and shirts as described in Item 4a of Appendix I attached, and of T-shirts and sweatshirts as described in Item 4b of the Appendix, through the issuance of "Export Licences" endorsed and issued by the proper Sri Lankan authority. It was agreed that during the period July 01 to December 31, 1984, exports of these combined items shall be restrained to the level of 325,000 units. The provision for swing will be 7 percent and the provision for carry-forward will be 6%. The conversion factor will be 1.5 square metres per unit.

5. The two delegations agreed that individual restraint levels will be established in 1985 for blouses and shirts and for T-shirts and sweat shirts at levels which in total do not exceed 636,000 units. The individual restraint levels for each of these two items shall be no less than 40 percent and
no more than 60 percent of the total. The exact percentages, to be in effect for the balance of the arrangement, will be elected by the Government of the Democratic Socialist Republic of Sri Lanka no later than December 31, 1984. For 1986, the levels elected by Sri Lanka for 1985 will each be advanced by a growth factor of 6 percent. For each of these items, the provision for swing will be 7 percent and the provision for carryover/carryforward will be 11 percent, of which carryforward will not be more than 6 percent. The combined use of swing, carryover and carryforward for each item will not exceed 15 percent. The conversion factor for blouses and shirts will be 1.6 square meters per unit and for T-shirts and sweatshirts the conversion factor will be 1.2 square metres per unit.

6. The Canadian side brought to the attention of the Sri Lankan delegation the level of imports into Canada of Sri Lankan winter outerwear and of Canada's intention to request consultations on this item. In this regard, the Canadian side suggested that the Sri Lankan side might wish to discuss the matter with a view to exploring the possibility of reaching a mutually acceptable restraint level for this item during the current negotiations. After further discussion, the Sri Lankan side indicated that it preferred to await a formal request for consultations by Canada and for receipt of detailed statistics prior to engaging in consultations on this item.

7. The Sri Lankan side reiterated the request made by Minister Athulathmudali to the High Commissioner for Canada that a quantity of 46,288 units of pants, inadvertently prepared for export from Sri Lanka to Canada, be permitted entry into Canada in 1984 and be deducted from the 1985 restraint level for pants. The Canadian side agreed to this request while emphasizing that this agreement should in no way be considered a precedent for the future. The additional quantity of 46,288 units, which includes 2,026 units of pants already imported into Canada above the 1984 level, will render an adjusted 1985 restraint level of 217,758 units.

8. It was agreed that the Memorandum of Understanding between the Government of Canada and the Government of the Socialist Republic of Sri Lanka for textiles and textile products will be amended to provide for the licensing of all textile and textile products listed in the attached Appendix originating in Sri Lanka for export to Canada. These provisions will apply for a period commencing October 1, 1984 and will remain in effect unless terminated pursuant to paragraph 30 of the Memorandum of Understanding.

9. It was agreed that the export licences issued by the proper Sri Lankan authority in respect to the products listed in the attached Appendix will contain the following information:
10. In the event that the Government of Canada believes that imports from Sri Lanka classified in any category or sub-category not covered by specific limits are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, it was agreed that the Government of Canada may request consultations with the Sri Lankan Government with a view to easing or avoiding such market disruption. The Government of Canada will provide the Government of Sri Lanka at the time of the request with available data which are indicative of the market situation and in the opinion of the Government of Canada show:

1. The existence of market disruption, or the threat thereof, and

2. The role of exports from Sri Lanka in that disruption.

11. The Government of Sri Lanka agrees to consult with the Government of Canada within 30 days of receipt of the request for consultations. Both governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless this period is extended by mutual agreement.

12. During that 90-day period, the Government of Sri Lanka agrees to hold its exports to Canada in the category or sub-category concerned to a level no greater than 35 percent of the amount entered, as recorded by Special Trade Relations Bureau import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.

13. If no mutually satisfactory solution is reached during these consultations, the Government of Canada may establish a specific limit for the duration of this agreement in
accordance with paragraph 14 below for shipments in the
category or sub-category concerned exported on and after the
date on which the request for consultations was made. This
limit will not be less than the amount of imports, as
recorded by Special Trade Relations Bureau import statistics,
which are entered during the first 12 of the most recent 14
months preceding the month in which the request for
consultations was made, plus 20 percent.

14. If a specific limit is established under paragraph 13 in the
course of a calendar year, it will be prorated to correspond
to the time period between the date of the request for
consultations and the end of the calendar year in which the
request is made. Any flexibility available during this
period will be calculated on this prorated limit. Provisions
for swing, carry-over and carry-forward will not be less than
the levels established in the MFA (i.e. carry-over and carry-
forward not less than 10 percent of which carry-forward is
not less than 5 percent, and 5 percent for swing). Carry-
over will not be available in the calendar year during which
the request for consultation is made. For the second and
each succeeding calendar year for which this arrangement
applies, specific limits established will be increased by no
less than 6 percent annual growth.

15. To accord with the product listing in the attached Appendix,
the items in Annex I of the Memorandum of Understanding will
be renumbered according to the numbering system in the
Appendix to this Agreed Record of Discussions.

16. Both Governments undertake to submit to the other monthly
statistics relating to both the restrained and unrestrained
products covered by the Memorandum of Understanding and the
Agreed Record of Discussions subsequently signed by
representatives of the two Governments.

CAMPBELL STUART
DIRECTOR GENERAL
SPECIAL TRADE RELATIONS BUREAU
DEPARTMENT OF EXTERNAL AFFAIRS
GOVERNMENT OF CANADA

W.L.P.DE MEL
SECRETARY
MINISTRY OF TRADE & SHIPPING
GOVERNMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA
APPENDIX I

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. Unless otherwise indicated, swing is permitted from adult garments to childrens' and infants' garments at a 3 to 5 ratio.

3. 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.

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

5. "Wholly or mainly" is 50 percent of 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, Sweatshirts

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 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, sportscoats 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, sportscoat 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, sportscoat 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.
TEXTILES

14. A. Work Gloves, both finished and partially manufactured, that are wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof whether or not impregnated or coated including such gloves manufactured partly of leather.

B. Work Glove Liners, liners or shells wholly of textile fabrics which are wholly or mainly of cotton, man-made fibres or blends thereof, neither impregnated or coated and without any other non-textile components, for incorporation in work gloves.

15. Hosiery, is knitted footwear for adults, children and infants. Excluded are men’s and boys’ woollen hosiery (over 50% of wool by weight) and ladies seamless or full fashioned full length hosiery and knee highs produced on machines of 400 needles or above and made from yarn of 30 denier or finer, and panty-hose.

16. Handbags, made of fabrics whether uncoated, coated or bonded or man-made fibres or blends of fibres, with a body area, excluding handles, between 258 to 1226 square centimetres, in the manufacture of which leather and plastic materials may be used as trim and finish but not a major component of the shell.

17. Household Textiles

A. Bedsheets, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof including flannelette sheets.

B. Pillowcases, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof.

C. Bedding, other than bedsheets, and pillowcases, wholly or mainly by weight of cotton, man-made fibres or blends thereof.

D. Cotton terry towels, washcloths and sets containing 50 percent or more by weight of cotton. Cotton terry towels, washcloths and sets are of fabrics woven on a terry loom using single or piled cotton (or blends thereof) yarns with loop pile on one or both sides covering the entire surface on either plain or patterned weave, whether greige, bleached, dyed or printed, including tea, hand, beach and bath towels and bath sheets, barmops and towel blanks.
18. **Yarns**

A. **Cotton Yarn**, comprises all yarns consisting of 100 percent cotton fibres either combed or carded, in a state ready for further processing.

B. **Acrylic Yarn**, includes all types of yarns containing 50 percent or more by weight of acrylic fibres.

C. **Polyester Yarn**, comprises all yarns consisting of 100 percent polyester fibres or filaments or where polyester fibres in combination represent either the chief value or 50% or more by weight.

D. **Polyester/Cotton Yarn**, comprises all yarns consisting of blended polyester and cotton fibres in which the combination of polyester and cotton fibres represent either the chief value or 50% or more by weight.

E. **Rayon Yarn**, spun or filament, where the total of rayon fibres in combination represent either the chief value or 50% or more by weight.

F. **Nylon Yarn**, spun or filament, where the total of the nylon fibres in combination represent either the chief value or 50% or more by weight.

G. **Mixed Fibre Yarns**, spun or filament, containing 50% or more by weight of man-made fibre, nes.
19. Fabrics

A. Polyester Fabrics, are woven fabrics in which the warp is composed of filament flat or textured polyester yarn.

B. Polyester/Cotton Broadwoven Fabric, are fabrics made from blends of cotton and polyester fibres, where polyester fibres represent 50 percent or more by weight.

C. Polyester Fabrics, nes.

D. Worsted Fabrics, are woven fabrics having 17% or more by weight of wool in which at least the warp is made from worsted spun yarn.

E. Wool Blend Fabrics, nes.

F. Nylon Fabrics, are fabrics in which the nylon fibre accounts for 50 percent or more by weight or thread count or where the nylon fibres in combination with other fibres represents the chief value.

G. Nylon Fabric, nes.

H. Cotton Fabric, are woven fabrics wholly or mainly by weight of cotton and include the following:

i. Duck and allied fabrics, including awning fabric, tent cloth and canvas

ii. Drill, twill and warp sateen including gabardine, and cord fabric

iii. Flannel, napped, bleached, unbleached and coloured including billiard cloth, blanket cloth and flannelette

iv. Denim and corduroy

v. Pile fabric, n.e.s. including plush fabric, velour, velveteens, velvet and flocked fabrics

vi. Print cloth and sheeting

vii. Terry cloth

viii. Cotton fabric nes
I. Broadwoven Fabrics, nes which include the following:
   i. Rayon
   ii. Rayon/polyester
   iii. Rayon blend nes
   iv. Mixed fibre nes
   v. Broadwoven fabrics nes

20. Miscellaneous Textiles nes, which include the following:
    - Vinyl and polyurethane coated fabrics
    - Cordage, rope and twine

21. Leather Coats, leather outdoor jackets, overcoats, topcoats and sportscoats including those made of genuine leather, genuine sheepskin and genuine suede.