ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement
between Canada and Sri Lanka

Note by the Chairman

Attached is a notification received from Canada of a further modification of its bilateral agreement with Sri Lanka. Limits on winter outerwear were agreed for the period 1 January 1985 to 31 December 1986.¹

¹The original agreement and a previous modification are contained in COM.TEX/SB/1054 and 1055

*English only/Anglais seulement/Inglés solamente
Dear Ambassador Raffaelli,

I have the honour to notify the Textiles Surveillance Body of the attached modification of the provisions of the 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 clothing products for import into Canada.

Yours sincerely,

J.L. MacNeil
Minister

Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154, rue de Lausanne
1211 Geneva 21
With reference to paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the MFA) done at Geneva on December 20, 1973, and to the Protocol extending the MFA, done at Geneva, December 22, 1981, I have the honour to notify the Textile Surveillance Body of a modification to the provisions of the Memorandum of Understanding between the Government of Canada and the Government of the Democratic Socialist Republic of Sri Lanka for certain textile products for import into Canada. The amendment provides for the inclusion of winter outerwear under the coverage of the current arrangement. This modification, effective January 1, 1985 to December 31, 1986, takes into account circumstances facing the Canadian clothing market and the position of Sri Lanka as an established supplier to that market. The textile product subject to the modifications falls within the scope of the MFA. The 1985 base level was established taking into consideration historical trading patterns and other provisions contained in Article 4 of the MFA and its protocol of extension.

In line with MFA guidelines, this amendment contains provisions for an annual growth rate established at 6 percent. It was further agreed that this category be afforded swing of 7 percent, carryover and borrow forward of 11 percent of which borrow-forward shall not be more than 6 percent, combined flexibility of swing, carryover and borrow-forward of no more than 15 percent, and a conversion factor of 3.2 square metres per unit.

The Government of Canada believes this modification conforms with the provisions of the MFA and its Protocol of Extension and, as such, is in keeping with the gradual liberalization of the Canadian import programme on textiles and clothing.

Accept, Sir, the renewed assurance of my highest consideration.
1. Delegations representing the Government of Canada and the Government of the Democratic Socialist Republic of Sri Lanka met on February 6, 1985 in Colombo, in response to the Canadian request for consultations, to discuss the export of winter outerwear from Sri Lanka to Canada, in accordance with the provisions of paragraph 10 of the Agreed Record signed between the two sides on August 7, 1984.

2. During these negotiations, it was agreed that the Memorandum of Understanding between the two Governments governing the trade in textiles and clothing items will be amended effective January 1, 1985 to include restraint provisions for winter outerwear exports to Canada. In this regard, the two sides agreed that the restraint level for calendar year 1985 will be 120,000 units and that this will be increased by 6 percent to form the restraint level for calendar year 1986. It was further agreed that this category shall be accorded swing of 7 percent carryover and borrow-forward of 11 percent of which borrow-forward shall not be more than 6 percent, combined flexibility of swing carryover and borrow-forward of no more than 15 percent and a conversion factor of 3.2 square metres per unit.

3. It was agreed that Sri Lankan authorities will administer the restraint for winter outerwear shipments to Canada, effective January 1, 1985, through the issuance of "Export licences" endorsed and issued by the proper Sri Lankan authority.

4. The Canadian side indicated that agreement to the above understanding be on an ad referendum basis subject to approval by Canadian Ministers. Accordingly, both sides indicated that such arrangement would be finalised through an exchange of notes between the two Governments.

William V. Turner  W.L.P. de Mel
Leader  Leader
Canadian Delegation  Sri Lankan Delegation

Colombo.
February 6, 1985.
Winter outerwear garments: (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski-pants and snow-pants, and jackets and vests including parkas, ski-jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics wholly or mainly by weight of cotton, man-made fibres, wool, or blends thereof and that are lined and designed to protect the wearer against cold, eg. quilted linings, down or fibre filling, etc., but not plain acetate or viscose lining.

Excluded are: all 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 (eg. constructed entirely from knitted fabric).

Notes

1. A unit comprises garments which have been designed to be sold as a set, eg. matching or co-ordinated 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.
The Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka presents its compliments to the High Commission for Canada in Colombo and has the honour to refer to its Note 661 which reads as follows.

"The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka and has the honour to refer to the Agreed Record of Discussions signed by representatives of Canada and Sri Lanka in Colombo on February 6, 1985 concerning exports of winter outerwear from Sri Lanka to Canada. Pursuant to the provisions of paragraph 4 of the Agreed Record, the Canadian authorities wish to confirm that Canadian Ministers have given approval to the provision of paragraph 2 of the Agreed Record and to propose that this Note, together with the reply from the Sri Lankan authorities confirming acceptance by the Sri Lankan Government, give effect to the arrangement outlined in paragraphs 2 and 4 of the Agreed Record, thereby constituting an amendment to Annex I of the Memorandum of Understanding between Canada and Sri Lanka governing trade in textiles and clothing items.

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

The Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka wishes to confirm that the above sets out correctly the understanding reached between Sri Lanka and Canada in Colombo on 6th February 1985.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.
The Canadian High Commission presents its compliments to the
Ministry of Foreign Affairs of the Democratic Socialist Republic of Sri
Lanka and has the honour to refer to the Agreed Record of Discussions
signed by representatives of Canada and Sri Lanka in Colombo on Febru-
ary 6, 1985 concerning exports of winter outerwear from Sri Lanka to
Canada. Pursuant to the provisions of paragraph 4 of the Agreed Record,
the Canadian authorities wish to confirm that Canadian Ministers have
given approval to the provision of paragraph 2 of the Agreed Record and
to propose that this Note, together with the reply from the Sri Lankan
authorities confirming acceptance by the Sri Lankan Government, give
effect to the arrangement outlined in paragraphs 2 and 4 of the Agreed
Record, thereby constituting an amendment to Annex I of the Memorandum
of Understanding between Canada and Sri Lanka governing trade in textiles
and clothing items.

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

COLOMBO, May 7, 1985

Mr. P. Kanagaratnam
Acting Director of Commerce
Ministry of Trade and Shipping