ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4.4

Modification of the Bilateral Agreement
between Canada and Pakistan

Note by the Chairman

Attached is a notification received from Canada of a modification of its bilateral agreement with Pakistan. The parties agreed to a 13-month limit beginning 1 December 1985 on underwear.

*English only/Anglais seulement/Inglés solamente

1 The bilateral agreement between the parties is contained in COM.TEX/SB/955.
Mr. M. Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154, rue de Lausanne
1211 Geneva 21

Dear Mr. Raffaelli,

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 Textiles Surveillance Body of an amendment to the Memorandum of Understanding (MOU) between the Government of Canada and the Government of the Islamic Republic of Pakistan relating to the export from Pakistan of certain textile products for import into Canada.

The modification of the MOU provides for the establishment of a restraint on Pakistan's shipments of underwear to Canada for the 13 month period commencing December 1, 1985 and ending December 31, 1986. The modification covers clothing products which fall within the scope of the MFA and takes into account circumstances facing the Canadian clothing market and the position of Pakistan as an established supplier to that market. The level applicable to exports of underwear from Pakistan for import into Canada 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, the arrangement contains a flexibility provision which allows swing of 7% at a conversion factor of 0.5 square metres per unit. Since the modification covers a period of 13 months only, there are no provisions for growth, carry-over, or borrow-forward.

The Government of Canada believes this arrangement 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 clothing and textiles.

Yours sincerely,

R.G. Wright
Minister
Delegations representing the Government of Canada and of the Government of the Islamic Republic of Pakistan met on November 27, 1983, in Islamabad to discuss the export of underwear from Pakistan to Canada in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA).

During these discussions, it was agreed that, pursuant to Article 4 of the MFA, Pakistani authorities will begin to restrain, effective December 1, 1983, exports of underwear (as defined in the attached Annex-D) from Pakistan to Canada through the issuance of "Export Certificate", issued and endorsed by the proper Pakistani authority. It was agreed that during the period 1 December, 1983 to December 31, 1986, exports of underwear, which shall be specified as Group 1, item 7 for purpose of identification will be restrained to the level of 600,000 units.

Children's and infants' (C and T) garments (size 0-6x) will be charged against the restraint level on the basis of each C and T garment equalling 0.6 units. The provision for swing shall be seven percent and the appropriate conversion factor 0.5 of a square meter per unit, as shown in Annex-T.

This Agreed Record of Discussion and Appendices will be considered as Annex-IV to the Memorandum of Understanding between the Government of Canada and the Government of the Islamic Republic of Pakistan relating to the export from Pakistan of certain textiles and textile products for import into Canada. This will extend the product coverage of the Agreement as defined in paragraph 7 and the provisions of the Agreement will therefore be read elsewhere as including underwear.

The Canadian Delegation noted that its signature of this agreed record was on an ad referendum basis subject to the approval of the Canadian Ministers and to confirmation by means of a diplomatic note including acceptance.

Islamabad, November 27, 1983.

For the Government of Canada

For the Government of the
Islamic Republic of Pakistan
<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Level</th>
<th>Growth</th>
<th>Swing</th>
<th>Carryover</th>
<th>Combined Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group I</td>
<td>7 Underwear</td>
<td>-----</td>
<td>N/A</td>
<td>7%</td>
<td>N.A.</td>
<td>0.5</td>
</tr>
</tbody>
</table>

*600,000 units in period December 1, 1985 to December 31, 1986*
Underwear, wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips, bloomers, diapers and plastic pants.

Note

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

<table>
<thead>
<tr>
<th>STRB CODE</th>
<th>ITEM DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-101</td>
<td>men's, boys', women's, girls'</td>
</tr>
<tr>
<td>45-102</td>
<td>children's and infants' (0-6X)</td>
</tr>
<tr>
<td>45-103</td>
<td>men's, boys', women's, girls'</td>
</tr>
<tr>
<td>45-104</td>
<td>children's and infants' (0-6X)</td>
</tr>
<tr>
<td>45-105</td>
<td>men's, boys', women's, girls', children's, and infants' (0-6X)</td>
</tr>
<tr>
<td>45-106</td>
<td>men's, boys', women's, girls', children's, and infants' (0-6X)</td>
</tr>
<tr>
<td>45-140</td>
<td>Underwear - Handicraft</td>
</tr>
</tbody>
</table>
The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of the Islamic Republic of Pakistan and has the honour to refer to the agreed record of discussions signed by representatives of Canada and Pakistan in Islamabad on November 27, 1985, concerning exports of underwear from Pakistan to Canada. Pursuant to the final paragraph of the agreed record, Canadian authorities are pleased to advise the Government of the Islamic Republic of Pakistan that Canadian Ministers have given approval to the provisions contained in the agreed record. Accordingly, the Canadian Government, by this note, formally approves and accepts the above mentioned agreed record of discussions and the arrangements outlined therein.

The Embassy of Canada avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Islamabad, January 21, 1986