ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement
between Canada and Malaysia

Note by the Chairman

Attached is a notification received from Canada of a further modification of its bilateral agreement with Malaysia. The parties agreed to a restraint on sportswear for the period 1 June 1985 to 31 December 1986.

1. The bilateral agreement and previous modifications are contained in COM.TEX/SB/840, 1040, 1100 and 1101.

* English only/Anglais seulement/Inglés solamente
Mr. M. Raffaelli  
Chairman  
Textiles Surveillance Body  
General Agreement on Textiles and Trade  
Centre William Rappard  
154, rue de Lausanne  
1211 Geneva 21  

Dear Mr. Chairman,

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 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 of a modification to the provisions of the Memorandum of Understanding (MOU) between the Government of Canada and the Government of Malaysia relating to the export from Malaysia of certain textiles and textile products for import into Canada.

The modification provides for the establishment of a restraint on Malaysian shipments of sportswear to Canada for the period commencing June 1, 1985 and ending December 31, 1986. This modification to the MOU takes into account circumstances facing the Canadian sportswear market and the position of Malaysia as a supplier to that market.
The Government of Canada believes this modification to the MOU to be in conformity 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 assurances of my highest consideration.

R.G. Wright
Minister
1. Delegations representing the Government of Malaysia and the Government of Canada met on October 15 and 16, 1985 in Kuala Lumpur to discuss the export from Malaysia to Canada of Items 11 and 12 (Dresses, Skirts, Suits, Coordinates, Outerwear sets, Athletic sets or suits etc. but excluding Miscellaneous Garments for children and infants) of the Agreed Record of Discussions dated March 16, 1984.

2. During these negotiations, it was agreed that the Memorandum of Understanding between the two Governments governing the trade in textile and clothing items will be amended effective June 1, 1985 to include restraint provisions for exports to Canada of products described in Items 11 and 12 (excluding Miscellaneous Garments for children and infants) in Appendix II of the Agreed Record of Discussions dated March 16, 1984. In this regard the two sides agreed that the restraint level for the period June 1, 1985 to December 31, 1985 will be 700,000 units. It was further agreed the restraint level for calendar year 1986 will be 1,330,000 units. It was agreed that this category shall be accorded swing of 7%, carry forward shall not be more than 6%, and carry over from 1985 into 1986 up to 50% of the June 1, 1985 to December 31, 1985 level as described above, and a conversion factor of 3.5 square metres per unit.

3. 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.

4. Following the exchange of notes, the Canadian side will immediately advise the Textile Surveillance Body that a settlement has been reached in accordance with the provisions of paragraphs 29 and 30 of the Malaysia/Canada MOU on textile and clothing products.

MOHD. NOORDIN BIN HASSAN
Leader
Malaysian Delegation

WILLIAM V. TURNER
Leader
Canadian Delegation

Kuala Lumpur
October 16, 1985
The Canadian High Commission presents its compliments to

the Ministry of Foreign Affairs, and wishes to refer to the

agreed record of discussions signed by Representatives of Canada

and Malaysia in Kuala Lumpur on October 16, 1985 concerning

exports of sportswear originating in Malaysia to Canada.

Pursuant to the provisions of the third paragraph of the agreed

record, Canadian Authorities wish to confirm that Canadian

Ministers have given approval to the provisions of paragraph 2 of

the agreed record and propose that this note, together with the

reply from Malaysian Authorities confirming acceptance by their

Government, give effect to the arrangement outlined in the second

paragraph of the agreed record and thereby constitute an

amendment to Annex 1 of the Memorandum Of Understanding between

Canada and Malaysia governing trade in textiles and textile

products.

The Canadian High Commission wishes to advise the

Ministry of Foreign Affairs that, pursuant to the fourth

paragraph of the agreed record of discussions, immediately

following receipt of the Malaysian note confirming Malaysian

acceptance of this arrangement, the Government of Canada will
advise the Textiles Surveillance Body that a settlement has been reached in accordance with the provisions of paragraphs 29 and 30 of the Canadian/Malaysian Memorandum of Understanding on textile and textile products.

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

KUALA LUMPUR

January 6, 1986
The Ministry of Foreign Affairs, Malaysia presents its compliments to the Canadian High Commission, and has the honour to refer to the latter's Note No. 003 dated January 6, 1986 which reads as follows:

"The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions signed by representatives of Canada and Malaysia in Kuala Lumpur on October 16, 1985 concerning exports of sportswear originating in Malaysia to Canada.

Pursuant to the provisions of the third paragraph of the agreed record, Canadian authorities wish to confirm that Canadian Ministers have given approval to the provisions of paragraph 2 of the agreed record and propose that this note, together with the reply from Malaysian authorities confirming acceptance by their Government, give effect to the arrangement outlined in the second paragraph of the agreed record and thereby constitute an amendment to Annex I of the Memorandum of Understanding between Canada and Malaysia governing trade in textiles and textile products.

The Canadian High Commission wishes to advise the Ministry of Foreign Affairs that, pursuant to the fourth paragraph of the agreed record of discussions, immediately following receipt of the Malaysian note confirming Malaysian acceptance of this arrangement, the Government of Canada will advise the Textiles Surveillance Body that a settlement has been reached in accordance with the provisions of paragraphs 29 and 30 of the Canadian/Malaysian Memorandum of Understanding on textile and textile products.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration."

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The Ministry of Foreign Affairs has the honour to confirm that the proposal in the above note is acceptable to the Government of Malaysia and that the above note and this reply shall give effect to the provisions of the agreed record of discussions between our two governments.

The Ministry of Foreign Affairs, Malaysia avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Ministry of Foreign Affairs,
Kuala Lumpur
27 January, 1986