Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Canada and Bangladesh

Note by the Chairman

Attached is a notification received from Canada of a selective bilateral agreement concluded under Article 4 with Bangladesh, valid for the period 1 October 1985–31 December 1986.

*English only/Anglais seulement/Inglés solamente
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. Chairman,

I have the honour to forward to you the attached notification to the Textiles Surveillance Body of an arrangement between the Government of Canada and the Government of the People's Republic of Bangladesh relating to the Export from Bangladesh of certain clothing products for import into Canada.

Yours sincerely,

R.G. Wright  
Minister
Short Reasoned Statement to Accompany the Notification to the Textiles Surveillance Body of an Arrangement Between the Government of Canada and the Government of the People's Republic of Bangladesh Relating to the Export from Bangladesh of Certain Clothing Products for Import into Canada

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 Arrangement between the Government of Canada and the Government of the People's Republic of Bangladesh relating to the export of certain textile products originating in Bangladesh for import into Canada. The Arrangement provides for the establishment of restraints on tailored collar shirts and jackets to Canada for the period commencing October 1, 1985 and ending December 31, 1986.

The Arrangement takes into account circumstances facing the Canadian clothing market and the position of Bangladesh as a supplier to that market. The textile products subject to the Arrangement fall within the scope of the MFA. The respective base levels were 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 provision for swing of 6%, with a conversion factor of 1.8 square metres per unit for tailored collar shirts and 2.9 square metres per unit for jackets. Carryover/carry-forward of 100% has been provided in view of the fact that the restraints are for only a 15-month period sub-divided into periods of 3 and 12 months.

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 textiles and clothing.

Accept, Sir, the renewed assurance of my highest consideration.
NOTE NO. 004

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs of the People's Republic of Bangladesh and wishes to refer to the agreed record of discussions signed by representatives of Canada and Bangladesh in Dhaka on 10 October 1985 relative to the restraint of exports of tailored collar shirts and jackets to Canada from Bangladesh. Pursuant to the provisions of paragraph 4 (IX) of the agreed record, Canadian authorities wish to confirm that Canadian Ministers have given approval to the provisions contained in the agreed record and propose that this note, together with the reply from Bangladesh authorities confirming acceptance by their Government, give effect to the arrangement outlined in the agreed record, and thereby restrain the quantity of tailored collar shirts and jackets originating in Bangladesh and exported to Canada.

The Canadian High Commission wishes to advise the Ministry of Foreign Affairs that, immediately following receipt of the Bangladesh note confirming Bangladesh acceptance of this arrangement, the Government of Canada will advise the Textiles Surveillance Body that a settlement has been reached under Article 4 of the Multi-Fibre Arrangement.

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

DHAKA - 05 January 1986
Delegations representing the Government of the People's Republic of Bangladesh and the Government of Canada met in Dhaka on August 20-23, 1984 to discuss the export of tailored collar shirts from Bangladesh to Canada in accordance with the provisions of Article 3 of the Arrangement Regarding International Trade in Textiles.

The two sides were unable to agree on the need for Bangladesh to restrain its exports of tailored collar shirts to Canada at this time.

In this regard, the Canadian delegation was of the view that exports of tailored collar shirts from Bangladesh to Canada were contributing significantly to the serious market disruption faced by Canadian manufacturers of these items and should therefore be restrained in accordance with MFA principles. On the other hand, the Bangladesh delegation was of the view that Bangladesh exports of tailored collar shirts to Canada had not developed sufficiently to cause disruption to the Canadian market.

The Canadian side proposed that the two sides conclude a Memorandum of Understanding to govern the development of trade in textiles and clothing between Bangladesh and Canada. The Bangladesh delegation undertook to study the draft provided and to revert to the matter following detailed consideration.

In view of the inability of the two sides to agree on a restraint for tailored collar shirts at this time, it was agreed that the consultations be adjourned and the matter be referred to respective authorities for review.

The two sides agreed that consultations should be resumed before the end of calendar year 1984, at a mutually acceptable time and place, with a view to resolving the differences and reaching a mutually acceptable solution.

Dhaka
1. Delegations representing the Government of Canada and the Government of the People's Republic of Bangladesh met in Dhaka on January 29-31, 1985 to continue discussions on the export of tailored collar shirts from Bangladesh to Canada. These consultations were held pursuant to an MFA Article 3 request made by Canada in May 1984 and followed an earlier round of negotiations between representatives of the two governments held in August 1984.

2. The Canadian delegation explained the reasons and circumstances, which in its view, justified Canada's request for consultations to restrain its tailored collar shirt exports to Canada including the role of Bangladesh exports in the disruption caused to Canadian producers of tailored collar shirts. The Canadian delegation also distributed data concerning the apparent Canadian market, imports and prices of tailored collar shirts for the period 1979 to 1984.

3. The Canadian side reiterated the final Canadian restraint proposal made in the previous consultations and also proposed that the two sides agree to the draft Memorandum of Understanding which had been presented to the Bangladesh delegation during the previous discussions. The Canadian delegation expressed the hope that Bangladesh would consider these proposals in a spirit of good will and cooperation that would facilitate a mutually satisfactory resolution of the problem.

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4. The Bangladesh delegation reiterated its position that the elements constituting market disruption or real risks thereof had not been satisfactorily established.

5. The Bangladesh delegation expressed its sincere regret that in requesting consultation under Article 3 of the MFA, its LDC status had not received adequate recognition nor had appropriate weight been given to its position as a late entrant and a small exporter.

6. The consultations were conducted in a spirit of goodwill and cooperation. During the course of the consultations, the two delegations exchanged statistical data and other information with a view to obtaining a better understanding of each other's points of view.

7. After a number of sessions during which both sides explored ways and means by which they could accommodate each other's needs and concerns, it was agreed that the gap between their respective positions could not, at present, be bridged. They therefore agreed to adjourn and report the outcome to their respective authorities for further consideration.

William V. Turner
Government of Canada

M. Akhtar Ali
Government of the People's Republic of Bangladesh
Delegations of the Governments of Canada and the People's Republic of Bangladesh met in Dhaka on October 5-9, 1985 to resume discussions on the export of tailored collar shirts from Bangladesh to Canada. These consultations were held pursuant to an MFA Article 3 request made by Canada in May, 1984 and followed two earlier rounds of negotiations in August, 1984 and January, 1985.

2. The representatives of the two Governments also took up discussion on a Canadian request made in July, 1985 under Article 3 of the MFA for restraining export of jackets from Bangladesh to Canada.

3. The two delegations, after a number of sessions, concluded an agreement under Article 4 of the MFA. It was agreed that Bangladesh would restrain its exports of shirts and jackets to Canada at the following quantitative limits:

   **T.C. Shirts**
   - October 1, 1985 to December 31, 1985: 2,50,000 pieces.
   - January 1, 1986 to December 31, 1986: 10,00,000 pieces.

   **Jackets**
   - October 1, 1985 to December 31, 1985: 2,24,000 pieces.
   - January 1, 1986 to December 31, 1986: 5,76,000 pieces.

4. The two sides agreed that the above restraint agreement will be subject to the following terms and conditions:

   1) The quantity of T.C. shirts and jackets to be
exported to Canada under this agreement shall be counted from the date of shipment of exports from Bangladesh.

ii) The Government of Canada will admit import of shirts and jackets, provided such imports are covered by an original copy of Bangladesh Export Licence issued by the Export Promotion Bureau. The Bangladesh authority shall communicate to the Government of Canada specimen signatures of the official of the Export Promotion Bureau authorised to sign the Export Licence.

iii) The Export Licences issued by the Government of the People's Republic of Bangladesh in respect of T.C. shirts and jackets 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,
7. Quantity expressed in units,
8. F.O.B. or C.I.F. value except for non-commercial consignments,
9. Certification by the Bangladesh authority that the quantity has been debited against the agreed restraint level for exports to Canada,
10. Quota year.

A specimen copy of the Export Licence form is attached.

iv) There shall be a swing limit of 6% and carry-over/carry-forward of 100% in respect of T.C. shirts and jackets from Bangladesh.

v) Subject to any specific limitations set out in this arrangement and following notification to the Canadian authorities, any restraint level may be exceeded by 6 percent provided that an equivalent amount is
deducted from the other restraint level. When any restraint level is exceeded by the application of swing, the Government of Bangladesh will so indicate in subsequent quarterly returns.

vi) For the purpose of implementing the swing provisions mentioned in sub-para (iv) above, the following conversion factors will apply:
   T.C. Shirts = 1.8 Sq.m/ unit.
   Jackets = 2.9 Sq.m/ unit.

vii) The Government of Canada will, so far as possible, inform the Government of the People's Republic of Bangladesh when imports into Canada of T.C. shirts and jackets subject to this arrangement are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of the People's Republic of Bangladesh to quantitative limits, the Government of the People's Republic of Bangladesh may then credit the amount involved to the appropriate quantitative limits.

viii) Both Governments shall exchange statistical data relating to exports/imports of T.C. shirts and jackets on quarterly basis.

ix) Both the delegations noted that their signature of this arrangement was subject to the approval of their respective Governments and to confirmation by means of a diplomatic note indicating acceptance.

Abu Sayed Choudhury
Government of the People's Republic of Bangladesh
10/10/72

William V. Turner
Government of Canada
10/10/72
The Ministry of Foreign Affairs, Government of the People's Republic of Bangladesh presents its compliments to the Canadian High Commission in Dhaka and wishes to refer to the agreed record of discussions signed by the representatives of Bangladesh and Canada in Dhaka on October 10, 1985 relating to restraint on exports of T.C. shirts and jackets to Canada from Bangladesh. In pursuance of the provisions of para-4(II) of the agreed record, this is to confirm that the Government of Bangladesh has accorded approval to the provisions contained in the agreed record and proposed that this note verbale, together with note No. 004 dated January 5, 1986 received from the Canadian High Commission in Dhaka indicating acceptance by their Government give effect to the arrangement outlined in the agreed record.

The Ministry of Foreign Affairs, Government of the People's Republic of Bangladesh, avails itself of this opportunity to renew to the Canadian High Commission in Dhaka the assurances of its highest consideration.

Dated, Dhaka April 1, 1986.

The Canadian High Commission in Dhaka.