ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and modification of the bilateral agreement between
Canada and Indonesia

Note by the Chairman

Attached is a notification received from Canada of an extension with a modification of its agreement with Indonesia. The agreement has been extended for the period 1 January 1992 to 31 December 1992.¹

¹The bilateral agreement and a previous modification are contained in COM.TEX/SB/1330 and 1552.

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

Further to my note of 30 December, 1991, and pursuant to (i) Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva on December 20, 1973; (ii) the Protocol extending the MFA, done at Geneva on July 31, 1986; and (iii) the Protocol Maintaining in Force the MFA, done at Geneva on July 31, 1991, I have the honour to notify you that, through bilateral negotiations, an extension to the existing Memorandum of Understanding has been agreed between the Governments of Canada and Indonesia. A copy of the agreed record of discussion is attached.

Exports to Canada of Indonesian products covered by the Memorandum of Understanding are subject to restraint through December 31, 1992. In addition, there has been an agreed modification to Article 6 of the Memorandum of Understanding, i.e. vis-a-vis the definition of "hand-made cottage industry products". Otherwise, the terms of the Memorandum of Understanding, including those relative to growth rates and flexibility, remain unchanged.

As noted in the agreed record of discussion, this extension is without prejudice to any agreement which may be reached as a result of the current Multilateral Trade Negotiations.

Yours sincerely,

John F. Donaghy
Counsellor

2. The two delegations agreed to extend the MOU for a 12-month period to December 31, 1992. Subject to paragraph 3 below, the extension of the MOU applies to all terms and conditions contained in the current MOU, including growth rates (6%) and flexibility provisions. The extension will be without prejudice to any changes which may be negotiated in the Uruguay Round governing textile trade beyond 1991.

3. The two delegations agreed to modify Article 6 of the MOU as follows:

"6. With respect to categories 2AC, 4, 7 and 8 described in Annex I, an additional five percent of each unadjusted restraint level specified in column (C) therein shall be provided and shall consist of hand-made cottage industry
products, as defined in Annex III. Export certificates, including quota year and category number information, shall be issued by the Government of Indonesia as provided for in paragraph 9 to indicate coverage by this provision."

4. The attached Annex will become Annex III of the MOU.

Mr. Jean Saint-Jacques
for the
Government of Canada

Mrs. Halida Miljani
for the
Government of the Republic of Indonesia
Annex

DEFINITION OF COTTAGE INDUSTRY PRODUCTS

Hand-made cottage industry products are products of a kind traditionally made in the cottage industry, whether sewn by hand or by a hand or foot-operated sewing machine. The products shall be made up of any of the following fabrics:

a) hand painted or hand printed batik fabrics;

b) handloom fabrics, such as Ikat; or

c) hand embroidered Kerawang fabrics.

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 by handprinting); and

iii) Dewaxing (boiling the fabric to remove the wax).