Attached is a notification received from Canada of an extension of its bilateral agreement with Korea for the period 1 January 1992 to 31 December 1992.

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1 The bilateral agreement is contained in COM.TEX/SB/1329.

*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 the Republic of Korea. The relevant exchange of diplomatic notes is attached.

Exports to Canada of Korean products covered by the Memorandum of Understanding are subject to restraint through December 31, 1992. Otherwise, the terms of the Memorandum of Understanding, including those relative to growth rates and flexibility, remain unchanged.

As noted in the exchange of diplomatic notes, 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. Donoghue,
Counsellor
The Ministry of Foreign Affairs of the Republic of Korea presents its compliments to the Embassy of Canada and has the honor to refer to the latter's note No. 0912 dated June 4, 1991, which reads as follows:

"The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of the Republic of Korea and wishes to refer to the Uruguay Round of GATT negotiations and the Memorandum of Understanding (MOU) between the Government of Canada and the Government of the Republic of Korea relating to the export from the Republic of Korea of certain textiles and textile products for import into Canada.

Given the decision to extend the Uruguay Round, it appears likely that negotiations will extend beyond the expiry date on July 31, 1991, of the arrangement regarding international trade in textiles (MFA). No deadline for these negotiations has been set, but it is likely that extension combined with the time necessary for implementation of the results would take us beyond the December 31, 1991 expiry of the current MOU.

The prolongation of the Uruguay Round negotiations, the expiry of the MFA on July 31, 1991 and the expiry of the current MOU at the end of this year will cause considerable uncertainty in the textile and clothing industries of both Canada and the Republic of Korea. Orders will soon be placed for delivery in 1992. Given this uncertainty in both countries and the need to maintain protection for the domestic textile industry in Canada, Canadian authorities propose
that the MOU governing our bilateral textile trade be extended for a period of one year, until December 31, 1992. The extension envisaged by Canadian authorities would apply to all terms and conditions contained in our current MOU, including growth rates 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.

Canadian authorities would appreciate an early response to this proposal so that they can reflect on any other measures which may be necessary to ensure protection for the Canadian industry until the results of a successful Uruguay Round are implemented.

If the foregoing is acceptable to the Government of the Republic of Korea, the Government of Canada proposes that this note, together with your reply to that effect constitute an agreement between our Governments to extend the MOU for a period of one year, until December 31, 1992."

The Ministry has the further honor to confirm that the proposal contained in the Embassy note is acceptable to the Government of the Republic of Korea and that the Embassy note and this note in reply will constitute an agreement between our two Governments to renew the said MOU for a period of one year, until December 31, 1992.

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