ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and modification of the agreement between
Canada and Hungary

Note by the Chairman

Attached is a notification received from Canada of an extension and modification of its agreement with Hungary for the period 1 January to 31 December 1993.

\[1\] The bilateral agreement and a previous extension are contained in COM.TEX/SB/1371 and 1750.

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

Pursuant to Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva, December 20, 1973, and to its 1986, 1991 and 1992 Protocols of Extension and Maintenance in Force, I have the honour to provide documentation relative to the extension and modification of the Memorandum of Understanding (MOU) between the Governments of Canada and Hungary concerning the export of certain textile products from Hungary to Canada. The relevant exchange of diplomatic notes is attached.

The term of validity of the MOU has, via this exchange, been extended through year-end 1993 and the restraint categories for the MOU have been modified to the new HS based categorization system which is now characteristic of all of Canada’s bilateral textiles and clothing restraint agreements and about which the TSB had a discussion at a recent meeting.

Yours sincerely,

[Signature]

John F. Donaghy
Counsellor
Dear Mr. Saint-Jacques,

Upon the authorisation of the Ministry of International Economic Relations of Hungary I confirm that we accept the Canadian authorities' proposal regarding the extension to December 31, 1993 of the arrangement relating to the export from Hungary of fine suits for import into Canada (the MOU).

We also agree with your proposal made in your letter dated December 18, 1992 that the attached document entitled "Annex I - Restraint Levels - Hungary - Group I", "Annex II - Preamble - Hungary" and "Annex II - clothing categories - Hungary - Group I", which represent the conversion of the structure of restraints on imports of clothing into Canada from Hungary to one based on the Harmonized System (HS), replace the annexes I and II appended to the MOU, effective January 1, 1993.

We are in agreement with your proposal that your letter of December 18, 1992 along with our present letter constitute an agreement extending the MOU based on the HS to December 31, 1993.
The above mentioned restraint levels for 1993 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Suits MB</th>
<th>Jackets and blazers MB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>39,370</td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Carry-over</td>
<td></td>
<td>10%</td>
</tr>
</tbody>
</table>

Yours sincerely,

Ferenc Persányi
Consul General and
Trade Commissioner
Dear Dr. Persányi:

This is to confirm the Canadian authorities proposal regarding the extension to December 31, 1993 of the arrangement relating to the export from Hungary of fine suits for import into Canada (the MOU).

If the authorities of Hungary are in agreement with the proposed extension of the MOU, the Canadian authorities propose further that the attached documents entitled "Annex I - Restraint Levels - Hungary - Group I", "Annex II - Preamble - Hungary" and "Annex II - Clothing Categories - Hungary - Group I", which represent the conversion of the structure of restraints on imports of clothing into Canada from Hungary to one based on the Harmonized System (HS), replace the annexes I and II appended to the MOU, effective January 1, 1993.
In the event that the Hungarian authorities are in agreement with this proposal, the Canadian authorities would propose that this letter, along with our reply from the authorities of Hungary, constitute an agreement extending the MCU based on the HS to December 11, 1993.

Yours sincerely,

Jean Saint-Jacques
Director
Import Controls Division (I)
Export & Import Permits Bureau
## Annex I - Restraint Levels

### Hungary

#### Group I

<table>
<thead>
<tr>
<th>(A) Agreement Item No.</th>
<th>(B) Product Coverage Category</th>
<th>(C) Product Coverage 1993 Base</th>
<th>(D) Carry-over/ Carry Limit(NME)</th>
<th>(E) Growth Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>3a (Note 1) 3.1</td>
<td>Suits, MB:</td>
<td>69,870</td>
<td>4%</td>
<td>10% (5%)</td>
</tr>
<tr>
<td></td>
<td>3.3 Jackets &amp; blemens, MB</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** HS codes for C are excluded for categories 3.1 & 3.3.
Mrs. Tripti Jenkins  
Counsellor  
Textiles Surveillance Body  
General Agreement on Tariffs and Trade  
Centre William Rappard  
154 rue de Lausanne  
1211 Genève  
SUISSE

Dear Mrs. Jenkins:

Enclosed please find Annex II of the bilateral agreements concluded with: Hungary, Indonesia, Macau, Pakistan, The Phillipines, Poland, Romania and Singapore.

Further to our discussions on the restraint for sleepwear in the agreement with Pakistan, I am advised that the MFA level for category 10.1 was 1,547,268 units.

Yours sincerely,

Jean Saint-Jacques  
Counsellor
ANNEX II- PREAMBLE

HUNGARY

1. Unless otherwise indicated, gender means garments for men (M), boys (B) (sizes 8 to 18), women (W), girls (G) (sizes 7 to 16), children (C) (sizes 2 to 6X) and babies, of a body height not exceeding 86 cm (sizes 0 to 24 months).

2. A partially manufactured textile article shall be taken to include an article unfinished or incomplete (including cut or shaped fabric for making such articles), provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include the article presented unassembled or disassembled.

3. Unless otherwise indicated, products covered by restraints under this arrangement in Group I are those which predominate by weight of wool, cotton, or man-made fibres.
# ANNEX II - CLOTHING CATEGORIES

## HUNGARY

### GROUP I

<table>
<thead>
<tr>
<th>Short Description</th>
<th>Sub Category</th>
<th>Long Description</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine suits, MBC</td>
<td>3.1</td>
<td>Suits - MBC, k/c &amp; woven</td>
<td>NMB</td>
</tr>
<tr>
<td>Jackets &amp; Blazers, MBC</td>
<td>3.3</td>
<td>Jackets and blazers - MBC, k/c &amp; woven</td>
<td></td>
</tr>
</tbody>
</table>