ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Agreement between Canada and Macao

Note by the Chairman

Attached is a notification received from Canada concerning a new bilateral agreement concluded under Article 4 of the MFA with Macao. The agreement is valid for the period 1 January 1982 to 31 December 1986.

1 The previous agreement with Macao, and a subsequent amendment, are contained in COM.TEX/SB/524 and 572.

*English only/Anglais seulement.
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 22, 1981, I have the honor to notify the Textiles Surveillance Body of the conclusion of a five-year bilateral arrangement between the Government of Canada and the Government of Macao.

This bilateral arrangement was concluded in October 1981, taking into consideration Article 4 of the MFA. Provisions in this arrangement also take into account particular problems and circumstances affecting the Canadian clothing and textiles market and the status of Macao as an established supplier to that market. Following significant increases in exports of certain products during 1979, 1980 and 1981 as well as taking into account provisions contained in Article 4 of the MFA, both parties agreed to expand coverage in the new arrangement, to include sleepwear and bathrobes; dresses and skirts; suits, coordinates and outerwear sets; foundation garments; underwear; and, swimwear. A "basket" coverage concept was also agreed to cover all clothing categories.

Overall restraint levels negotiated for these products represent a significant increase over historic trade levels. In line with MFA guidelines, there is provision for growth at a rate of 6% for all products. The flexibility provisions allow for up to 6% swing among categories with specific restraint levels and for carry-over/borrow-forward between restraint periods of 11%, the sub-limit for borrow-forward being 6%. Combined flexibility for all clothing products is 11% with the exception of products with specific restraint levels in which case combined flexibility is 15%. The arrangement also contains consultation provisions for products not subject to specific restraint levels but covered in a group restraint level. There are also swing provisions within each category covering children's and infants' sizes (0-6x) whereby levels may be increased at a ratio of 3 adults' to 5 children's and infants' garments.

The arrangement also provides for exchange of statistics, consultations, revisions and termination, and in accordance with Article 12 (3) of the MFA, exemption from restraint of handmade clothing made of handloomed
fabric. The arrangement became effective January 1, 1982 and will continue until December 31, 1986.

Both parties to this arrangement believe it conforms with the provisions of the MFA and, as such, it is in keeping with the liberalization of the Canadian import program on clothing and textiles. It will assist in avoiding the real risk of Canadian market disruption while at the same time ensuring orderly development of world trade.

Accept, Sir, the renewed assurance of my highest consideration.
The Commission for Canada presents its compliments to
the Macao Economic Department and has the honour to refer to the
discussions between the delegations of the Government of Canada
and the Government of Macao held in Macao October 19-20, 1981
concerning trade in selected textiles and textile products
between Macao and Canada.

The Commission has further the honour to refer to the
Memorandum of Understanding which was initiated at referendum in
Macao on October 20, 1981 as a result of these discussions.

Accordingly, the Commission has the honour to propose
to the Macao Economic Department that this Note and the reply
thereto confirming the Memorandum of Understanding will
constitute an arrangement between our two governments which will
enter into force on January 1, 1982 and remain in force for five
calendar year periods until December 31, 1986, subject to the right
of either government to terminate it at the end of any calendar
year period by written notice to the other given not less than
ninety days prior to the end of any such restraint period.
Ref.: MAC 004/81

The Commission for Canada avails itself of this opportunity to renew to the Macao Economic Department the assurance of its highest consideration.

Commission for Canada
November 30 1981
With reference to your note MAC 004/81 the Macau Economic Department is honoured to confirm the Memorandum of Understanding initiated in Macau on October 20th, 1981.

The Macau Economic Department further renew to the Commission for Canada the assurances of its highest consideration.

Macau, Economic Department, 27th February, 1982.

José Bernardino Marques Ferreira
Acting-Director
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF MACAU
AND
THE GOVERNMENT OF CANADA
RELATING TO THE EXPORT FROM MACAU OF
CERTAIN TEXTILES AND TEXTILE PRODUCTS
FOR IMPORT INTO CANADA
Memorandum of Understanding between the Government of Canada and the Government of Macau relating to the export from Macau of certain textiles and textile products for import into Canada.

Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and Macau regarding the export of certain textiles and textile products from Macau for import into Canada.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the MFA") and in particular to Article 4 thereof, and to the Protocol extending the said Arrangement.

Restraint Periods

3. These arrangements will apply for five (5) years commencing on 1 January 1982 and ending on 31 December 1986.

Restraint Levels

4. Except as provided for in paragraphs 14 to 20 below, the Government of Macau will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing 1 January 1982 to the limits specified therein.

5. For the four calendar year periods commencing 1 January 1983 and ending on 31 December 1986, the Government of Macau will restrain its exports to Canada of the textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column (D).

Coverage

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA.

7. For the purpose of classifying textiles and textile products in the appropriate category, the definition and notes set out in Annex II will apply.

Administration

8. These arrangements will be implemented on the basis of the export control system operated by the Government of Macau.
9. The Government of Canada will admit imports of the textiles and textile products described in Annex II and subject to a group or specific quantitative limit in Annex I, provided such imports are covered by an original copy of a Macau "Export Licence" endorsed and issued by the proper Macau authority to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.

10. The export licences issued by the Government of Macau in respect of products subject to restraint levels as specified in Annex I of this arrangement 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 as set out in Annex I of the MOU
7. Quantity expressed in the units as designated in Annex I of the MOU. If more than one set of measure is established, all should be indicated; where the quantity is expressed other than as designated in the MOU, the equivalent weight, units or m² should be calculated in accordance with the conversion factors set out in Annex I
8. F.O.B. or C.I.F. value except for non-commercial consignments
9. Certification by the Macau Authority that the quantity has been debited against the agreed restraint level for exports to Canada.

11. In the event any quantity covered by an export licence is not shipped, the Government of Macau will notify the Government of Canada of such quantity which may be credited by the Government of Macau to the appropriate restraint level.

12. The Government of Macau will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels as per Annex I are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.

13. If, on the basis of export data provided by the Government of Macau, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textiles or textile products, other than that attributable to normal seasonal factors, it may request consultations in
accordance with the provisions of paragraphs 29 and 30 with a view to remedying this situation.

Swing

14. Subject to the specific limitations set out in Annex I, and following notification to the Canadian authorities, any restraint level may be exceeded by the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level. When any restraint level is exceeded by the application of swing, the Government of Macau will so indicate in subsequent monthly returns.

15. For the purpose of implementing the swing provisions in paragraph 14, the conversion factors shown in Annex I will apply.

Carry-Over/Carry-Forward

16. Portions of any restraint limit which remain unused from the restraint period commencing 1 January 1981 (as covered by the preceding bilateral arrangement) may, after notification, be carried over and added to the appropriate restraint level for the restraint period commencing 1 January 1982. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I of this MOU.

17. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during the restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period. The restraint level for any such restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

18. Any restraint level may be increased within the lower percentage limit set out in column (F) of Annex I by an amount advanced from the corresponding restraint level for the following restraint period. The restraint level for any such following restraint period will be reduced by an amount equal to the amount so advanced.

19. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

20. Further to paragraphs 14 to 19 above, where applicable, the restraint levels in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.
Exchange of Statistics

21. Both Governments will exchange such other statistical data relating to exports of textiles and textile products not subject to these arrangements as may reasonably be required.

22. The Government of Macau will provide the Government of Canada with monthly statistics relating to exports of the textiles and textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period as per Annex I.

23. When submitting the monthly statistics mentioned in paragraph 22, the Government of Macau undertakes to include the following information:
   
   a. Category and description of goods as set out in Annex I.
   b. Original and adjusted restraint level for the restraint period.
   c. Total quantity issued for the restraint period to date in the units designated in Annex I.
   d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 14, and 16-20 above.

   This information would be provided as soon as possible following the end of each month.

24. The Government of Canada will provide the Government of Macau with monthly statistics relating to import permits issued for imports originating in Macau of the textiles and textile products listed in Annex II.

25. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

Equity

26. Should either Government consider, as a result of these arrangements, that it is placed in an inequitable position compared with any third party, that Government may request the other to consult as provided in paragraph 29 with a view to implementing appropriate remedial measures.
Re-Exports

27. The Government of Canada will, so far as possible, inform the Government of Macau when imports into Canada of textiles and textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Macau Government to quantitative limits the Government of Macau may then credit the amount involved to the appropriate quantitative limits.

Handloom Products

28. With reference to Article 12(3) of the ITA, this arrangement shall not apply to bona fide handmade clothing of handloomed fabric as defined in Annex III when accompanied on importation by a certificate validated by the competent Macau authorities.

Consultations

29. Either Government has the right to request consultations with the other Government on any matter arising from the implementation or operation of these arrangements or on any matter germane thereto. Such consultations will be governed by the following:

- Any request for consultations will be notified in writing to the other Government;

- The request for consultations will be accompanied by or followed within a reasonable period (and in any case not later than twenty-one days following the request) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Government, justify the submission of such a request;

- The other Government will accept such a request and such consultations will be held within thirty days of the date of notification of the request;

- Both Governments will enter into consultations with a view to reaching a mutually acceptable conclusion within thirty days of the date on which actual consultations commence.
30. In respect of those items in Annex II not subject to specific restraint levels but covered in a group restraint level in Annex I, the Government of Canada may request consultations in accordance with the provisions when exports in any one calendar year of the products concerned have reached at least fifteen percent of the group level. The Government of Canada further undertakes not to seek a restraint at a level less than either 15.9 percent of the group level, or 106 percent of the level of exports in the item during the current calendar year, whichever level is higher.

31. Until such time as a mutually satisfactory conclusion has been reached, the Government of Macau undertakes, if so request by the Government of Canada, to limit shipments from the date on which Canada requests consultations, in order to ensure that exports of the products in question to Canada do not exceed during that calendar year a level of 106 percent of the exports during the current year or 15.9 percent of the group level, whichever is higher.

32. In seeking to establish a new restraint level for the balance of any calendar year period, the Government of Canada will give full and sympathetic consideration to the treatment of goods for which there are outstanding bona fide contracts and letters of credit.

33. Any consultations held under these provisions will be approached by both Governments in a spirit of cooperation and with a desire to reconcile the differences between them.

34. In order to ensure the effective operation of paras 30 to 32 above, the Government of Macau undertakes to control the shipment of goods subject to group levels by means of the export control system operated by the Government of Macau.

35. The Government of Canada will admit imports of the textiles and textile products of Macau origin subject to these provisions where such imports satisfy all normal conditions of entry and are accompanied by a copy of an export licence endorsed and issued by the proper authority to the effect that the quantities covered by the export licence are within the overall group level.

36. The Government of Macau will notify the Government of Canada immediately upon receipt of any application for an export licence for any textile or textile product subject to a group level in exceptionally large amounts or unusual concentrations.

* of paras 29
MFA Rights

37. Each Government reserves its rights under the MFA with respect to textile and textiles products not subject to these arrangements. For textiles and textile products covered by these arrangements, it is understood that either Government may have recourse to any or all of the provisions of the MFA, save that the Government of Canada waives its rights under Article 3 or the MFA with respect to products covered by these arrangements as long as this MOU remains in effect.

Termination

38. Either Government may terminate these arrangements effective at the end of any restraint period by written notice to the other Government, to be given at least ninety days prior to the end of any restraint period.

Annexes

39. The annexes to this Memorandum of Understanding will be considered an integral part of it.

Final Provisions

40. This Memorandum of Understanding will become effective on 1 January 1982 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

For the Government of Canada

Pierre J. Gosselin

For the Government of Macau

Joao Antonio M. Costa Pinto
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SHORT DESCRIPTION</th>
<th>CONVERSION FACTOR (M2 UNIT)</th>
<th>RESTRAINT LEVEL</th>
<th>GROWTH</th>
<th>SWING</th>
<th>CARRY-OVER</th>
<th>CARRY-FORWARD</th>
<th>COMBINED FLEXIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group A - All Clothing (Total of Items 1 to 13)</td>
<td>N.A.</td>
<td>1,200,000</td>
<td>6%</td>
<td>N.A.</td>
<td>11% (6%)</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Outerwear MBWGCI</td>
<td>2.8</td>
<td>30,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
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<tr>
<td>2.</td>
<td>Pants, shorts, overalls and coveralls MBWGCI</td>
<td>1.5</td>
<td>300,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
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</tr>
<tr>
<td>3.</td>
<td>Shirts, Tailored Collar MB</td>
<td>1.7</td>
<td>120,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
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</tr>
<tr>
<td>4. a</td>
<td>Shirts, blouses, MBWGCI</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. b</td>
<td>T-shirts and sweat-shirts MBWGCI</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Sweaters MBWGCI</td>
<td>1.1</td>
<td>240,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
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<tr>
<td>6.</td>
<td>Sleepwear, bathrobes MBWGCI</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td>Dresses, skirts WGCI</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Suits, Coordinates Outerwear sets MBWGCI</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Foundation garments MBWG</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>SHORT DESCRIPTION</td>
<td>CONVERSION FACTOR (M2/UNIT)</td>
<td>RESTRAINT LEVEL</td>
<td>GROWTH</td>
<td>SWING</td>
<td>CARRY-OVER/CARRY-FORWARD</td>
<td>COMBINED FLEXIBILITY (E) &amp; (F)</td>
<td></td>
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<tr>
<td>10.</td>
<td>Underwear</td>
<td>N.A.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Swimwear</td>
<td>N.A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Coats, jackets, rainwear</td>
<td>3.5.</td>
<td>180,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Fine suits</td>
<td>3.6</td>
<td>10,000</td>
<td>6%</td>
<td>6%</td>
<td>11% (6%)</td>
<td>15%</td>
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</table>

**Group B - Miscellaneous Textiles**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>CONVERSION FACTOR (M2/UNIT)</th>
<th>RESTRAINT LEVEL</th>
<th>GROWTH</th>
<th>SWING</th>
<th>CARRY-OVER/CARRY-FORWARD</th>
<th>COMBINED FLEXIBILITY (E) &amp; (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>Workgloves</td>
<td>N.A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>2,022,480</td>
<td>6%</td>
<td>6%</td>
<td></td>
<td></td>
<td>11% (6%)</td>
</tr>
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</table>

**NOTE:** No swing between products in Group A and products in Group B. N.A. means not applicable. Swing is allowed between Item nos. 1, 2, 3, 5, 12 and 13 only.
ANNEX II - DEFINITIONS AND DESCRIPTIONS OF TERMS USED IN ANNEX I

General Notes

1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men, boys, women, girls, children and infants. Children's and infants' garments include all garments sized 0-6X.

2. Unless otherwise indicated, swing is permitted from adult garments to children's and infants' garments at a 3 to 5 ratio.

3. All garment items include partially manufactured garments, i.e., garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing.

4. Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.

5. "Wholly or mainly" is 50 percent or more in all items unless otherwise indicated.

Description of Product Categories

1. Winter Outerwear Garments

Winter Outerwear Garments (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski pants and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre filling, etc. but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres of wool, or blends thereof. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).

Note: A unit comprises garments which have been designed to be sold as a set, e.g. matching or co-ordinated
ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.

2. **Trousers, Shorts, Overalls and Coveralls**

Trousers, pants, slacks and jeans wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof, being garments which do not extend above the waist but extend to the knee or below. Included are jodhpurs, knickers, footless tights, gauchos.

Note: Men's and boys' garments in this item manufactured of fabric containing 5 percent or more by weight of wool or hair are considered to be woollen garments.

Overalls and coveralls wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Overalls and coveralls are one-piece garments, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included.

Outershorts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Shorts are garments similar to pants but not extending to the knees.

3. **Shirts, Tailored Collar**

Shirts with tailored collars, men's and boys' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted or woven, being garments covering the upper part of the body normally worn next to the skin or directly over underwear and with a full or a partial front opening which may include a zipper and may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.

Note: included are children's sizes 4-6X.

Note: A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends. The following may be used when needed, in the construction: stays, lining, stiffening by any means.
4. **Shirts, Blouses, T-shirts, Sweatshirts**

Blouses and shirts, women's and girls', children's and infants' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted or woven, being garments which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweat-shirts and sweaters.

Shirts, men's and boys', other than with tailored collars, including full-fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see description for shirts, tailored collar.

T-shirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which may have collarless front opening or no front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.

Sweatshirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirts and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

5. **Sweaters, Pullovers and Cardigans**

Sweaters, pullovers, cardigans (including knitted ponchos), wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being knitted or crocheted garments covering the upper part of the body and which may be of any length of construction coarser than 19 cut, i.e. less than 19 vertical stitches per inch. Included are such items with co-ordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such co-ordinating or matching accessories will be considered a set and counted as one unit.
6. Sleepwear and Bathrobes

Pyjamas and sleepwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.

Bath-robcs, dressing gowns and housecoats, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

7. Dresses and Skirts

Dresses, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extended above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.

8. Suits, Coordinates and Outerwear Sets

Coordinates or matching sets and blazers men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof packed, shipped and sold as a set and not covered by definition in item 13 of this annex.

Suits, coordinates or matching sets and blazers, women's and girls', children's, and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Coordinates include: coat and dress sets, blouse and pant or skirt sets, shirt and skirt sets.
Athletic sets or suits, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or coordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition in this list including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross-country ski-suits (subject to the description in Item 1).

Leisure wear, coordinates or sets not defined by any definitions in this annex. These may include shortsets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and lounge wear.

Note: Miscellaneous Garments, children's and infants garments not meeting any of the description relating to children's and infants' wear contained elsewhere in this list, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, blanket sleepers where the legs of the garments extend to completely encase the feet and diapers.

9. Foundation Garments, men's, boys', women's and girls', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: brassieres, girdles, corsets and panty girdles.

10. Underwear

Underwear, wholly, or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

11. Swimwear

Swimwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.
Note: Garments fitting this description which consist of two (or more) pieces must be matched or coordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate Item elsewhere in this list as individual garments. Coordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and coordinates in Item 8.

12. Coats, Jackets and Rainwear

Jackets, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Jackets are outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this annex.

Overcoats and topcoats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof, being outerwear garments extending to the knee or below excluding rainwear.

Professional and shop coats, wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof; professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats and surgical gowns.

Rainwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

13. Fine Suits

Fine suits, sportcoats and blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof.

Note: The suit-jacket, sportcoat or blazer may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.
Note: A unit is either a jacket, sportscoat or a suit.
A suit is a two-or-three piece garment consisting of matching or coordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.

14. Work Gloves, both finished and partially manufactured that are wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof whether or not impregnated or coated including such gloves manufactured partly of leather and including work glove liners.
ANNEX III

1. The exemption provided for in paragraph 28 of this MOU in respect of cottage industry products will apply only to the following products:

a) garments or other textile articles of a kind traditionally made in the cottage industry, having been cut, sewn and embroidered, if applicable, solely by hand from handloom textile fabrics without the aid of any machine. Handloom textile fabrics are fabrics, which have been woven on looms operated solely by hand or foot and are of a kind traditionally made in the cottage industry.

b) traditional folklore handicraft textile products, made by hand in the cottage industry, set out in the list attached hereto.

2. The exemption will apply only in the respect of products covered by a certificate issued by the competent Macau authorities.

3. Such certificates will indicate the grounds on which the exemption is based and will be accepted by Canadian authorities provided that they are satisfied that the products concerned conform to the conditions set out in this Annex.
## CANADA/MACAU ARRANGEMENT

### 1982 - 1986 PERFORMANCE

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Outerwear, MBCGI</td>
<td>Un.</td>
<td>24,000</td>
<td>23,400</td>
<td>25,440</td>
<td>14,393</td>
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<tr>
<td>2.</td>
<td>Pants, Shorts, Overalls and Coveralls MBGC</td>
<td>Un.</td>
<td>250,000</td>
<td>218,479</td>
<td>265,000</td>
<td>287,283</td>
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<tr>
<td>3.</td>
<td>Shirts, Tailored Collar MB</td>
<td>Un.</td>
<td>100,000</td>
<td>73,788</td>
<td>106,000</td>
<td>64,760</td>
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<td>4.</td>
<td>Shirts, Blouses MBCGI</td>
<td>Un.</td>
<td>100,000</td>
<td>51,919</td>
<td>106,000</td>
<td>34,945</td>
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<td>5.</td>
<td>T-Shirts and Sweatshirts MBCGI</td>
<td>Un.</td>
<td>100,000</td>
<td>52,810</td>
<td>106,000</td>
<td>120,164</td>
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<tr>
<td>6.</td>
<td>Sweaters, MBCGI</td>
<td>Un.</td>
<td>200,000</td>
<td>195,926</td>
<td>212,000</td>
<td>152,232</td>
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<td>7.</td>
<td>Sleepwear, Bathrobes MBGC</td>
<td>Un.</td>
<td>NA</td>
<td>N11</td>
<td>NA</td>
<td>3,600</td>
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<tr>
<td>8.</td>
<td>Dresses, Skirts MBC</td>
<td>Un.</td>
<td>NA</td>
<td>36,579</td>
<td>NA</td>
<td>33,240</td>
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<td>9.</td>
<td>Suits, Coordinates MBCGI</td>
<td>Un.</td>
<td>NA</td>
<td>8,498</td>
<td>NA</td>
<td>41,216^2</td>
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<td>10.</td>
<td>Foundation Garment MBC</td>
<td>Un.</td>
<td>NA</td>
<td>N11</td>
<td>NA</td>
<td>N11</td>
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<tr>
<td>11.</td>
<td>Underwear, MBCGI</td>
<td>Un.</td>
<td>NA</td>
<td>7,056</td>
<td>NA</td>
<td>N11</td>
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<td>12.</td>
<td>Swimwear, MBCGI</td>
<td>Un.</td>
<td>NA</td>
<td>N11</td>
<td>NA</td>
<td>N11</td>
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<tr>
<td>12A.</td>
<td>Coats, Jackets, MBCGI</td>
<td>Un.</td>
<td>150,000</td>
<td>76,796</td>
<td>159,000</td>
<td>66,564</td>
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<td>12B.</td>
<td>Rainwear, MBCGI</td>
<td>Un.</td>
<td>NA</td>
<td>N11</td>
<td>NA</td>
<td>N11</td>
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<tr>
<td>13.</td>
<td>Fine Suits, MB</td>
<td>Un.</td>
<td>NA</td>
<td>5,749</td>
<td>8,500</td>
<td>N11</td>
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<tr>
<td>14.</td>
<td>Work Gloves</td>
<td>Pr.</td>
<td>NA</td>
<td>2,296,000</td>
<td>1,800,000</td>
<td>1,625,286</td>
</tr>
</tbody>
</table>

All Clothing 1,200,000 6% -
1. Source: OSTR permit statistics by date of export from Macau.

2. Includes Unstructured Suits: 1980 Restraint level of 9,000 units - 716 units utilization.
   1981 Restraint level of 9,540 units - Nil utilization.
<table>
<thead>
<tr>
<th>Restraint</th>
<th>Description</th>
<th>Level</th>
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<tbody>
<tr>
<td>1.</td>
<td>Winter Outerwear Garments, MBWGGCI</td>
<td>26,996</td>
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<tr>
<td>2.</td>
<td>Shirts with Tailored Collars, MB</td>
<td>112,360</td>
</tr>
<tr>
<td>3.</td>
<td>Blouses and Shirts, WGCI, Other Shirts, MB</td>
<td>112,360</td>
</tr>
<tr>
<td>4.</td>
<td>T-shirts and Sweatshirts, MBWGGCI</td>
<td>112,360</td>
</tr>
<tr>
<td>5.</td>
<td>Sweaters, Pullovers, Cardigans, MBWGGCI</td>
<td>224,720</td>
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<tr>
<td>6.</td>
<td>Pants, including Trousers, Slacks, Jeans, Shorts, Overalls and Coveralls, MBWGGCI</td>
<td>280,900</td>
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<td>7.</td>
<td>Jackets, Overcoats and Topcoats, MBWGGCI</td>
<td>168,540</td>
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<tr>
<td>8.</td>
<td>Structured Suits, Sportcoats, MB</td>
<td>9,010</td>
</tr>
<tr>
<td>9.</td>
<td>Unstructured Suits, Sportcoats, MB</td>
<td>9,540</td>
</tr>
<tr>
<td>10.</td>
<td>Work Gloves</td>
<td>1,908,000</td>
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B. Coverage as of January 1, 1982

<table>
<thead>
<tr>
<th>Group A</th>
<th>All Clothing: Total Item 1-13 (Annex 1)</th>
<th>Level</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1,200,000</td>
</tr>
</tbody>
</table>
1. Outerwear, MBWGCI  
   Level: 30,000

2. Pants, Shorts, Overalls and Coveralls, MBWGCI  
   Level: 300,000

3. Shirts, Tailored Collar, MB  
   Level: 120,000

4. (a) Shirts, Blouses, MBWG  
   Level: -

4. (b) T-shirts and Sweatshirts, MBWGCI  
   Level: -

5. Sweaters, MBWGCI  
   Level: 240,000

6. Sleepwear, Bathrobes, MBWGCI  
   Level: -

7. Dresses, Skirts, WGCI  
   Level: -

8. Suits, Co-ordinates and Outerwear Sets, MBWGCI  
   Level: -

9. Foundation Garments, MBWG  
   Level: -

10. Underwear, MBWGCI  
    Level: -

11. Swimwear, MBWGCI  
    Level: -

12. Coats, Jackets and Rainwear, MBWGCI  
    Level: 130,000
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>13.</td>
<td><strong>Fine Suits, MB</strong></td>
<td>Level: 10,000</td>
</tr>
<tr>
<td>14.</td>
<td><strong>Work Gloves</strong></td>
<td>2,022,480</td>
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