

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1119*

19 June 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the Bilateral Agreement
between Canada and Thailand

Note by the Chairman

Attached is a notification received from Canada containing further modifications of its bilateral agreement with Thailand, by the introduction of agreed restraints on underwear and sweaters.

¹ The bilateral agreement and previous amendments are contained in COM.TEX/SB/819, 932, 980 and 1038

* English only/Anglais seulement/Inglés solamente

7/140-5

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
aupres des Nations Unies

710

10A, avenue de Budé
1202 Geneva

June 11, 1985

Ambassador M. Raffaelli
Chairman
Textiles and Surveillance Body
General Agreement on Tariffs
and Trade
Centre William Rappard
154, rue de Lausanne
1211 Geneva 21

Dear Ambassador Raffaelli,

I have the honour to forward to you the attached notification to the Textiles Surveillance Body of modifications to the provisions of the Memorandum of Understanding between the Government of Canada and the Government of the Kingdom of Thailand regarding the export of underwear and sweaters from Thailand for import into Canada.

Yours sincerely,

J.L. MacNeil
Minister

ANSWERED	DOC. ISSUE	FOLIO
	2033/110	
JUN 13 JUN 1985		
For		Inf.
Ch.		
Sec.		
Adm.		
Ext.		
CHAIRMAN		

For		
OPER. DEPT. A		X
Ext. Aff. Div.		
Development Div.		
Techn. Coop. Div.		
Trade Int. Div.		
Spec. Rep. Div.	X	
OPER. DEPT. B		X
Ext. Affairs Div.		
Int. Affairs Div.		
Legal Div.		
Plan. & Eval. Div.		
Ext. Pol. Div.		
Adm. Serv. Div.		
Trans. & Comm. Div.		
Training Div.		

Short Reasoned Statement to accompany the notification to the
Textiles Surveillance Body of a modification of the
provisions of the Memorandum of Understanding between the
Government of Canada and the Government of the Kingdom of
Thailand relating to the export from Thailand of certain
textiles and textile 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 2, 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 a modification to the provisions of the Memorandum of Understanding (MOU) between the Government of Canada and the Government of the Kingdom of Thailand relating to the export from Thailand of certain textiles and textile products for import into Canada which expires on December 31, 1986. The modification provides for the establishment of restraints on Thai shipments of underwear and sweaters to Canada for the period commencing for underwear, on January 1, 1985 and, for sweaters on November 1, 1984. This modification to the MOU takes into account circumstances facing the Canadian underwear and sweater markets and the position of Thailand as a supplier to those markets.

The Government of Canada believes this modification to the MOU to be in conformity with the provisions of the MFA and its Protocol of Extension and, as such, in keeping with the gradual liberalization of the Canadian import programme for textiles and clothing.

Accept, Sir, the renewed assurance of my highest consideration.

Agreed Record of Consultations

Delegations representing the Government of Canada and the Government of the Kingdom of Thailand met in Bangkok on December 18-20, 1984 to consider Canada's request for consultations regarding exports from Thailand of underwear and sweaters in accordance with provisions of the Arrangement Regarding International Trade in Textiles and Clothing (i.e. MFA)

It was agreed by both sides, pursuant to Article 4 of the MFA, that the Memorandum of Understanding between the two countries be amended to include restraint provisions governing the export of underwear from Thailand to Canada for the two calendar year periods commencing on January 1, 1985 and ending on December 31, 1986. In this regard, the two sides agreed that the restraint level for calendar year 1985 will be 1,000,000 units and that this will be increased by 6 percent to form the restraint level for calendar year 1986. It was further agreed that this category shall be accorded swing of 7 percent, carryover and borrow-forward of 11 percent of which borrow-forward shall not be more than 6 percent, and a conversion factor of 0.5 square metres per unit.

Chang

It was further agreed by both sides, pursuant to Article 4 of the MFA that the Memorandum of Understanding between the two countries be amended to include restraint provisions governing the export of sweaters from Thailand to Canada for the period November 1, 1984 to December 31, 1984 and for the two calendar year periods commencing on January 1, 1985 and ending on December 31, 1986. In this regard the two sides agreed that the restraint level for November 1, 1984 to December 31, 1984 will be 129,000 units, that the restraint level for calendar year 1985 will be 820,000 units and that the 1985 restraint level will be increased by 6 percent to form the restraint level for calendar year 1986. It was further agreed that this category shall be accorded swing of 7 percent, carryover and borrow-forward of 11 percent of which borrow-forward shall not be more than 6 percent, and a conversion factor of 1.2 square metres per unit, with the exception that the carryover from November 1 to December 31, 1984 to the 1985 calendar year is not to exceed 26,000 units. In addition, it was agreed that Thai authorities will administer the restraints for underwear and sweater shipments to Canada,

Chang

effective January 1, 1985 through the issuance of "Export Certificates" endorsed and issued by the proper Thai authority. For purposes of classification, underwear and sweater, as defined in the attached annex, will be included as items number 9 and 10 respectively of the Memorandum of Understanding.

The Canadian side indicated that, for its part, agreement to the above understandings with respect to both underwear and sweaters be on an ad referendum basis subject to approval by Canadian Ministers. The Thai delegation also indicated that, for its part, the above understandings with respect to sweaters should be on an ad referendum basis subject to final approval by the Government of the Kingdom of Thailand. Accordingly, both sides indicated that such arrangement would be finalized through an exchange of notes between the two Governments.

Tom Mac Donald.

Tom MacDonald
Leader
Canadian Delegation

Oranuj Osatananda

Oranuj Osatananda
Leader
Thai Delegation

Bangkok
December 20, 1984.

Annex I

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.

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 coordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such coordinating or matching accessories will be considered a set and counted as one unit.

APM

Crawf

COPY

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of consultations signed by representatives of Canada and Thailand in Bangkok on 20 December 1984 concerning exports of sweaters and underwear from Thailand to Canada. Pursuant to the provisions of the final paragraph of the agreed record, Canadian authorities wish to propose that this Note, together with the reply from Thai authorities confirming acceptance by their government, give effect to the arrangement outlined in the agreed record and thereby constitute an amendment to Annex I of the MOU between Canada and Thailand governing trade in textiles and clothing items.

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

5 March 1985

COPY

The Ministry of Foreign Affairs presents its compliments to the Canadian Embassy and, with reference to the Embassy's note number 015 dated 5 March 1985 concerning the agreed record of consultation concluded between the two Governments on 20 December 1984, has the honour to confirm on behalf of the Royal Thai Government that the agreed record of consultation is acceptable and therefore constitute an amendment to Annex I of the Memorandum of Understanding Between Canada and Thailand governing trade in textiles and clothing items.

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

22 April 1985