

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/1146*
9 August 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the Bilateral Agreement between Canada and Malaysia

Note by the Chairman

Attached is a notification received from Canada of a further amendment of its bilateral agreement with Malaysia. The parties agreed to restraints on T-shirts and sweatshirts, and on men's and boys', children's and infants' shirts (other than tailored-collar).¹

¹The original agreement and other modifications are contained in COM.TEX/SB/840 and 1040, and TEX.SB/1147

* English only/Anglais seulement/Inglés solamente

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

ANSWERED	DOC. ISSUED	FOLIO
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For	Action	Comment
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Info. Service		
OFFICE LEGAL AFF.		
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CHAIRMAN TSB	X	

For	1202	1202
OPER. DEPT. A		
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Trade Pol. Div.		
Spec. Proj. Div.		
OPER. DEPT. B		
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Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs
and Trade
Centre William Rappard
154, rue de Lausanne
1211 Geneva 21

Dear Ambassador Raffaelli,

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 amendments to the provisions of the current restraint arrangement concluded between the Government of Canada and the Government of Malaysia. The amendments provide for the inclusions of T-shirts, sweatshirts and mens' and boys's children's and infants' shirts (other than tailored collar) under the coverage of the current arrangement.

These modifications agreed upon by the two Governments in August 1984, take into consideration the circumstances currently affecting the Canadian market for these products and the position of Malaysia as a supplier to that market. The textile products subject to the modifications fall within the scope of the MFA. The 1984 base levels were established taking into consideration historical trading patterns and other provisions contained in Article 4 of the MFA and its Protocol of Extension.

In line with the MFA guidelines, the amendments contain provisions for an annual growth rate established at 6 percent. The flexibility provisions allow for 7 percent swing between categories into the current arrangement, and a carry-over/borrow-forward of 11 and 6 percent.

The Government of Canada believes these modifications 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 on clothing and textiles.

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

A handwritten signature in dark ink, appearing to read 'J.L. MacNeil', with a stylized flourish at the end.

J.L. MacNeil
Minister

CANADA/MALAYSIA TEXTILE CONSULTATIONS
AGREED RECORD OF DISCUSSIONS

1. Delegations representing the Government of Canada and the Government of Malaysia met in Kuala Lumpur on August 16-18, 1984 to consider Canada's request for consultations regarding exports from Malaysia of T-shirts and Sweatshirts to Canada in accordance with the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles.
2. During the discussions, the two delegations agreed that the Malaysian authorities will begin to restrain, effective September 1, 1984 through to December 31, 1986, exports from Malaysia to Canada of T-shirts and Sweatshirts through the issuance of "Export Licences" as described in the Memorandum of Understanding (MOU) between the Government of Canada and the Government of Malaysia relating to the export from Malaysia of certain textiles and textile products for import into Canada and, in the Agreed Record of Discussions signed in Kuala Lumpur on March 16, 1984. It was further agreed that in accordance with the above mentioned Agreed Record of Discussions, T-shirts and Sweatshirts are classified as item Number 9.
3. It was agreed that during the period September 1 to December 31, 1984 exports of T-shirts and Sweatshirts from Malaysia to Canada shall be subject to a restraint level of 350,000 units and that on a one-time only basis, an additional 500,000 units will be made available ex-quota for 1984 shipments of T-shirts and Sweatshirts covered by irrevocable letters of credit. It was also agreed that, for the period September 1 to December 31, 1984 only, special carry forward will be allowed of up to 25 percent of the 1985 restraint level and, if required, an additional carry forward of up to 25 percent of the 1985 restraint level will be allowed provided that the full 1985 special carry forward capability is utilised before the 1985 special carry forward provision is exercised. The conversion factor for T-shirts and Sweatshirts will be 1.2 square metres per unit.

4. It was agreed that the restraint level for 1985 is 1,113,000 units and that the restraint level for 1986 will be accorded a further 6 percent growth factor yielding a level of 1,179,780 units. The provision for swing will be 7 percent and the provision for carry over/carry forward will be 11 (6) percent, of which carry forward will not be more than 6 percent. The combined use of swing, carry over and carry forward will not exceed 15 percent.

5. The two sides agreed to restrain Malaysia's exports to Canada of shirts for men's, boys', children's and infants', other than with tailored collars. It was further agreed that item Number 2 of the Memorandum of Understanding (MOU) will be revised to include the description of item Number 8 of the Agreed Record and that the 1984 restraint level of the revised item Number 2 is 944,000 units. Existing growth and flexibility provisions for item Number 2 will remain in effect and the conversion factor shall be 1.6 square metres per unit.

6. The provisions of paragraphs 2 to 5 of this Agreed Record of Discussions will become effective September 1, 1984 subsequent to an exchange of notes between the two Governments confirming their acceptance of these provisions.

Kuala Lumpur
August 18, 1984



CAMPBELL STUART
Director General
Special Trade Relations Bureau
Department of External Affairs
Government of Canada



CHONG NGIAN YET
Deputy Director II
International Trade Division
Ministry of Trade and Industry
Government of Malaysia

No. 100

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions signed by representatives of Canada and Malaysia in Kuala Lumpur on August 18, 1984 concerning exports from Malaysia to Canada of T-shirts and sweatshirts and of shirts other than with tailored collars. Pursuant to paragraph 6 of the agreed record of discussions, Canadian Authorities wish to propose that this note, together with the Malaysian reply confirming acceptance by the Government of Malaysia, give effect to the provisions of the agreed record of discussions.

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

Kuala Lumpur, Malaysia

December 10, 1984





M 1/85

The Ministry of Foreign Affairs, Malaysia presents its compliments to the Canadian High Commission and has the honour to refer to the latter's Note No. 100 dated December 10, 1984 which reads as follows:-

"The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions signed by representatives of Canada and Malaysia in Kuala Lumpur on August 18, 1984 concerning exports from Malaysia to Canada of T-Shirts and Sweatshirts and of shirts other than with tailored collars. Pursuant to paragraph 6 of the agreed record of discussions, Canadian Authorities wish to propose that this note, together with the Malaysian reply confirming acceptance by the Government of Malaysia, give effect to the provisions of the agreed record of discussions.

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

The Ministry of Foreign Affairs, Malaysia has the honour to confirm that the proposal in the above note is acceptable to the Government of Malaysia and that the above note and this reply shall give effect to the provisions of the agreed record of discussions between our two governments.

The Ministry of Foreign Affairs, Malaysia avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Ministry of Foreign Affairs,
Wisma Putra,
Kuala Lumpur

10th January, 1985

