

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1189^{*}

18 December 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement between Canada and Brazil

Note by the Chairman

Attached is a notification received from Canada of a modification of its bilateral agreement with Brazil. Restraints on T-shirts and sweatshirts were agreed for the period 1 July 1985 to 31 December 1986.

¹ The text of the bilateral agreement between the parties is contained in COM.TEX/SB/931

^{*} English only/Anglais seulement/Inglés solamente

TS/140-4

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

10A, avenue de Budé
1202 Geneva

December 10, 1985

Mr. M. Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs
and Trade
Centre William Rappard
154, rue de Lausanne
1202 Geneva

Dear Mr. Raffaelli,

--- I have the honour to submit to the
Textiles Surveillance Body the attached
notification under Article 4 of the MFA of an
amendment to the arrangement between the Government
of Canada and the Government of the Federative
Republic of Brazil relating to the export from Brazil
of certain textile products for import into Canada.

Yours sincerely,

ANSWERED	DOC. ISSUED	FOLIO
DEC 12 DEC 1985	TEX SB/1129	
For	Action	Comment
Director or DG		
Adm. Service		
OFFICE LEGAL AFF.		
Secs./Council Aff. Div.		
CHAIRMAN TSB	X	

R.G. Wright

R.G. Wright
Minister

For	Action	Comment
OPER. DEPT. A		X
Non-Far. M. Div.		
Development Div.		
Tech. Coop. Div.		
Trade Pol. Div.		
Spec. Proj. Div.		
OPER. DEPT. B		X
Econ. R/Anal. Unit		
Agriculture Div.		
Env't Div.		
Int. Sec. T. Div.		
Int. Rel. Div.		
Adm. Fin. Div.		
Trans. & Comm. Div.		
Immigr. Div.		
Personal Off.		
Chief of Staff		

Short Reasoned Statement to accompany the notification to the Textile Surveillance Body of an amendment to the arrangement between the Government of Canada and the Government of the Federative Republic of Brazil relating to the export from Brazil of certain 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 20, 1973, and to the Protocol extending the MFA, done at Geneva, December 22, 1981, I have the honour to notify the Textile Surveillance Body of an amendment to the Memorandum of Understanding (MOU) between the Government of Canada and the Government of the Federative Republic of Brazil relating to the export from Brazil of certain textile products for import into Canada.

This amendment to the MOU concludes the request for consultations made by Canada under Article 4 of the MFA in May, 1984, and converted, at the request of Brazilian authorities, to a notification under Article 3 of the MFA in July, 1984. At that time, the request for consultations included pants, shorts, overalls and coveralls, as well as T-shirts and sweatshirts. After careful consideration, which included an enquiry by the Textile and Clothing Board, the Canadian Government decided to withdraw that portion of the request dealing with pants, shorts, overalls and coveralls. This withdrawal is being made without prejudice to any future request which may be made for consultations under the MFA on these products. The modification of the MOU with respect to T-shirts and sweatshirts was concluded pursuant to Article 4 of the MFA.

The modification of the MOU provides for the establishment of a restraint on Brazilian shipments of T-shirts and sweatshirts to Canada for the period commencing July 1, 1985 and ending December 31, 1986. The modification covers clothing products which fall within the scope of the MFA and takes into account circumstances facing the Canadian clothing market and the position of Brazil as an established supplier to that market. The levels applicable to exports of T-shirts and sweatshirts from Brazil for import into Canada 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 MFA guidelines, the arrangement contains flexibility provisions which allow carry-over/borrow-forward of 10% for the category, the sublimit for borrow-forward being 5 percent. Since no other clothing items are currently covered by the arrangement, a swing provision has not been included in the modification to the MOU.

The Government of Canada believes this arrangement conforms with the provisions of the MFA and its Protocol of Extension and, as such, is in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

CANADA-BRAZIL TEXTILE CONSULTATIONS
AGREED RECORD OF DISCUSSIONS

Delegations representing the Government of Canada ~~and~~ and the Government of the Federative Republic of Brazil met on July 18 and 19 in Brasilia to discuss the export of t-shirts and sweatshirts from Brazil to Canada in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA).

During these discussions, it was agreed that pursuant to Article 4 of the MFA, Brazilian authorities will begin to restrain, effective July 1, 1985, exports of t-shirts and sweatshirts (as defined in the attached Appendix I) from Brazil to Canada through the issuance of "Export Licences", issued and endorsed by the proper Brazilian authority (CACEX). It was agreed that during the period July 1, 1985, to December 31, 1985, exports of t-shirts and sweatshirts, which shall be specified as item 2 for purpose of identification, will be restrained to the level of 855,000 units.

It was further agreed that exports from Brazil to Canada of t-shirts and sweatshirts shall be restrained for the calendar year 1986 to a level of 1,729,600 units.

The provision for carryover/borrow forward will be 10 percent, of which borrow forward will not be more than 5 percent. In addition, children's and infants's (C and I) garments (size 0-6x) will be charged against the restraint level on the basis of each C and I garment equalling 0.6 units. Finally, the item includes partially manufactured garments, i.e., garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing.

This Agreed Record of Discussion and Appendix will be considered as Annex III to the Memorandum of Understanding between the Government of Canada and the Government of the Federative Republic of Brazil relating to the export from Brazil of acrylic yarns for import into Canada. This will extend the product coverage of the Agreement as defined in paragraph 5 and the provisions of the Agreement will therefore be read elsewhere as including t-shirts and sweatshirts.

The Canadian Delegation noted that its signature of this agreed record was on an ad referendum basis subject to the approval of the Canadian Government and to confirmation by means of a diplomatic note indicating acceptance.

Brasilia, 19 July, 1985

Tom Mac Donald

For the Government of
Canada

Jllo Maria L.F. Cruz

For the Government of the
Federative Republic of Brazil

PRODUCT DESCRIPTION

Item no.

2. T-shirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which have collarless front openings 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.

Canadian Embassy



Ambassade du Canada

Note No. B-150

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs of the Federative Republic of Brazil and wishes to refer to the agreed record of discussions signed by representatives of Canada and Brazil in Brasilia on July 19, 1985, concerning exports of T-shirts and sweatshirts from Brazil to Canada. Pursuant to the final paragraph of the agreed record, Canadian authorities are pleased to advise the Government of the Federative Republic of Brazil that the Canadian Government, by this note, formally approves and accepts the above mentioned agreed record of discussions and the arrangements outlines therein.

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

Brasilia, Brazil. September 23, 1985