

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1474/Add.1*
15 September 1988

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report and request related to measures
reviewed under Article 3:5

Canada/Brazil

Note by the Chairman

Attached is a report received from Brazil on consultations held with Canada as recommended by the TSB¹ and a request from Brazil related to the matter.

¹ COM.TEX/SB/1407. See also TEX.SB/W/488.

* English only/Anglais seulement/Inglés solamente

*Mission permanente du Brésil
auprès des Nations Unies à Genève*


No. 173

Geneva, 6 September, 1988

Mr. Chairman,

With reference to the letter dated July 19th, 1988, and in view of the recommendations made by the Textile Surveillance Body at its meeting held on the 21st and 22nd of June, 1988, I hereby inform you of the results of the consultations held between the Governments of Brazil and Canada on trade in bedsheets and pillowcases, which took place in Ottawa on the 25th and 26th of July, 1988.

2. At the outset of discussions, the Brazilian Delegation pointed out that the Brazilian Government, following the recommendation made by the Textile Surveillance Body, had requested consultations with the Canadian Government with a view to re-examining the bilateral trade in bedsheets and pillowcases in light of the provisions of the Multi-Fibre Arrangement, especially paragraph III of Annex A, which establishes the need to take into account the interests of exporting developing countries in case of market disruption. In this context, the Brazilian Delegation stressed that bilateral trade in pillowcases and bedsheets had been interrupted after the application by



Mr. Marcelo Raffaelli,
Chairman of the Textile Surveillance Body,
GATT - Geneva

Canada of unilateral quotas in May 1988, and drew attention of the Canadian Delegation to the serious problems that this situation has been creating for the Brazilian textile industry. It likewise expressed the firm intention of the Brazilian Government to reach an immediate understanding on the issue.

3. In a spirit of compromise and showing a high degree of flexibility, the Brazilian Delegation made an objective proposal for a four-year agreement that would include a limit of 1,600 thousand units for the first year, with increases of 10%, 8% and 6% for the second, third and fourth years respectively, in addition to a carry-forward of 20% during the first year of the agreement, with a reduction of 15% to 10% during the remaining years.

4. The Canadian Delegation stated, however, that it was only in a position to sign a four-year agreement with Brazil which would include not only bedsheets and pillowcases, but terry-towels as well, with specific limits of 1,170 thousand units for the first two products and 865.000 kg for the latter, limits which correspond to the quotas unilaterally imposed by Canada in May 1988.

5. Once again, the bilateral consultations ended without a mutually satisfactory agreement.

Please accept, Mr. Chairman, the assurances of my high consideration.



(GILBERTO F. MARTINS)
Minister-Counsellor
Chargé d'Affaires, a.i.

*Mission permanente du Brésil
auprès des Nations Unies à Genève*

Geneva, September 13, 1988

No. 144

Mr. President,

With regard to my letter dated 6 September 1988, concerning the consultations held between the Governments of Canada and Brazil on trade in certain textile products, I would like to inform that, at the next Session of the Textile Surveillance Body, on 21-22 September, the Brazilian Delegation intends to provide additional and updated information on the issue, in compliance with the recommendations made by this Body.

2. Considering the urgency of having a satisfactory solution to this issue, which has not been reached through bilateral consultations, the Brazilian Government requests the Textile Surveillance Body to re-examine the matter at its September session.

Please accept, Mr. President, the assurances of my high consideration.



(GILBERTO F. MARTINS)

Minister-Counsellor
Chargé d'Affaires, a.i.

His Excellency
Marcelo Raffaelli,
President of the Textile Surveillance Body
GATT - Geneva