

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1599

28 September 1989

TARIFFS AND TRADE

Textile Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Modification of the bilateral agreement between Canada and Bangladesh

Note by the Chairman

Attached is a notification received from Canada of a one-time only modification of its agreement with Bangladesh. The totality of unused 1988 quotas were allowed to carryover into the 1989 agreement year.¹

¹The bilateral agreement and a previous modification are contained in COM.TEX/SB/1381 and 1442.

*English only/Anglais seulement/Inglés solamente

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

1, rue du Pré de la Bichette
1202 Genève

August 28, 1988 30 AUG 1988

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

For	
Director General:	
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OPEN DEPT. A	a
OPEN DEPT. B	

Dear Ambassador Raffaelli,

Pursuant to Article 4.4 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 on July 31, 1986, I have the honour to notify you of an extraordinary carryover that has been agreed to between the Government of Canada and the Government of the People's Republic of Bangladesh.

As a result of the severe damage caused by natural disasters in Bangladesh during 1988, manufacturers were unable to ship product up to the full restraint levels under the agreement. The Bangladesh authorities requested on December 21, 1988, that full carry-over into restraint year 1989 of 100 per cent of the unused quota in 1988 be permitted. The Canadian government has acceded to this request on a one-time-only basis.

The Government of Canada believes this decision is in keeping with the provisions of the MFA and its Protocol of Extension in providing more liberal treatment of least-developed countries.

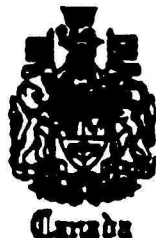
Accept, Sir the renewed assurances of my highest consideration.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'J. Gero'.

J. Gero
Counsellor

Department of External Affairs



Ministère des Affaires extérieures

No. EST1228

The Department of External Affairs presents its compliments to the High Commission of the People's Republic of Bangladesh and has the honour to acknowledge the receipt of the High Commission's Note No. Com-123/88 of December 21, 1988, requesting extraordinary carry-over of the entire portion of the unused 1988 restraint levels into 1989.

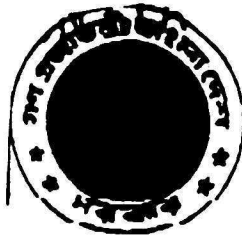
The Department of External Affairs recognizes the disastrous causes of the low utilization of restraint levels in 1988, and is pleased to inform Bangladesh authorities that permission has been received to accede to the request for the extraordinary carry-over on a one-time only basis.

The Department of External Affairs avails itself of this opportunity to renew to the High Commission of the People's Republic of Bangladesh the assurances of its highest consideration.

Ottawa, August 24, 1989

A handwritten signature, possibly "JF", in dark ink.

High Commissioner



*High Commission
for the
People's Republic of Bangladesh.
45 Raffles Road, Suite 409
Singapore, S. 11911*

No.Com-123/88

21 December 1988

Dear Mr.Gosselin,

As you may be aware, Bangladesh was struck by two natural calamities of seemingly unimaginable magnitude during the last three months. In September, an unprecedented flood in its recent history devastated the country engulfing three-fourths of its land mass and destroying ten million homesteads and four million tons of foodgrains. Hundreds of industrial units were submerged and remained under water for days sustaining in the process damage in their machineries, raw materials and finished products. At the height of the flood and also when water started receding, virtually the entire industrial workforce of the country left their posts and rushed home for reconstruction and rebuilding forcing innumerable mills and factories including many garment manufacturing units to close down for various length of time. Consequent loss in the production of these units was quite appalling. A severe cyclone barely three months after the crippling flood further accentuated the woes of our people and added to the miseries of the garment factories.

Textile export from Bangladesh starting from a humble base now occupies a vital position in the country's economy. There are about 450 garment factories at present employing nearly 200,000 workers, mostly women from rural Bangladesh. These factories manufacture and export 35 categories of garments according to quota allotted to them. The emergence of an export oriented textile and apparel industry in Bangladesh is considered a major step in the overall industrialisation process. It has acted as a powerful new momentum to our development efforts and helped mitigate the poverty of our people. Unfortunately, the loss in production due to the catastrophic flood and cyclone will result in the inability of these factories to meet their 1988 quota obligations to various countries including Canada. As a matter of fact, I am quite certain they will lag far behind their quota in respect of six categories of garment exports

to Canada. The consequences will be disastrous for these factories and the people they employ and will be bound to adversely affect the country's development efforts. Something must be done to save them and to help put Bangladesh's economy back on its normal track.

If the unutilised portion of the quota in six categories can be carried over and added to the respective categories of 1989 quota then the factories would be able to mobilize all their resources, work overtime and recover the loss sustained in the current year. By helping save its garment industry, Canada will have helped Bangladesh, in yet another way, alleviate the suffering of its people. May I therefore request you to kindly agree to carry over the entire unutilised quantities of Bangladesh's quota in six categories to 1989 without affecting next year's quota. The concession would be deemed a new dimension in the multi-dimensional support Canada has been extending to Bangladesh since its inception.

Yours sincerely,


(A.N.M. Nuruzzaman)

Mr. Pierre Gosselin
Director General
Special Trade Relations Bureau
Department of External Affairs
Government of Canada
OTTAWA