

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1673^{*}

30 August 1990

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 8:3

Bilateral agreement between Canada and South Africa

Note by the Chairman

Attached is a notification received from Canada of a bilateral agreement concluded with the South Africa for the period 1 January 1989 to 31 December 1991. This agreement¹ replaces unilateral restraints which were imposed effective 1 January 1988.¹

¹The communication on the unilateral measures is contained in COM.TEX/SB/1368.

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



1, rue du Pré-de-la-Bichette
1202 Geneva

August 28, 1990

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:

Pursuant to Article 8:3 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 a restraint arrangement embodied in an exchange of letters between the Government of Canada and the Government of the Republic of South Africa, regarding certain textiles and textile products for import into Canada (see attached). This bilateral textile arrangement becomes effective January 1, 1989 and is in effect until December 31, 1991. This replaces a unilateral restraint which was imposed effective January 1, 1988, and communicated to you in our notification dated December 30, 1987.

The arrangement covers textiles and clothing products which fall within the scope of the MFA and takes into account Canada's equity commitments under the MFA and under several bilateral arrangements pursuant to the MFA, as well as the position of the Republic of South Africa as an established supplier to that market.

The bilateral restraint arrangement covers the categories included in the previous unilateral action, i.e. trousers, blouses, tailored-collar shirts, other apparel, and worsted fabric. Under the unilateral restraint, primary consideration was given to restraint levels already in place for textile suppliers to the Canadian market. Under the current bilateral arrangement, the restraint levels have been modified to also take into account the average level of South African exports to Canada during the three years prior to the imposition of the unilateral restraint.

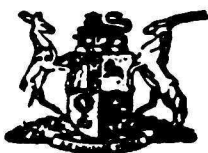
The arrangement provides for annual growth of six percent for apparel categories and three percent for worsted fabric. The arrangement also provides for flexibility in that any under-utilization of the sub-limits in the categories for trousers, blouses, and tailored-collar shirts may be transferred to the category for other apparel (ie. category d).

The Government of Canada believes this agreement 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 program on clothing and textiles.

Yours sincerely,

John Gero
Counsellor

c.c. Mr. E. Els
Permanent Mission of South Africa
Geneva



TEL. 38 78 03

M1/10/1G/2

SUID-AFRIKAANSE PERMANENTE MISSIE
SOUTH AFRICAN PERMANENT MISSION

65, RUE DU RHÔNE
1204 GENEVE

26 June 1989

Mr. R.G. Wright
Minister (Economic)
Deputy Permanent Representative
Permanent Mission of Canada
1, chemin du Pré-de-la-Bichette
1202 GENEVA

Dear Mr. Wright,

I wish to acknowledge receipt of your letter dated 21 June 1989 and to confirm on behalf of the Government of the Republic of South Africa that the arrangements which the Government of Canada has proposed to govern the importation into Canada of apparel and worsted fabrics originating in South Africa during the period 1 January 1989 to 31 December 1991, are acceptable to South Africa.

This intergovernmental arrangement having now been established, South Africa regards its invocation of the dispute settlement provisions of Article XXII of GATT on this particular matter, as terminated.

Yours faithfully,

MINISTER (ECONOMIC)
ALTERNATE PERMANENT REPRESENTATIVE TO GATT

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
aupres des Nations Unies

1, rue du Pré-de-la-Bichette
1202 Geneva

June 21, 1989

Mr. Abraham J.W. Roodt
Minister (Economic)
Alternate Permanent Representative to GATT
Permanent Mission of the Republic of South Africa
Rue de Rhône, 65
1204 Geneva

Dear Mr. Roodt:

I am writing with reference to the Article XXII consultations, held in Geneva on December 15, 1988, concerning the importation of South African apparel and worsted fabrics into Canada.

As discussed during these consultations, I hereby propose, on behalf of the Government of Canada, that the following arrangements apply to the importation of South African apparel and worsted fabrics into Canada.

1. Coverage

For the purposes of classifying apparel and worsted fabrics in the appropriate category, the definitions and notes set out in the attached Annex will apply.

2. Duration

The restraints apply for three separate calendar year periods commencing on 01 January 1989 and ending on 31 December 1991.

3. Restraint Levels

A. An annual quota of 1,100,000 units will be established for all apparel categories with the following sub-limits.

- (a) trousers, shorts, overalls, 230,020 Units
coveralls
- (b) blouses, shirts other, 103,880 Units
T-shirts, sweatshirts
- (c) tailored collar shirts 393,260 Units
- (d) other apparel 372,840 Units

B. An annual quota of 80,000 kg be established for worsted fabrics.

4. Growth and Flexibility Provisions

Apparel

- a) The apparel aggregate level and the sub-limits for categories (a), (b), (c) and (d) will be subjected to annual increases of 6%, starting in 1990.
- b) Any under-utilization of quantities allocated to categories (a), (b) and (c) may be transferred to category (d), while observing the apparel aggregate level.

Worsted Fabrics

The annual level will be subjected to an annual growth rate factor of 3%, starting in 1990.

5. Administration

These arrangements will be implemented on the basis of our import control system operated by the Special Trade Relations Bureau (STRB) of the Department of External Affairs.

The date of entry into Canada will be used to determine within which restraint period any product under restraint will be counted.

Quotas will be allocated to individual importers on a pro-rated basis reflecting their historical performance in importation from South Africa in the

period January 1, 1986 through October 31, 1987.

I would be grateful to receive confirmation by letter that the arrangements proposed above are satisfactory to the Government of South Africa. This letter, together with your letter of confirmation in reply, will constitute an intergovernmental arrangement between the Government of South Africa and the Government of Canada, to enter into effect retroactively from January 1, 1989.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'R. G. Wright', with a stylized flourish at the end.

R.G. Wright
Minister (Economic)

Annex I
Definitions and Description of Terms

General Notes

1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men (M), boys (B), women (W), girls (G), children and infants (C&I). Children's and infants' garments include all garments sized 0 - 6X.
2. Unless otherwise indicated, swing is permitted from adult garments to childrens' and infants' garments at a 3 to 5 ratio.
3. All descriptions include partially manufactured products. Partially manufactured garments include cut-to-shape fabric pieces for garments on which there has been any processing beyond cutting to shape and knit-to-shape pieces for garments, whether or not there has been any processing beyond the knitting to shape.
4. Garments of indeterminate gender including unisex garments, are to be counted as of male gender.

Description of Product Categories

Clothing.

1 Winter Outerwear Garments

Winter Outerwear Garments (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski-pants, and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre fillings, etc. but not plain acetate or viscose lining. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee, garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).

Note: A unit comprises garments which have been designed to be sold as a set, e.g. matching or coordinated ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.

2. Trousers, Shorts, Overalls and Coveralls

Trousers, pants, slacks and jeans being garments which do not extend above the waist but extend to the knee or below. Included are jodhpurs, knickers, footless tights, gauchos.

Note: Men's and boys' garments in this item manufactured of fabric containing five per cent or more by weight of wool or hair are considered to be woollen garments.

Overalls and Coveralls. Overalls and coveralls are one-piece garments, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included.

Outershorts. Shorts are garments similar to pants but not extending to the knees.

3. Shirts, Tailored Collar

Shirts with tailored collars, men's and boys': knitted or woven, being garments covering the upper part of the body normally worn next to the skin or directly over underwear and with a full or partial front opening which may include a zipper and may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.

Note: Included are children's sizes 4 - 6X.

Note: A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends. The following may be used when needed, in the construction: stays, lining, stiffening by any means.

4. Shirts, Blouses, T-Shirts, Sweatshirts

Blouses and shirts, women's and girls', children's and infants', knitted or woven, being garments which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweatshirts and sweaters.

Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see also the description for Shirts, Tailored Collar, above.

T-Shirts. T-shirts are knitted garments which may have collarless front openings or no front openings covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.

Sweatshirts, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirts and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

5. Sweaters, Pullovers and Cardigans

Sweaters, pullovers, cardigans, (including knitted ponchos), 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.

6. Sleepwear and Bathrobes

Pyjamas and sleepwear, being garments normally worn for sleeping.

Bathrobes, dressing gowns and housecoats, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

7. Dresses and Skirts, Suits, Coordinates and Outerwear Sets

Dresses, women's and girls', children's and infants'. Dresses are one-piece garments extending above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants'. Shirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes (divided skirts).

Suits and coordinates are garments comprising two or three matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Excluded are pieces which are Fine Suits, Winter Outerwear, Underwear, Sleepwear, Swimwear, Foundation Garments, Rainwear, Shirts Tailor-Collar.

Coordinates or matching sets and blazers, men's and boys', children's and infants' and not covered by the definitions in item 12 of this Annex.

Suits, coordinates, or matching sets, and blazers, women's and girls', children's and infants'.

Miscellaneous Garments. Children's and infants' garments not meeting any of the descriptions relating to children's and infants' wear contained elsewhere in this Annex, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.

Athletic Sets or Suits. Suits normally worn for participation in athletic activities and not covered by any other definition in this Annex including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross-country ski suits (subject of the description in Item 1).

Leisurewear, Coordinates or Sets. Not defined by any other definitions in this Annex. These may include shortsets, beachwear sets and cabana sets.

8. Underwear

Underwear. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

9. Swimwear

Swimwear, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or coordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this Annex as individual garments. Coordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and coordinates.

10. Foundation garments

Foundation garments. Included are: Brassieres, girdles, corselettes and panty girdles.

11. Coats, Jackets and Rainwear

Jackets. Jackets are outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this Annex.

Overcoats and Topcoats. Outerwear garments extending to the knee or below, excluding rainwear.

Professional and Shop Coats. Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.

Rainwear. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

12. Fine Suits

Fine Suits, Sportscoats and Blazers, men's and boys'.

Note: The suit jacket, sportscoat or blazer may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.

Note: A unit is either a jacket, sportscoat or a suit. A suit is a two-or-three piece garment consisting of matching or coordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.

TEXTILES

13. Worsted Fabrics are woven fabrics having 17 per cent or more by weight or wool in which at least the warp is made from worsted spun yarn.