

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/2004/Add.1*

5 April 1993

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Modification of the agreement between Canada and Brazil

Addendum

Note by the Chairman

The attached notification from Canada contains the agreed record of discussions related to the introduction of restraints on T-shirts in its agreement with Brazil. This record replaces the "Notice to Importers" on this restraint as included in TEX.SB/2004.

*English only/Anglais seulement/Inglés solamente

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

29 March, 1993

37-10-3-3-LATAM

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Ambassador Marcelo Raffaelli
Chairman
Textiles Surveillance Body
General Agreement on Tariffs and Trade
Centre William Rappard
154 rue de Lausanne
1211 Genève
SUISSE


File X

Dear Ambassador Raffaelli:

Further to my letter of 24 ¹²⁴⁶ March 1993 relative to the extension and modification of the Canada/Brazil Memorandum of Understanding (MOU) covering trade in certain textile products, I am pleased to enclose the text of the "Agreed Record of Discussions", done at Brasilia, 22 January 1993, via which a restraint level on T-shirts has been added to the coverage of the MOU. This officially agreed document can replace the Canadian Government's "Notice to Importers" via which details of this arrangement were transmitted as an appendix to my letter under reference.

As mentioned in my earlier letter, the negotiated bilateral agreement to add the T-shirt restraint to the MOU followed on Canada's MFA Article 3 request for consultations, made in early November 1992. The Canadian request was based on evidence of market disruption, reflected in, inter alia : (a) a sharp and substantial increase in imports of low-priced T-shirts from Brazil (reaching 3.1 million units for the first 9 months of 1992, up by 21 % over the preceding year); (b) a significant decline in domestic industry shipments through both 1991 and 1992 (down by over 25 %, overall); (c) a drop in market share held by Canadian manufacturers to 28 %, from 33 % in 1991 and 42 % five years ago; and (d) plant closures, institution of work-sharing arrangements and a 1/3 decline in employment over the past four years.

Yours sincerely,


John F. Donaghy,
Counsellor

Canada-Brazil Textile and Clothing Negotiations

Agreed Record of Discussions

1. Delegations representing the Government of Canada and the Government of the Federative Republic of Brazil met on January 21-22, 1993 in Brasilia to discuss the export of T-shirts from Brazil to Canada in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA).
2. During these discussions it was agreed that, pursuant to Article 4 of the MFA, Brazilian authorities will, effective January 1, 1993, restrain exports of T-shirts (category 8.2) from Brazil to Canada through the issuance of Export Licences issued by the appropriate Brazilian authority. In this context, it was agreed that Annex I, Annex II and the Preamble of 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 certain textiles and textile products for import into Canada ("the MOU"), shall be amended to include T-shirts in accordance with Appendices I, II and III to this Agreed Record.

For the Government of
Canada

Tom Mac Dault

Brasilia
January 22, 1993

For the Government of the
Federative Republic of Brazil

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APPENDIX 1

ANNEX 1 - RESTRAINT LEVELS

BRAZIL

GROUP 1

(A) Agreement Item No.	(B) Product Coverage		(C) 1993 Restraint Level(NMB)	(D) Growth	(E) Swing	(F) Carry-over/ Carry Forward	(G) Combined Flexibility (E) & (F)	(H) Conversion Factor
	Category	Short Description						
8a	8.1	T-shirts	4,450,000	6%	n/a	11%(6%)	n/a	n/a

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APPENDIX II

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ANNEX II- PREAMBLE

BRAZIL

1. Unless otherwise indicated, gender means garments for men (M), boys (B) (sizes 8 to 18), women (W), girls (G) (sizes 7 to 16), children (C) (sizes 2 to 6X) and babies, of a body height not exceeding 86 cm (sizes 0 to 24 months).
2. Unless otherwise indicated, swing is permitted from adult garments to children's at a 3 to 5 ratio.
3. A partially manufactured textile article shall be taken to include an article unfinished or incomplete (including cut or shaped fabric for making such articles), provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include the article presented unassembled or disassembled.
4. Garments of indeterminate gender, including unisex garments, are to be counted as of female gender.
5. Unless otherwise indicated, products covered by restraints under this arrangement in Group I and in Group II are those which predominate by weight of wool, cotton, or man-made fibres.

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ANNEX II- APPAREL CATEGORIES

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BRAZIL

GROUP I

Short Description	Category	Sub Category	Long Description	Units
T-shirts		22	T-shirts (other than of the underwear type)- MBWGC 1/c.	NMB

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