

# GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/2008\*

5 April 1993

## TARIFFS AND TRADE

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### Textiles Surveillance Body

#### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

##### Notification under Articles 7 and 8

##### Bilateral agreement between Canada and South Africa

##### Note by the Chairman

Attached is a notification received from Canada of an agreement concluded with South Africa for the period 1 January 1993 to 31 December 1993.<sup>1</sup>

This notification has been made pursuant to a request made by the Textiles Committee that agreements concluded with non-participants be notified.

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<sup>1</sup>The previous agreement and extension are contained in COM.TEX/SB/1571 and 1766.

\*English only/Anglais seulement/Inglés solamente



25 March, 1993

37-10-3-3-OTHERS

TSB

x

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

AA X

Dear Ambassador Raffaelli:

Pursuant to Articles 7 & 8 of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva, 20 December 1973, and to its 1986, 1991 and 1992 Protocols of Extension and Maintenance in Force, I have the honour to provide you with documentation relative to a new bilateral Memorandum of Understanding (MOU) between the Governments of Canada and South Africa covering the export of certain textile products from South Africa to Canada. The text of the new MOU is attached.

The term of validity of restraints pursuant to this MOU runs through the end of this year and the textile and clothing products involved (trousers, tailored collar shirts, other shirts and blouses, other wearing apparel and combed wool fabric) are unchanged from those of a predecessor agreement which was valid for the period from January 1, 1989, through December 31, 1992. All of these products subject to restraints fall within the scope of the MFA. The new MOU transfers administration of the restraints into the hands of the South African Authorities and replaces the previous product definitions with ones using the new HS based categorization system which is now a characteristic of all of Canada's bilateral textile and clothing agreements. The new MOU also sees the introduction of flexibility provisions, including swing, carry-over and carry forward, and reconfirms pre-existing growth rates (ie. 6 % for the apparel items and 3 % for the wool fabrics).

Yours sincerely,

John F. Donaghy,  
Counsellor

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GOVERNMENT OF CANADA  
AND  
THE GOVERNMENT OF SOUTH AFRICA  
RELATING TO THE EXPORT  
FROM SOUTH AFRICA OF  
CERTAIN TEXTILES AND TEXTILE PRODUCTS  
FOR IMPORT INTO CANADA

Memorandum of Understanding between the Government of Canada and the Government of the Republic of South Africa relating to the export from South Africa of certain textiles and textile products for import into Canada.

#### Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and South Africa regarding the export of certain textiles and textile products from South Africa for import into Canada.

#### Coverage

2. For the purpose of classifying textiles and textile products in the appropriate category, the definitions and notes set out in Annex II will apply.

#### Duration

3. These restraints will apply for the period commencing on 1 January 1993 and ending on 31 December 1993.

#### Restraint Levels

4. Except as provided for in paragraphs 11 to 17 below (Swing and Carry-over/Carry-forward), the Government of South Africa will restrain its exports to Canada of the textiles and textile products described in Annex II for the calendar year commencing January 1, 1993 to the limits specified in column (C) of Annex I.

#### Administration

5. These arrangements will be implemented on the basis of the export control system operated by the Government of South Africa. Exports of the textiles and textile products described

in Annex II and subject to a specific quantitative limit in Annex I will be covered by an original copy of an "Export Permit" (Form H91) as per specimen in Annex III endorsed and issued by the Department Trade and Industry of South Africa to the effect that the imports covered by the export permit have been debited to the applicable quantitative limit as set out in Annex I.

6. For the purpose of implementing these arrangements, the date of export from South Africa will be used to determine the restraint period in which any textile or textile products will be counted.

7. The Government of South Africa will endeavour to ensure that exports to Canada of all textiles and textile products which are listed in Annex II and subject to restraint levels as per Annex I are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.

8. Export permits issued by the Government of South Africa in respect of textile and textile products subject to restraint levels as specified in Annex I of this Arrangement will contain the following information:

1. Country of destination;
2. Country of origin;
3. Licence number;
4. Importer's name and address;
5. Exporter's name and address;

6. Item number and description of product as set out in Annex I of the MOU;
7. Quantity expressed in the units as designated in Annex I of the MOU. If more than one set of measure is established, all should be indicated; where the quantity is expressed other than as designated in the MOU, the equivalent weight, units or m<sup>2</sup> should be calculated in accordance with the conversion factors set out in column (H) of Annex I;
8. F.O.B. or C.I.F. value except for non-commercial consignments;
9. Certification by the Department of Trade and Industry that quantity has been debited against the agreed restraint limit for exports to Canada.

9. In the event any quantity covered by an export permit is not shipped, the Government of South Africa will notify the Government of Canada of such quantity which may be credited by the Government of South Africa to the appropriate restraint limit.

10. If, on the basis of export data provided by the Government of South Africa, it is determined that there is a sharp and substantial increase in the concentration of exports, other than a concentration attributable to normal seasonal factors, of particular products in any category subject to

quantitative limits, the Government of South Africa will enter into consultations, on request, in accordance with the provisions of paragraph 24 below with a view to remedying this situation.

Swing

11. Subject to the specific limitations set out in Annex I, and following notification to the appropriate Canadian officials, the Government of South Africa may exceed any quantitative limit specified in Annex I up to the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level. When any restraint limit is exceeded by the application of swing, the Government of South Africa will so indicate in subsequent monthly statistical returns.

12. For the purpose of implementing the swing provisions in paragraph 11, the conversion factors shown in column (H) of Annex I will apply.

Carry-Over/Carry-Forward

13. Portions of any restraint limit which remain unused from the restraint period commencing 1 January 1992 (as covered by the preceding bilateral arrangement) may be carried over and added to the appropriate period commencing 1 January 1993. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I of the MOU.

14. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during the restraint period may be carried over and added to the corresponding quantitative limit

for the following restraint period. The restraint limit for any such restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

15. Any restraint limit may be increased within the lower percentage limit set out in column (F) of Annex I by a quantity advanced from the corresponding restraint limit for the following restraint period. The restraint limit for any such following restraint period will be reduced by a quantity equal to the quantity so advanced.

16. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

17. Further to paragraphs 11, 12 and 16 above, where applicable, the restraint limits in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.

#### Exchange of Statistics

18. Both Governments will exchange such statistical data relating to exports of textiles and textile products not subject to these arrangements as may reasonably be required.

19. The Government of South Africa will provide the Government of Canada with monthly statistics relating to exports of the textiles and textile products described in Annex II, licensed for export to Canada and debited to the quantitative limits for each restraint period as per Annex I. The Government



of South Africa will also provide, if requested, information on its exports of textiles and textile products not covered herein.

20. In providing the monthly statistics mentioned in paragraph 19, the Government of South Africa undertakes to include the following information:

- a. Item and description of goods as set out in Annex I;
- b. The restraint limit for the restraint period;
- c. Total quantity issued for the restraint period to date in the units designated in Annex I;
- d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 11 to 17 above.

This information should be provided as soon as possible following the end of each month.

21. The Government of Canada will provide the Government of South Africa with monthly statistics relating to import permits issued for imports originating in South Africa of the textiles and textile products listed in Annex I. In addition, the Government of Canada will provide the Government of South Africa with monthly statistics of total imports and imports from other significant suppliers in respect of textiles and textile products itemised as in Annex I.

22. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

Re-Exports

23. The Government of Canada will, so far as possible, inform the Government of South Africa when imports into Canada of textiles and textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of South Africa to quantitative limits, the Government of South Africa may then credit the quantity involved to the appropriate quantitative limits.

Consultations

24. The Government of South Africa expresses its willingness to consult, on request, on any matter arising from the implementation or operation of this Memorandum of Understanding or on any matter germane thereto. In particular, and consistent with the orderly development of trade, the Government of South Africa will consult when Canadian officials anticipate that, during any particular restraint period, difficulties may arise in Canada from a sharp and substantial increase by comparison to the preceding restraint period, in imports of a given category subject to the quantitative limits set out in Annex 1.

Annexes

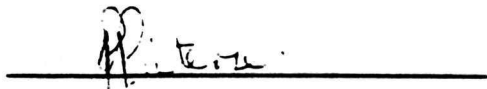
25. The Annexes and Notes to this Memorandum of Understanding will be considered as an integral part thereof.

Transitional Arrangements

26. The Government of South Africa expresses its willingness to consult, on request, regarding any difficulties that may arise as a consequence of the transition from the 1987 to 1991 restraint period as covered by the preceding Memorandum of Understanding to the 1993 restraint period covered by this Memorandum of Understanding.



For the Government of Canada



For the Government of the  
Republic of South Africa

Ottawa, Canada  
January 20, 1993

# ANNEX I - RESTRAINT LEVELS

## SOUTH AFRICA

### GROUP I

(A) Agreement Item No.	(B) Product Coverage		(C) 1993 Restraint Level(NMB)	(D) Growth	(E) Swing	(F) Carry-over/ Carry Forward	(G) Combined Flexability (E) & (F)	(H) Conversion Factor (m2/unit)
	Category	Short Description						
A	(1.0-14.0, 16.0, 17.0)*	All clothing (NMB)	1,388,725	6%				
5	5.0*	Trousers, overalls & shorts	290,395	6%	5%	8%(5%)	8%	1.9
6	6.0*	Tailored collar shirts, MBC	496,482	6%	2%	6%(3%)	6%	2.1
7/8a	7.0*	Woven shirts, blouses & similar articles;	131,146	6%	5%	8%(5%)	8%	1.7
	8.1*	k/c shirts, blouses & similar articles;						
	8.2*	T-shirts;						
	8.3*	Sweatshirts						
B	(1.0-4.0, 8.4, 9.0-14.0, 16.0, 17.0)*	All other apparel	470,702	6%	5%	8%(5%)	8%	1.9

\* Includes all textile fibres.

Note: Any under-utilization of quantities allocated to items 5, 6 and 7/8a may be transferred to item B, while observing the apparel aggregate A level.

**ANNEX I - RESTRAINT LEVELS**

**SOUTH AFRICA**

**GROUP II**

(A) Agreement Item No.	(B) Product Coverage		(C) 1993 Restraint Level(KGM)	(D) Growth	(E) Swing	(F) Carry-over/ Carry Forward	(G) Combined Flexability (E) & (F)	(H) Conversion Factor (m2/unit)
	Category	Short Description						
31a	31.1	Combed wool fabric	90,041	3 %		8%(5%)	8%	N/F