

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/2014*

14 June 1993

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and modification of the bilateral agreement between Canada and Bangladesh

Note by the Chairman

Attached is a notification received from Canada of an extension and modification of its agreement with Bangladesh for the period 1 January 1993 to 31 December 1994.

The bilateral agreement, amendments and a previous extension are contained in COM.TEX/SB/1381, 1442, 1504 and 1754.

* English only/Anglais seulement/Inglés solamente

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The Permanent Mission of Canada
to the United Nations



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La Mission Permanente du Canada
auprès des Nations Unies

07Jun93

37-10-3-3-S.ASIA

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

Dear Ambassador Raffaelli:

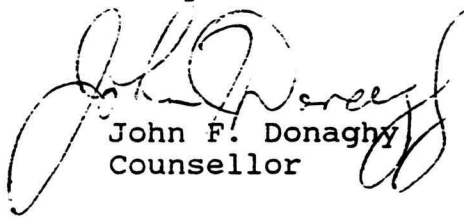
Pursuant to Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva, December 20, 1973, and to its 1986, 1991 and 1992 Protocols of Extension and Maintenance in Force, I have the honour to provide documentation relative to the extension and modification of the Memorandum of Understanding (MOU) between the Governments of Canada and the People's Republic of Bangladesh concerning the export of certain textile products from Bangladesh to Canada. The relevant exchanges of diplomatic notes and an Agreed Record of Discussions are attached.

The term of validity of the MOU has, via these instruments, been extended through year-end 1994 and the restraint categories for the MOU have been modified to the new HS based categorization system which is now characteristic of all of Canada's bilateral textiles and clothing restraint agreements and about which the TSB had a discussion at its most recent meeting.

In addition, there was agreement to add a new category (# 8.2, T-shirts) to the coverage of the MOU - following on Canada's MFA Article 3 request for consultations made in early November 1992 - with a 1993 annual restraint level of 5,900,000 units (pro-rated to 5,408,333 units for the period February 1 through December 31, 1993) and growth and flexibility provisions as follows: (i) growth = 7.5 %; (ii) swing = 7 %; (iii) carry-over/carry forward = 10 % (5 %); and (iv) combined flexibility = 13 %. Canada's request was based on evidence of market disruption, reflected in, inter alia : (a) a sharp and substantial increase in imports of T-shirts from Bangladesh (reaching 3.8 million pieces for the first 9 months of 1992, up by 146 % from the level for the same period of 1991); (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

বাণিজ্য মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
ঢাকা



MINISTRY OF COMMERCE
GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF BANGLADESH
DHAKA

O.O No. COM/TEX/RO-2/92(Part)/ 86

NOTE VERBALE

The Ministry of Commerce, Government of the People's Republic of Bangladesh presents its compliments to the Canadian High Commission and has the honour to refer to the Bi-lateral Textile Agreement between Bangladesh and Canada, the Agreed Record of Discussions held on January 23-25, 1993 in Dhaka between delegations of the two governments and to the Canadian High Commission's Note No. 016 dated 31.1.1993.

2. The Ministry of Commerce wishes to inform the Canadian High Commission that the terms and conditions stipulated in the above-mentioned Agreed Record of Discussions signed on January 25, 1993 are acceptable to the Government of the People Republic of Bangladesh.

3. The Ministry of Commerce avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Dated, Dhaka the 16th March '93

The Canadian High Commission
in Bangladesh,
Dhaka.



TEXT OF DIPLOMATIC NOTECANADIAN HIGH COMMISSION, DHAKA31 JANUARY 1993

"...and has the honour to refer to the Agreed Record of Discussions signed by representatives of Canada and Bangladesh in Dhaka on January 25, 1993 concerning the restraint on exports of T-shirts from Bangladesh to Canada and the extension until December 31, 1994 of the Memorandum of Understanding relating to the export from the People's Republic of Bangladesh of certain textile products for import into Canada.

The Canadian High Commission has the honour to convey acceptance by the Canadian authorities of the Agreed Record of Discussions....".

CANADA-BANGLADESH CONSULTATIONS
AGREED RECORD OF DISCUSSIONS

Delegations representing the Government of Canada and the Government of the People's Republic of Bangladesh met on January 23-25, 1993 in Dhaka to discuss the export of T-shirts from Bangladesh to Canada, in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA).

During these discussions, it was agreed that Bangladesh authorities will restrain, effective February 1, 1993, exports of T-shirts from Bangladesh to Canada at an annual restraint level of 5,900,000 units. It was agreed that during the period February 1, 1993, to December 31, 1993, exports of T-shirts will be restrained at the level of 5,408,333 units. T-shirts, which shall be specified as Agreement number 8c for purpose of identification, are defined in the attached Appendix A.

The provision for swing shall be 7%, growth of 7.5%, carry-over/carry-forward of 10%/5%, combined flexibility of 13% with a conversion factor of 1.7 square meter per unit.

It was also agreed that the Memorandum of Understanding between the Government of Canada and the Government of the People's Republic of Bangladesh relating to the export from Bangladesh of certain textile products for import into Canada (MOU) would be extended to December 31, 1994. This extension would apply to all terms and conditions of the MOU, including growth rates and flexibility provisions; it will be without prejudice to any changes which may be required to be implemented as a result of the successful conclusion of the Uruguay Round.

This Agreed record of Discussion and Appendix A will be considered as Annex V to the MOU. This will extend the product coverage of the Agreement as defined in paragraph 4 and the provisions of the Agreement will therefore be read elsewhere as including T-shirts.

The two delegations noted that their signature of this Agreed Record was on an ad referendum basis subject to the approval of their respective authorities and to confirmation by means of diplomatic notes indicating acceptance.



For the Government of
Canada



For the Government of the
People's Republic of Bangladesh

Dhaka, January 25, 1993.

APPENDIX A

Short Description	Category	Long Description	Units
T-shirts	8.2	T-shirts (other than of the underwear type)-MBWGC, k/c	NMB

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ANNEX I - 1993 RESTRAINT LEVELS

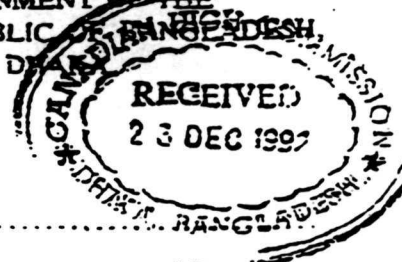
BANGLADESH

GROUP I

A) Agreement Item No.	B) Product Coverage		C) 1993 Restraint Level (NMB)	D) Grown	E) Swing	F) Carry-over/ Carry Forward	G) Combined Flexibility E) & (F)	H) Conversion Factor m2/unit
1a	1.2	Jackets	887.213	7%	7%	10%(5%)	13%	2.9
2	2.0	Winter outerwear	212.731	6%	7%	10%(5%)	13%	3.5
3/4a (Note 1)	3.2	Ensembles, MBC:	1,026.128	6%	7%	10%(5%)	13%	3.4
	4.1	Suits & ensembles, WGC:						
	4.2	Jackets & blazers, WGC						
3/4b	-	- of which:	929.682	6%	7%	10%(5%)	13%	3.4
	3.2	Ensembles, MB:						
	4.1	Suits & ensembles, WG:						
	4.2	Jackets & blazers, WG						
5	5.0	Trousers, overalls & shorts	1,718.733	7.5%	7%	10%(5%)	13%	1.9
5a	-	- of which:	390.565	7.5%	7%	10%(5%)	13%	1.9
	5.1	Trousers, MB:						
	5.2	Trousers, WG						
6	6.0	Tailored collar shirts, MB	1,605.782	7%	7%	10%(5%)	13%	1.8
7/8a	7.0	Woven shirts, blouses & similar articles:	1,825.201	7%	7%	10%(5%)	13%	1.7
	8.1	(k/c) Shirts, blouses & similar articles:						
	8.4	Athletic wear						
7/8b	-	- of which:	333.938	7%	7%	10%(5%)	13%	1.7
	8.4	Athletic wear						
14*	14.0	Babies' garments	180.564	4%	7%	10%(5%)	13%	0.7

* Excluding categories 14.4 to 14.8

Note 1: Shipments of children's garments, sizes 2 to 6x, to be identified as item 3/4c.



No. Com/Tex/RO/2/92/506

Note Verbale

The Ministry of Commerce presents its compliments to the Canadian High Commission and has the honour to refer to the Memorandum of Understanding between the Government of the People's Republic of Bangladesh and the Government of Canada relating to the export of certain textile products from Bangladesh to Canada and also to the High Commission Note No. 234 dated November 22, 1992.

2. The Ministry of Commerce has the privilege of informing the High Commission of Canada in Bangladesh that the Ministry of Commerce is agreeable to proposed extension of MOU until 31 December, 1993 on a rollover basis.

3. The Ministry of Commerce also agrees to the proposal of Canadian Authorities for conversion of the structure of restraints of imports of textile products into Canada from Bangladesh to one based on the Harmonised System, replace Annexure-1 and II of the MOU, effective January 1, 1993.

4. The Ministry of Commerce, Government of the People's Republic of Bangladesh avails itself of the opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Dated, Dhaka the 22th December, 1992.

The Canadian High Commission
in Bangladesh,
Dhaka.

CIA 1		
CIA 2		
CIA 3		
CIA 4		

[Handwritten signature]

Canadian High Commission



Haut Commissariat du Canada

NOTE NO. 229

Canada

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs of the People's Republic of Bangladesh and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of Bangladesh relating to the export from Bangladesh of certain textile products for import into Canada (MOU).

In light of the continued delay in the completion of the Uruguay Round of Multilateral Trade Negotiations, it is clear that the MTN results on textiles and clothing will not be implemented on January 1, 1993, as was expected last year when the MOU was extended until December 31, 1992. To date, the Textiles Committee of the GATT has not taken a decision on the extension of the arrangement regarding International Trade in Textiles (MTA) beyond its expiry date of 31 December, 1992; it is likely that a decision in this respect will not be made until much later in 1992.

The Canadian authorities therefore propose that the MOU be extended until 31 December, 1993, or if Bangladesh authorities are agreeable, to 31 December, 1994. This extension would apply to all terms and conditions of the MOU, including growth rates and

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flexibility provisions; it would also be without prejudice to any changes that may be required to be implemented as a result of a successful conclusion of the Uruguay Round. Therefore, in the event that the meeting results are implemented in 1994, the second year of this extension would be superseded by the restraint structure contained in the MTN agreement.

In the event that the Bangladesh authorities are in agreement with this proposal, the Canadian authorities would propose that this Note along with the reply from the Bangladesh authorities constitute an agreement extending the MOU until the date on which we mutually agree.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the People's Republic of Bangladesh the assurance of its highest consideration.



DHAKA, NOVEMBER 17, 1992