CONFIDENTIAL TEX.SB/2037* 29 November 1993

GENERAL AGREEMENT

ON TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:6

Interim action taken by Canada with respect to certain imports from Costa Rica

Note by the Chairman

Attached is a notification received under Article 3:6 from Canada of a temporary restraint introduced by it with respect to imports of underwear from Costa Rica for the period 2 September to 31 December 1993. The restraint has been introduced for the consultation period provided under Article 3:5.

^{*}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

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

37-10-3-3-LATAM 16 NOV. 1993

November 11, 1993

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

Dear Ambassador Raffaelli,

Pursuant to Article 3 of the Arrangement Regarding International Trade in Textiles (MFA) and further to my letter of September 30, 1993 concerning exports of underwear form Costa Rica to Canada, I am pleased to enclose copies of diplomatic notes that were delivered on September 14 and November 5, 1993 to the Government of Costa Rica through the Canadian Embassy in San Jose.

In their notes the Canadian authorities indicated that they were implementing temporary restraints on imports of underwear from Costa Rica for import into Canada. These restraints are being imposed pursuant to Article 3:6 of the MFA in order to prevent the occurrence of damage difficult to repair due to the continued disruption in the Canadian market being caused by imports of underwear from Costa Rica. The Canadian authorities also note that this action is being taken only for the duration of the consultation period provided in Article 3:5, which expires on 31 December, 1993.

In light of the inability of the authorities of Costa Rica to meet on November 11 and 12 as originally proposed, the Canadian authorities have suggested that consultations be held on December 16 and 17 in San Jose.

Yours sincerely,

Jean Saint-Jacques

Counsellor

DIPLOMATIC NOTE FROM THE CANADIAN EMBASSY, SAN JOSE

"Canadian authorities wish to refer to the discussions held in Ottawa on August 24-25, 1993, pursuant to Article 3 of the multi-fibre arrangement (MFA).

As a mutually satisfactory solution was not reached during the above-noted discussion and owing to the continuing market disruption caused by imports of this product, Canadian authorities, as per Article 3:6 of the MFA, are imposing a temporary restraint on imports of underwear from Costa Rica to a level of 530,000 units for the period to September 2, 1993 to December 31, 1993. Quota shares will be allocated by Canadian authorities to Canadian importers accordingly. Allocations will reflect importers' historical performance in importing clothing from Costa Rica during the period of January 1, 1992 to August 31, 1993. Imports will be debited from quota shares on the basis of the date of entry into Canada. Ten percent of the quota will be made available on a first-come first-served basis to importers without historical performance, or to importers having fully utilized their quota shares.

Canadian authorities wish to emphasize their willingness to enter into further consults and in this regard, would like to propose meeting in San Jose in November at mutually convenient dates to be determined."

DIPLOMATIC NOTE FROM THE CANADIAN EMBASSY, SAN JOSE

"....wishes to refer to the discussions held in Ottawa on August 24-25, 1993, pursuant to the Canadian request under Article 3 of the arrangement regarding International Trade in Textiles (MFA), and to its Note No. 30 of September 16, 1993, in which it emphasized its readiness to enter into further consultations with a view to reaching a mutually satisfactory solution regarding exports of underwear from Costa Rica to Canada.

In its Note, the Canadian embassy indicated that pursuant to Article 3:6 of the MFA, it would be implementing a temporary restraint on imports of underwear from Costa Rica. This action was taken in order to prevent the occurrence of damage difficult to repair due to the continued disruption in the Canadian market being caused by imports of underwear from Costa Rica. The Canadian authorities wish to emphasize that this action is being taken only for the duration of the consultation period provided in Article 3:5 (1), which expires on 31 December, 1993.

The Canadian authorities are hopeful that a mutually satisfactory solution will be achieved before the expiry of the extended consultation period. Following Costa Rican authorities inability to meet in San Jose on November 11 and 12, as proposed verbally by Canadian authorities in Costa Rica, Canadian authorities would like to propose as alternative dates that consultations take place on December 16 and 17 in San Jose."

November 5, 1993