

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

CONFIDENTIAL
TEX.SB/2057*
12 April 1994

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:6

**Action taken by Canada with respect to
imports from Jamaica**

Note by the Chairman

Attached is a notification received from Canada of a two-month interim restraint under Article 3:6 on imports of underwear from Jamaica effective 16 March 1994.¹

¹For previous notifications regarding restraints on imports of underwear of Jamaican origin, see TEX.SB/2019 and Add.1, 2035, 2048 and 2050.

*English only/Anglais seulement/Inglés solamente

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

REG 30 MARS
For
Director General
March 25 1994
DDG 1
DDG 2

Ambassador Marcelo Raffaelli
Chairman
Textiles Surveillance Body,
General Agreement on Tariffs and Trade
Centre William Rappard

Dear Ambassador Raffaelli,

This is further to my letter of March 12 in which I informed you that the Canadian authorities were requesting that Jamaica agree to a 12-month extension of the restraint of underwear.

Unfortunately, no agreement was reached on extending this restraint. Under these circumstances, and in light of the disruption that continues to prevail in the Canadian market, of the strong potential for exports from Jamaica to exacerbate this situation and of Jamaica's ability to ship high volumes for quick delivery, the Canadian authorities have been left with no alternative but to impose a restraint on imports of underwear from Jamaica.

Attached please find copy of a Diplomatic Note that was delivered to the Jamaican authorities on March 15, 1993, in which the Canadian authorities advised that they were imposing a 2-month restraint on imports of underwear from Jamaica, pursuant to the provisions of Article 3:6 of the Arrangement Regarding International Trade in Textiles.

Yours sincerely,

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Jean Saint-Jacques
Counsellor



No. 0169

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs and Foreign Trade of Jamaica and wishes to refer to the arrangement regarding International Trade in Textiles (MFA). Pursuant to Article 3 of the MFA the Canadian authorities hereby request consultations with Jamaican authorities in respect of exports of underwear to Canada.

The Canadian High Commission wishes to advise the Jamaican authorities that disruption continues to prevail in the Canadian market and that there is strong potential for exports from Jamaica to exacerbate that disruption, threatening to impede the orderly development of trade between Canada and Jamaica.

Imports of underwear from Jamaica rose from 344,034 units in 1991 to 1,129,876 units in 1992. Imports continued to surge, more than doubling in 1993 to reach 2,379,715 units reflecting not only Jamaica's capability to export but also the generosity of the interim restraint imposed by Canada. It is difficult to extrapolate what would have been the level if no restraint had been introduced. Jamaica's exports to Canada of underwear exceed 19 of the 26 restraint levels that Canada has in place with other exporting countries.

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During the same period Canadian manufacturers of underwear have experienced a decline in Canadian shipments from 62 million in 1992 to 59 million in 1993, while the domestic shipments (i.e. taking away the exports) decreased from 60.7 million in 1992 to 57.5 million in 1993, a decline of 5.2%. As a result, the share of the Apparent Canadian Market for underwear supplied by Canadian manufacturers has declined from an high of 68% in 1990 to 56% in 1992 and to only 46.8% in 1993. Meanwhile the market share held by imports has increased from 32% in 1990 to 44% in 1992 and in a very strong 53.2% in 1993. Jamaica has itself increased its share of total imports from 2.4% in 1992 to 3.6% in 1993.

Employment in the Canadian underwear industry has continued to decline in 1993. At the end of 1992, the level of employment in the sector stood at 3,053. By December, 1993 employment had declined by 5.8% to 2,875.

The low prices at which underwear from Jamaica is offered in the Canadian market also contribute to the market disruption being caused. The average FOB price of underwear sourced in Jamaica in 1993 was .80 dollar Canadian, compared with an average price of underwear imported from all countries of 1.45 dollars Canadian. An average warehouse price for domestically produced underwear is 2.80 dollars Canadian per unit.

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The attached annexes provide further details regarding imports of underwear from Jamaica, in particular for the 12 month period ending in December 1993, which is the reference period referred to in Annex B of the MFA. Also included is data on total imports of underwear from all sources and the prices of such imports, and the apparent Canadian market for underwear for the period 1990 to 1993.

In light of the very real potential for disruptive impact on the market given Jamaica's capacity to ship high volumes, as seen in monthly levels of up to 710,100 units in the early months of 1993, as well as its ability for quick delivery, we will be imposing as per article 3.6 of the MFA an interim restraint on the importation of underwear that originates in Jamaica. This interim restraint will be in place for two months effective March 16, 1994. As provided for in Annex B of the MFA, the restraint level will be 253,359 units per month. Should Canada and Jamaica be unable to conclude an agreement within that two month time frame, Canada reserves its right under Article 3.5 of the MFA.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs and Foreign Trade of Jamaica the assurances of its highest consideration.

KINGSTON, 15 March 1994

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MPA TABLE

SOURCE: JAMAICA
PRODUCT: UNDERWEAR - MBWGCI

	SHIPMENTS	12 MO TOT	Y-T-D	ENTRIES	12 MO TOT	Y-T-D
1990						
JANUARY	0		0	0		0
FEBRUARY	0		0	0		0
MARCH	0		0	0		0
APRIL	0		0	0		0
MAY	0		0	0		0
JUNE	0		0	0		0
JULY	0		0	0		0
AUGUST	869		869	869		869
SEPTEMBER	2,126		2,995	2,059		2,928
OCTOBER	1,872		4,867	1,755		4,683
NOVEMBER	388		5,255	572		5,255
DECEMBER	180	5,435	5,435	180	5,435	5,435
1991						
JANUARY	58,075	63,510	58,075	0	5,435	0
FEBRUARY	933	64,443	59,008	1,552	6,987	1,552
MARCH	49,410	113,853	108,418	48,915	55,902	50,467
APRIL	901	114,754	109,319	1,396	57,298	51,863
MAY	104,757	219,511	214,076	104,253	161,551	156,116
JUNE	74,133	293,644	288,209	34,155	195,706	190,271
JULY	1,611	295,253	289,820	42,093	237,799	232,364
AUGUST	86,018	380,404	375,838	86,018	322,948	318,382
SEPTEMBER	21,511	399,789	397,349	18,505	339,394	336,887
OCTOBER	1,114	399,031	398,463	4,102	341,741	340,989
NOVEMBER	2,551	401,194	401,014	2,257	343,426	343,246
DECEMBER	476	401,490	401,490	788	344,034	344,034
1992						
JANUARY	2,206	345,621	2,206	58,418	402,452	58,418
FEBRUARY	3,260	347,948	5,466	3,826	404,726	62,244
MARCH	2,454	300,992	7,920	2,892	358,703	65,136
APRIL	164,997	465,088	172,917	92,115	449,422	157,251
MAY	61,728	422,059	234,645	134,850	480,019	292,101
JUNE	2,645	350,571	237,290	1,487	447,351	293,588
JULY	49,743	398,703	287,033	26,817	432,075	320,405
AUGUST	52,945	365,630	339,978	50,245	396,302	370,650
SEPTEMBER	48,869	392,988	388,847	56,069	433,866	426,719
OCTOBER	239,827	631,701	628,674	237,379	667,143	664,098
NOVEMBER	173,033	802,183	801,707	194,761	859,647	858,859
DECEMBER	276,993	1,078,700	1,078,700	271,017	1,129,876	1,129,876
1993						
JANUARY	476,646	1,553,140	476,646	376,150	1,447,608	376,150
FEBRUARY	650,412	2,200,292	1,127,058	710,100	2,153,882	1,086,250
MARCH	641,520	2,839,358	1,768,578	634,464	2,785,454	1,720,714
APRIL	263,944	2,938,305	2,032,522	219,028	2,912,367	1,939,742
MAY	146,988	3,023,565	2,179,510	226,896	3,004,413	2,166,638
JUNE	38,220	3,059,140	2,217,730	56,544	3,059,470	2,223,182
JULY	120	3,009,517	2,217,850	948	3,033,601	2,224,130
AUGUST	83	2,956,655	2,217,933	83	2,983,439	2,224,213
SEPTEMBER	114,804	3,022,590	2,332,737	114,804	3,042,174	2,339,017
OCTOBER	420	2,783,183	2,333,157	420	2,805,215	2,339,437
NOVEMBER	38,310	2,648,460	2,371,467	38,310	2,648,764	2,377,747
DECEMBER	1,968	2,373,435	2,373,435	1,968	2,379,715	2,379,715
1994						
JANUARY	84,660	1,981,449	84,660	84,660	2,088,225	84,660
FEBRUARY	86,580	1,417,617	171,240	86,544	1,464,669	171,204
MARCH	0	776,097	171,240	36	830,241	171,240

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Category 3
Underwear

Apparent Canadian Market

(000)

Year	1990	1991 (r)	1992 (r)	1993 (e)
Canadian shipments	79414	85517	82853	56000
Exports	622	1505	1858	1500
Domestic shipments	78792	84112	80897	57500
Imports	37068	41236	47783	65359
Apparent Canadian Market	115860	105347	108480	122859
Market Share, Domestic (%)	68	81	66	46.8
Market Share, Imports (%)	32	39	44	63.2

(r) revised
(e) estimated

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DEPARTMENT OF EXTERNAL AFFAIRS
SPECIAL TRADE RELATIONS BUREAU

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PAGE NO. :
RUN DATE : 94/01/15

AS OF 93/12/31

9.0 UNDERWEAR

SOURCE	UNIT	CURRENT MONTH		YEAR TO DATE		
		QUANTITY	VALUE	QUANTITY	VALUE	
AE	EMIRATES	NMB	0	0	59	244
AG	ANTIGUA	NMB	0	0	158	1,049
AN	NTHANTLS	NMB	0	0	1,572	375
AT	AUSTRIA	NMB	2,470	20,542	36,511	230,225
AU	AUSTRALI	NMB	0	0	1,012	4,853
BB	BARBADOS	NMB	0	0	290	9,373
BD	BANGLDSH	NMB	0	0	3,610,291	2,553,496
BE	BELGIUM	NMB	142	3,141	2,118	49,514
BH	BAHRAIN	NMB	0	0	2	5
BO	BOLIVIA	NMB	0	0	129	509
BR	BRAZIL	NMB	49,303	65,558	283,701	417,801
CA	CANADA	NMB	0	0	249	3,837
CH	SWTZRLND	NMB	103	2,217	1,114	27,966
CN	REPCHINA	NMB	281,513	829,279	4,128,610	10,162,997
CO	COLOMBIA	NMB	2	14	9,336	13,301
CR	COSTRICA	NMB	0	0	3,001,577	2,067,796
CU	CUBA	NMB	0	0	106,548	121,957
DE	FRPGRMNY	NMB	10,366	12,356	15,228	77,974
DK	DENMARK	NMB	0	0	11	183
DM	DOMINICA	NMB	0	0	17,820	63,272
DO	DOMCNREP	NMB	139,824	100,549	2,805,239	3,441,099
EG	EGYPT	NMB	53,613	109,153	243,343	497,572
ES	SPAIN	NMB	219,662	101,940	244,069	146,717
FR	FRANCE	NMB	39,344	214,152	194,984	1,381,005
GB	UNKNGDOM	NMB	32,945	115,590	651,959	2,676,891
GR	GREECE	NMB	0	0	2,859	34,941
GT	GUATMALA	NMB	4	16	456	1,593
GY	GUYANA	NMB	0	0	2	16
HK	HONGKONG	NMB	638,644	637,627	8,112,629	8,968,485
HN	REPHDRAS	NMB	846	3,128	112,844	172,644
HU	HUNGARY	NMB	0	0	1	10
ID	INDONESIA	NMB	10,722	12,121	1,094,053	673,190
IE	IRELAND	NMB	286	3,896	3,548	53,226
IL	ISRAEL	NMB	1,083	3,452	129,464	529,817
IN	INDIA	NMB	560	778	5,380,343	2,864,426
IR	IRAN	NMB	0	0	9,655	5,594
IS	ICELAND	NMB	3,474	24,297	10,118	69,461
IT	ITALY	NMB	50,551	115,270	815,801	1,439,365
JM	JAMAICA	NMB	1,968	7,223	2,379,715	1,906,445
JP	JAPAN	NMB	4	43	1,779	24,106
KE	KENYA	NMB	12,960	5,832	18,720	8,926
KH	KAMPCHEA	NMB	0	0	0	0
KN	ST.KITTS	NMB	0	0	418	1,022
KR	STHKOREA	NMB	91	2,026	110,324	874,452
LA	LAOS	NMB	0	0	0	0

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DEPARTMENT OF EXTERNAL AFFAIRS
SPECIAL TRADE RELATIONS BUREAUPAGE NO. : 95
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AS OF 93/12/31

9.0 UNDERWEAR

SOURCE	U N I T	CURRENT MONTH		YEAR TO DATE	
		QUANTITY	VALUE	QUANTITY	VALUE
LB LEBANON NMB		0	0	30,469	78,132
LK SRILANKA NMB		7,200	6,162	768,270	609,945
LS LESOTHO NMB		0	0	2	16
LT LITHUANA NMB		0	0	81,864	12,280
MA MOROCCO NMB		424	3,038	11,267	86,245
MD MOLDOVA NMB		14,880	10,230	516,360	364,702
MO MACAO NMB		5,100	2,939	301,867	208,427
MT MALTA NMB		0	0	2,760	1,753
MU MAURITUS NMB		120,528	56,560	1,531,872	1,168,064
MX MEXICO NMB		98,844	238,289	747,531	2,121,432
MY MALAYSIA NMB		250,952	205,600	5,116,693	3,995,114
NL NTHRLNDS NMB		0	0	2,833	25,139
NO NORWAY NMB		0	0	882	12,557
NP NEPAL NMB		94	188	2,243	6,239
NZ NEWZLAND NMB		0	0	1,371	11,915
OM OMAN NMB		0	0	0	0
PA PANAMA NMB		0	0	8	78
PE PERU NMB		1	35	1,336	10,862
PH PHLPINES NMB		34,360	149,606	634,374	1,522,244
PK PAKISTAN NMB		0	0	299,280	422,894
PL POLAND NMB		0	0	133	1,451
PR PUERTO R NMB		71,604	425,475	224,444	1,658,324
PT PORTUGAL NMB		1	16	20,162	271,679
QA QATAR NMB		0	0	0	0
RU RUSSIA NMB		0	0	187,644	128,737
SA SAUDIARB NMB		0	0	75	386
SG SINGAPOR NMB		0	0	18,126	75,857
SR SURINAM NMB		0	0	6	18
SV ELSLVDOR NMB		0	0	790	8,200
SY SYRIA NMB		0	0	9,756	9,956
SW SWAZILND NMB		0	0	1,106,554	408,365
TH THAILAND NMB		52,889	69,107	1,140,679	1,577,724
TI TRINIDAD NMB		0	0	1,656	8,176
TN TUNISIA NMB		0	0	436	2,966
TR TURKEY NMB		325,800	227,359	3,051,621	2,410,250
TW TAIWAN NMB		0	0	273,968	348,431
TZ TANZANIA NMB		0	0	39	82
UA UKRAINE NMB		12	130	75,132	51,462
UN US.MINOR NMB		0	0	1,044	6,180
US U.S.A. NMB		647,963	1,488,993	15,603,061	35,557,272
VN VIETNAM NMB		0	0	0	0
ZA RSAFRICA NMB		0	0	45,792	38,368
ZW ZIMBABWE NMB		0	0	8,694	18,450
CATEGORY: 9.0		3,181,132	5,273,927	65,359,753	94,818,104