

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

CONFIDENTIAL
TEX.SB/2062*
20 April 1994

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

**Extension of the bilateral agreement between
Canada and India**

Note by the Chairman

Attached is a notification received from Canada of two extensions with amendments of its agreement with India. The first extension covered the period 1 January to 31 December 1993 and the second extension has been agreed for the period 1 January to 31 December 1994, with the possibility of a further twelve-month extension¹

¹The bilateral agreement, amendments and a previous extension are contained in COM.TEX/SB/1414, 1683, 1751 and 1809.

*English only/Anglais seulement/Inglés solamente

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

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

37-10-3-3-S.Asia

April 12, 1994

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

Dear Ambassador Raffaelli,

I am writing to inform you that the bilateral textile restraint agreement between Canada and India which was to expire on December 31, 1992 was extended twice, with modifications. The initial extension was to December 31, 1993; this was followed by an extension through to December 31, 1994, with the possibility of a second extension commencing on January 1, 1995.

Please find attached copies of the documents extending this agreement.

12 AVR. 1994 Yours sincerely,

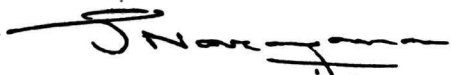
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| DDG 10 | |

Jean Saint-Jacques
Jean Saint-Jacques
Counsellor

AGREED RECORD OF DISCUSSIONS

- 1) Delegation of the Government of Canada and of the Government of The Republic of India met on November 30, and December 1-2, 1992 in New Delhi to discuss (a) the extension, beyond December 31, 1992, of the Memorandum of Understanding between the Government of Canada and the Government of the Republic of India relating to the Exports from India of Certain Textiles and Textile Products for Import into Canada (The "MOU") and (b), the conversion of the MOU to an arrangement based on the Harmonized System(The HS) to take effect on January 1, 1993.
- 2) The two delegations agreed to an extension of the MOU for a period of one year, beyond January 1, 1993 and that this MOU would be converted to HS terminology and categorization. Annex I, attached hereto, thus constitutes the framework of the MOU, within which the annual restraint levels, growth rates and flexibility provisions are set out. For the purpose of classifying textiles and textile products in the appropriate HS category, the definitions and notes set out in Annex II, attached, will apply with effect from 1 January, 1993.
- 3) The extension of the MOU is without prejudice to any change which may be made to the Arrangement Regarding International Trade in Textiles from 1 January, 1993. Both sides reserve the possibility of requesting consultations to review the MOU in the event of such changes in the Arrangement.
- 4) This agreement will cease to have effect from the date the Uruguay Round transition arrangement for integration of the textile sector into the GATT comes into force.

Done at New Delhi on December 2, 1992



(S. Narayanan)
Leader,
Delegation of the Government
of India



(Tom MacDonald)
Leader,
Delegation of the Government
of Canada

ANNEX I - RESTRAINT LEVELSINDIAGROUP I

| (A) Agreement Item No. | (B) Product Coverage Category Short Description | (C) 1993 Restraint Level(NMB) | (D) Growth | (E) Swing | (F) Carry -over/ Carry Forward | (G) Combined Flexibility (E)&(F) | (H) Conversion Factor (m2/unit) |
|---------------------------------|---|--|---------------|--------------|--|---|--|
| A | Clothing (MTK) | 22,706,103 | 6% | 7% | 11%(6%) | 17% | |
| 6 | 6.0 Tailored collar shirts | 2,502,269 * | 6% | 7% | 11%(6%) | 17% | 1.7 |
| 1a | 1.2 Jackets | 507,954 * | 6% | 7% | 11%(6%) | 17% | 3.0 |
| 3a | 3.2 Ensembles, MBC | * | | | | | 2.7 |
| 4 | 4.0 Female casual & Fine wear | * | | | | | 2.7 |
| 5 | 5.0 Trousers, overalls & shorts | 798,905 * | 6% | 7% | 11%(6%) | 17% | 1.6 |
| 7 | 7.0 Woven shirts, blouses & similar articles | * | | | | | 1.3 |
| 8 | 8.0 Athletic wear, (k/c) shirts, blouses & similar T-shirts & sweatshirts | * | | | | | 1.3 |

* Within group limit, Agreement Item No. A.

Restraint on winter outerwear:

| (A) Agreement Item No. | (B) Product Coverage Category Short Description | (C) 1993 Restraint Level(NMB) | (D) Growth | (E) Swing | (F) Carry- over/ Carry Forward | (G) Combined Flexibility (E) & (F) | (H) Conversion Factor (m2/unit) |
|---------------------------------|--|--|---------------|--------------|--|---|--|
| 2 | 2.0 Winter Outerwear | 569,250 | 6% | 7% | 11%(6%) | 17% | 3.5 |

Note: restraint on winter outerwear includes MBWGCI, under HS proposal, category 2.0 excludes babies' winter outerwear.

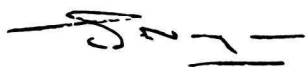
ANNEX I - RESTRAINT LEVELSINDIAGROUP II

| (A) Agreement Item No. | (B) Product Coverage ----- Category Short Description | (C) 1993 Restraint Level(NMB) | (D) Growth | (E) Swing | (F) Carry -over/ Carry Forward | (G) Combined Flexibility (E)&(F) | (H) Conversion Factor (m2/unit) |
|---------------------------------|---|--|---------------|--------------|--|---|--|
| 31a | 31.1 Combed wool fabric(MTK) | 1,074,365 | 4.5% | 5% | 11%(6%) | 17% | 4.0m2/KGM |
| 41a | 41.1 Bed sheets (Unit) | 824,309 | 6% | 7% | 11%(6%) | 17% | 5.2m2/Unit |
| 32a | 32.3 Denim Fabrics(KG) | 1,630,000 | 6% | 7% | 11%(6%) | 17% | 2.0m2/KGM |




ANNEX II- PREAMBLEINDIA

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 and babies' garments 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- CLOTHING CATEGORIES

INDIA

GROUP I

| Short Description | Sub Category | Long Description | Units |
|---------------------------|-----------------|---|-------|
| Coats, jackets & rainwear | 1 | <ul style="list-style-type: none"> Overcoats, raincoats, car-coats, capes, cloaks and similar articles- <u>MBWGC, k/c & woven</u>; anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles- <u>MBWGC, k/c</u>; anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those lined and designed to protect the wearer against the cold- <u>MBWGC, woven</u>; garments made up of fabrics of headings 59.03 (plastic), 59.06 (rubber) or 59.07 (other), containing 50% or more by weight of textile material- <u>MBWGC, k/c & woven</u>; lining of thermal characteristics suited for garments of subcategory 1.3- <u>MBWGC, k/c & woven</u>; | NMB |
| - Coats | 1.1 | <ul style="list-style-type: none"> Overcoats, car-coats, capes & cloaks, other than rainwear- <u>MBWGC, k/c & woven</u>; lining of thermal characteristics suited for garments of subcategory 1.3- <u>MBWGC, k/c & woven</u>. | |
| - Jackets | 1.2 | <ul style="list-style-type: none"> Anoraks (including ski-jackets), wind-cheaters and wind-jackets- <u>MBWGC, k/c</u>; anoraks (including ski-jackets), wind-cheaters and wind-jackets, other than those lined and designed to protect the wearer against the cold- <u>MBWGC, woven</u>. | |
| - Rainwear | 1.3 | <ul style="list-style-type: none"> Raincoats and rainwear- <u>MBWGC, k/c & woven</u>; garments made up of fabrics of headings 59.03 (plastic), 59.06 (rubber) or 59.07 (other), containing 50% or more by weight of textile material- <u>MBWGC, k/c & woven</u>. | |
| Winter outerwear | 2 | <ul style="list-style-type: none"> Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, lined and designed to protect the wearer against the cold- <u>MBWGC, woven</u>; bib and brace overalls (e.g. ski overalls), lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>; trousers and breeches (e.g., ski pants), lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>; ski suits- <u>MBWGC, woven</u>; snowsuits, snowmobile suits and similar articles- <u>MBWGC, woven</u>; lining of thermal characteristics suited for garments of subcategory 1.2- <u>MBWGC, k/c & woven</u>; | NMB |
| - Winter outerwear, MBWG | 2.1 | Men's, boys', women's and girls'. | |
| - Winter outerwear, C | 2.2 | Children's. | |
| Male casual & fine wear | 3 | Suits, ensembles, jackets, blazers- <u>MBC, k/c & woven</u> : | NMB |
| - Fine suits, MBC | 3.1 | Suits- <u>MBC, k/c & woven</u> . | |
| - Ensembles, MBC | 3.2 | Ensembles- <u>MBC, k/c & woven</u> . | |
| - Jackets & blazers, MBC | 3.3 | Jackets and blazers- <u>MBC, k/c & woven</u> . | |
| Female casual & fine wear | 4 | Suits, ensembles, jackets, blazers, dresses, skirts, divided-skirts- <u>WGC, k/c & woven</u> : | NMB |
| - Suits & ensembles, WGC | 4.1 | Suits and ensembles- <u>WGC, k/c & woven</u> . | |
| - Jackets & blazers, WGC | 4.2 | Jackets and blazers- <u>WGC, k/c & woven</u> . | |
| - Dresses | 4.3 | Dresses- <u>WGC, k/c & woven</u> . | |
| - Skirts | 4.4 | Skirts and divided skirts- <u>WGC, k/c & woven</u> . | |

ANNEX II- CLOTHING CATEGORIES

INDIA

GROUP I

| Short Description | Category | Sub Category | Long Description | Units |
|---|----------|--------------|--|-------|
| Trousers, overalls & shorts | 5 | | . Trousers, bib and brace overalls, breeches, shorts- <u>MBWGC, k/c & woven</u> ; . coveralls- <u>MBWGC, k/c & woven</u> ; | NMB |
| - Trousers, MB | | 5.1 | - Trousers and breeches- <u>MB, k/c & woven</u> . | |
| - Trousers, WG | | 5.2 | - Trousers and breeches- <u>WG, k/c & woven</u> . | |
| - Trousers, C | | 5.3 | - Trousers and breeches- <u>C, k/c & woven</u> . | |
| - Overalls & coveralls | | 5.4 | - . Bib and brace overalls- <u>MBWGC, k/c & woven</u> ; . coveralls- <u>MBWGC, k/c & woven</u> . | |
| - Shorts | | 5.5 | - Shorts- <u>MBWGC, k/c & woven</u> . | |
| Tailored collar shirts, MBC | 6 | | Shirts (with tailored collar)- <u>MBC, k/c & woven</u> . | NMB |
| Woven shirts, blouses & similar articles | 7 | | . Shirts, blouses, shirt-blouses- <u>MBWGC, woven</u> ; . other singlets and vests (other than of the underwear type)- <u>MBWGC, woven</u> ; . and other similar articles- <u>MBWGC, woven</u> ; | NMB |
| - Woven shirts & similar articles, MB | | 7.1 | - Men's & boys': . shirts- <u>woven</u> ; . other singlets and vests (other than of the underwear type)- <u>woven</u> ; . and other similar articles- <u>woven</u> . | |
| - Woven blouses & similar articles, WG | | 7.2 | - Women's & girls': . shirts, blouses, shirt-blouses- <u>woven</u> ; . other singlets and vests (other than of the underwear type)- <u>woven</u> ; . and other similar articles- <u>woven</u> . | |
| - Woven shirts, blouses & similar articles, C | | 7.3 | - Children's: . shirts, blouses, shirt-blouses- <u>woven</u> ; . other singlets and vests (other than of the underwear type)- <u>woven</u> ; . and other similar articles- <u>woven</u> . | |
| Athletic wear, k/c shirts, blouses & similar articles, T-shirts & sweatshirts | 8 | | . Shirts, blouses, shirt-blouses- <u>MBWGC, k/c</u> ; . other singlets and vests (other than of the underwear type)- <u>MBWGC, k/c</u> ; . and other similar articles- <u>MBWGC, k/c</u> ; . T-shirts (other than of the underwear type)- <u>MBWGC, k/c</u> ; . brushed and fleeced pullovers (sweatshirts)- <u>MBWGC, k/c</u> ; . ski suits- <u>MBWGC, k/c</u> ; . track suits and other athletic wear- <u>MBWGC, k/c & woven</u> ; | NMB |
| - k/c shirts, blouses & similar articles | | 8.1 | - . Shirts, blouses, shirt-blouses- <u>MBWGC, k/c</u> ; . other singlets and vests (other than of the underwear type)- <u>MBWGC, k/c</u> ; . and other similar articles- <u>MBWGC, k/c</u> . | |
| - T-shirts | | 8.2 | - T-shirts (other than of the underwear type)- <u>MBWGC, k/c</u> . | |
| - Sweatshirts | | 8.3 | - Brushed or fleeced pullovers (sweatshirts)- <u>MBWGC, k/c</u> . | |
| - Athletic wear | | 8.4 | - . Ski suits- <u>MBWGC, k/c</u> ; . track suits and other athletic wear- <u>MBWGC, k/c & woven</u> . | |
| Underwear | 9 | | . Underpants, briefs, panties, slips, petticoats and similar articles- <u>MBWGC, k/c & woven</u> ; . T-shirts (of the underwear type)- <u>MBWGC, k/c</u> ; . singlets and other vests (of the underwear type)- <u>MBWGC, k/c & woven</u> ; | NMB |
| - Underwear, MB | | 9.1 | - Men's & boys'. | |
| - Underwear, WG | | 9.2 | - Women's & girls'. | |
| - Underwear, C | | 9.3 | - Children's. | |

ANNEX II- CLOTHING CATEGORIES**INDIA****GROUP I**

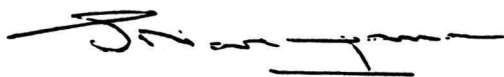
| Short Description | Category | Sub Category | Long Description | Units |
|--------------------------------------|-----------|--------------|--|------------|
| Sleepwear & bathrobes | 10 | | Nightshirts, pyjamas, nightdresses, negliges, bathrobes, dressing gowns and similar articles- <u>MBWGC, k/c & woven</u> : | NMB |
| - Sleepwear, MBWG | | 10.1 | - Nightshirts, pyjamas and nightdresses- <u>MBWG, k/c & woven</u> . | |
| - Bathrobes, MBWG | | 10.2 | - Bathrobes, dressing gowns & negliges- <u>MBWG, k/c & woven</u> . | |
| - Sleepwear & bathrobes, C | | 10.3 | - Children's. | |
| Sweaters | 11 | | Jerseys, pullovers, cardigans, waist-coats and similar articles- <u>MBWGC, k/c</u> : | NMB |
| - Sweaters, MB | | 11.1 | - Men's & boys'. | |
| - Sweaters, WG | | 11.2 | - Women's & girls'. | |
| - Sweaters, C | | 11.3 | - Children's. | |
| Swimwear | 12 | | Swimwear- <u>MBWGC, k/c & woven</u> . | NMB |
| Foundation garments | 13 | | Brassieres, girdles, panty-girdles and corselettes, whether or not knitted or crocheted. | NMB |
| Babies' garments | 14 | | Babies' garments: | NMB |
| - Coats, jackets & rainwear | | 14.1 | - Coats, snowsuits, jackets and similar articles. | |
| - Trousers, overalls & shorts | | 14.2 | - Trousers, breeches, bib and brace overalls, coveralls and shorts. | |
| - Shirts, blouses & similar articles | | 14.3 | - Shirts, blouses and similar articles. | |
| - T-shirts & sweatshirts | | 14.4 | - T-shirts and sweatshirts. | |
| - Dresses & skirts | | 14.5 | - Dresses and skirts. | |
| - Sleepwear | | 14.6 | - Sleepwear. | |
| - Underclothing | | 14.7 | - Underclothing. | |
| - Sweaters | | 14.8 | - Jerseys, pullovers, cardigans and sweaters. | |
| - Other garments | | 14.9 | - Other garments not elsewhere specified. | |
| Smocks & shop coats | 16 | | Smocks and similar professional or shop coats- <u>MBWGC, woven</u> . | NMB |
| Other garments | 17 | | . Garments made up of fabrics of Heading No. 56.02 (felt) or 56.03 (nonwovens), whether or not impregnated, coated, covered or laminated- <u>MBWGC & babies</u> ; . other garments not elsewhere specified- <u>MBWGC, k/c & woven</u> . | NMB |

ANNEX II- TEXTILE CATEGORIESINDIAGROUP II

| Short Description | Sub Category Category | Long Description | Units |
|---|--------------------------|---|-------|
| - Combed wool fabric | 31.1 | - Woven fabrics of combed wool or fine animal hair; other woven fabrics, mixed mainly or solely with combed wool or fine animal hair; gauze of combed wool; and similar fabrics, impregnated, coated, covered or laminated. | MTK |
| - Denim fabric | 32.3 | - Denim fabrics of cotton, weighing more than 200 g/m ² of such fibres; and and similar fabrics, impregnated, coated, covered or laminated. | KGM |
| - Bed sheets | 41.1 | - Bed sheets. | NMB |
| - Toilet & kitchen linen, cotton terry, woven | 42.1 | - Toilet linen and kitchen linen, woven, of terry towelling, of cotton. | KGM |
| Work gloves & liners | 44 | Work gloves and work glove liners: | PAR |
| - Work gloves | 44.1 | - Work gloves. | |
| - Work glove liners | 44.2 | - Work glove liners. | |

ANNEX II - TEXTILE CATEGORIESINDIAGROUP II

| Short Description | Category | Sub Category | Long Description | Units |
|--|----------|--------------|---|-------|
| -Combed wool fabric | | 31.1 | Woven fabrics of combed wool or fine animal hair; other woven fabrics, mixed mainly or solely with combed wool or fine animal hair; gauze of combed wool; and similar fabrics, impregnated, coated, covered or laminated. | MTK |
| -Bed sheets | | 41.1 | Bed sheets | NMB |
| -Toilet & Kitchen linen, cotton terry, woven | | 42.1 | Toilet linen and kitchen linen, woven, of terry towelling, of cotton. | KGM |
| Work gloves & liners | 44 | | Work gloves and work glove liners: | PAR |
| -Work gloves | | 44.1 | - Work gloves | |
| -Work glove liners | | 44.2 | - Work glove liners. | |
| Denim fabric | | 32.3 | Denim fabrics of cotton, weighing more than 200 gr/m ² of such fibres; and similar fabrics impregnated, coated, covered or laminated. | KG |

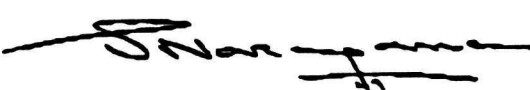




AGREED RECORD OF DISCUSSIONS

- 1) Delegations of the Government of Canada and of the Government of India met on January 28 and 31, 1994 in Ottawa to discuss (a) the extension, beyond 31 January 1994, of the Memorandum of Understanding between the Government of Canada and the Government of India relating to the Exports from India of Certain Textiles and Textile Products for Import into Canada (the "MOU") and (b), the request by Canada for consultations under paragraphs 29-33 of the MOU concerning exports of underwear from India.
- 2) (a) The two delegations agreed to an extension of the MOU. The term of this agreement will be the period from January 1, 1994 through December 31, 1994.

(b) Should the Uruguay Round transition arrangement for integration of the textile sector into the GATT not come into force by January 1, 1995, this agreement will be extended for a second year commencing on January 1, 1995. However, any such extension of this bilateral agreement shall be brought into conformity with any successor to the current protocol of extension to the MFA if changes are made therein. This extension applies to all terms and conditions contained in the MOU.
- 3) The two delegations were unable to agree on a restraint level regarding the call on underwear by Canada. In view of the outcome of these discussions, the interim restraint for the MOU year 1994 is established at 3,072,349 units, in accordance with paragraph 29(h) of the MOU. For this category, swing of 7%, carry-over of 11%, carry-forward of 6% and combined flexibility of 18% will be available. The conversion factor will be 0.5 square metres per unit.
- 4) The two delegations agreed that effective January 1, 1994, Annex I to this Agreed Record will replace Annex I of the MOU.

Done at Ottawa on January 31, 1994


(S. Narayanan)
Leader,
Delegation of the Government
of India


(Michael Fine)
Leader,
Delegation of the Government
of Canada

ANNEX I - RESTRAINT LEVELS

INDIA

GROUP I

| (A) Agreement Item No. | (B) Product Coverage Category | (C) 1994 Restraint Level(NMB) | (D) Growth | (E) Swing | (F) Carry-over/ Carry Forward | (G) Combined Flexibility (E) & (F) | (H) Conversion Factor (m2/unit) |
|---------------------------------|---|--|---------------|--------------|--|---|--|
| A | Clothing(MTK) | 26,661,756 | 6% | 7% | 11%(6%) | 18% | . |
| 1a | 1.2 Jackets | 549,200* | 6% | 7% | 11%(6%) | 18% | 3.0 |
| 2 | 2.0 Winter Outerwear | 603,405* | 6% | 7% | 11%(6%) | 18% | 3.5 |
| 3a | 3.2 Ensembles, MBC | . | | | | | 2.7 |
| 4 | 4.0 Female casual & fine wear | . | | | | | 2.7 |
| 5 | 5.0 Trousers, overalls & shorts | 863,776* | 6% | 7% | 11%(6%) | 18% | 1.6 |
| 6 | 6.0 Tailored collar shirts | 2,705,453* | 6% | 7% | 11%(6%) | 18% | 1.7 |
| 7 | 7.0 Woven shirts, blouses & similar articles | . | | | | | 1.3 |
| 8a | 8.1, 8.3, 8.4 Athletic wear, (t/c) shirts, blouses & similar articles, T-shirts & sweatshirts | . | | | | | 1.3 |
| 8b | 8.2 T-Shirts | . | | | | | 1.0 |

* Within group limit, Agreement Item ... A.

ANNEX I - RESTRAINT LEVELS

INDIA

GROUP II

| (A) | (B) | | (C) | (D) | (E) | (F) | (G) | (H) |
|--------------------------|-------------------------|-------------------------|----------------------------------|--------|-------|---------------------------------|--------------------------------------|-----------------------------------|
| Agreement Item No. | <u>Product Coverage</u> | | 1994 Restraint Level(unit) | Growth | Swing | Carry-over/ Carry Forward | Combined Flexibility (E) & (F) | Conversion Factor (m2/unit) |
| 31a | 31.1 | Combed wool fabric(MTK) | 1,161,604 | 6% | 6% | 11%(6%) | 18% | 4.0 m ² /KGM |
| 41a | 41.1 | Bedaboots (NMB) | 891,243 | 6% | 7% | 11%(6%) | 18% | 6.25m ² /NMB |
| 32a | 32.3 | Denim Fabrics (KG) | 1,814,190 | 6% | 7% | 11%(6%) | 18% | 2.0m ² /KGM |

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No. OTT/204/1/94

23 February 1994

The High Commission of India presents its compliments to the Department of Foreign Affairs and International Trade Canada and has the honour to refer to the Department's Note No EPT0244 of February 18, 1994 relating to the arrangements regarding the trade in textiles between India and Canada during 1994.

The High Commission wishes to confirm that the Revised Agreement as conveyed in the Note Verbale of 18 February 1994 cited above is acceptable to the Government of India.

The High Commission of India avails itself of this opportunity to renew to the Department of Foreign Affairs and International Trade the assurances of its highest consideration.

Department of Foreign Affairs and
International Trade Canada,
Lester B. Pearson Building,
125 Sussex Drive,
OTTAWA, Ontario K1G 0A2.





External Affairs and International Trade Canada

Affaires extérieures et Commerce extérieur Canada

Canada

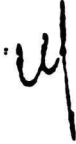
No. EPT0244

The Department of Foreign Affairs and International Trade Canada presents its compliments to the Indian High Commission and wishes to refer to the Agreed Record of 31 January 1994 relating to the arrangement regarding International Trade in Textiles (MFA) and the 1994 interim restraint on underwear.

During continuing talks regarding our call on underwear, an agreement was reached on a restraint level of 5,000,000 units for category 9.0 for the MOU year 1994. For this category, growth of 6%, swing of 7%, carry-over of 11%, carry-forward of 6% and combined flexibility of 18% will be available. The conversion factor will be 0.5 square metres per unit. This sub-category will be added to Annex I of the current MOU as Agreement Item number 9. This Agreement Item is not included in Group A.

The Canadian Authorities propose that this note together with the reply from the Indian Authorities confirming their acceptance of the revised annex I shall constitute an amendment to the MOU which shall be effective January 1, 1994.

The Department of Foreign Affairs and International Trade Canada avails itself of the opportunity to renew to the Indian High Commission the assurances of its highest consideration.

A handwritten signature, possibly 'W', is written in dark ink.

Ottawa, February 18, 1994

ANNEX I - RESTRAINT LEVELS

INDIA

GROUP I

| (A) Agreement Item No. | (B) Product Coverage | | (C) 1994 Restraint Level(NMB) | (D) Growth | (E) Swing | (F) Carry-over/ Carry Forward | (G) Combined Flexibility (E) & (F) | (H) Conversion Factor (m ² /unit) |
|---|-------------------------|---|--|---------------|--------------|--|---|---|
| A | | Clothing(MTK) | 26,661,756 | 6% | 7% | 11%(6%) | 18% | . |
| 1a | 1.2 | Jackets | 549,200* | 6% | 7% | 11%(6%) | 18% | 3.0 |
| 2 | 2.0 | Winter Outerwear | 603,405* | 6% | 7% | 11%(6%) | 18% | 3.5 |
| 3a | 3.2 | Ensembles, MBC | . | | | | | 2.7 |
| 4 | 4.0 | Female casual & fine wear | . | | | | | 2.7 |
| 5 | 5.0 | Trousers, overalls & shorts | 863,776* | 6% | 7% | 11%(6%) | 18% | 1.6 |
| 6 | 6.0 | Tailored collar shirts | 2,705,453* | 6% | 7% | 11%(6%) | 18% | 1.7 |
| 7 | 7.0 | Woven shirts, blouses & similar articles | . | | | | | 1.3 |
| 8a | 8.1, 8.3, 8.4 | Athletic wear, (k/c) shirts, blouses & similar articles, T-shirts & sweatshirts | . | | | | | 1.3 |
| 8b | 8.2 | T-Shirts | . | | | | | 1.0 |
| * Within group limit, Agreement Item No. A. | | | | | | | | |
| 9 | 9.0 | Underwear (MBWGC) | 5,000,000 | 6% | 7% | 11%(6%) | 18% | 0.5 |

ANNEX I - RESTRAINT LEVELS

INDIA

GROUP II

| (A) | (B) | | (C) | (D) | (E) | (F) | (G) | (H) |
|--------------------------|------------------|-------------------------|----------------------------------|--------|-------|---------------------------------|--------------------------------------|--|
| Agreement Item No. | Product Coverage | | 1994 Restraint Level(unit) | Growth | Swing | Carry-over: Carry Forward | Combined Flexibility (E) & (F) | Conversion Factor (m ² /unit) |
| | Category | Short Description | | | | | | |
| 31a | 31.1 | Combed wool fabric(MTK) | 1,161,604 | 6% | 6% | 11%(6%) | 18% | 4.0 m ² /KGM |
| 41a | 41.1 | Bedsheets (NMB) | 891,243 | 6% | 7% | 11%(6%) | 18% | 6.25m ² /NMB |
| 32a | 32.3 | Denim Fabrics (KG) | 1,814,190 | 6% | 7% | 11%(6%) | 18% | 2.0m ² /KGM |