

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

CONFIDENTIAL
TEX.SB/2089*
22 June 1994

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

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

Note by the Chairman

Attached is a notification received from Canada of an extension of its agreement with Romania for the period 1 January 1994 to 31 December 1995.¹

¹The bilateral agreement and previous extensions are contained in COM.TEX/SB/1526, 1736 and 1889.

*English only/Anglais seulement/Inglés solamente

15/140-7

The Permanent Mission of Canada
to the United Nations



13001

La Mission Permanente du Canada
auprès des Nations Unies

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

37-10-3-3-E EUR

June 8, 1994

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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,

Pursuant to Article 4 of the of the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva on 20 December 1973, and to its 1986, 1991, 1992 and 1993 Protocols of Extension and Maintenance in Force, I have the honour to advise you of the extension of the bilateral Memorandum of Understanding (MOU) between Canada and Romania.

Attached please find copy of an exchange of Notes extending this Agreement until 31 December, 1995.

Yours sincerely,

Jean Saint-Jacques
Jean Saint-Jacques
Counsellor

CANADIAN NOTE NO. 035 OF 29 JULY 1993

Canadian Embassy

Note No. 035

The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of Romania and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of Romania Relating to the Export from Romania of Certain Textiles and Textile Products for Import into Canada (the MOU).

In light of the continued delay in the completion of the Uruguay Round of Multilateral Trade Negotiations (MTN), it is clear that the MTN results on textiles and clothing will regrettably not be implemented on January 1, 1994, as was hoped for in 1992 when the MOU was extended for one year until December 31, 1993. To date, the Textiles Committee of the GATT has not taken a decision on the extension of the Arrangement Regarding International Trade in Textiles (MFA) beyond its expiry date of 31 December, 1993. It is likely that a decision in this respect will not be made until much later in 1993.

Under these circumstances, Canadian authorities wish to avoid uncertainties among producers, exporters and importers in Canada and in Romania with respect to the rules which will govern our bilateral trade in textiles and clothing in 1994. Orders have already been placed for delivery in 1994. Manufacturers in Canada and in Romania will soon have to produce the items necessary to meet their 1994 delivery

commitments. Canadian importers also have committed themselves to meet increasingly stringent deadlines for delivery to their Canadian customers. In the absence of the extension of MOU, Canadian authorities are not in a position at this time to counsel Canadian importers on whether the current import regime would continue into 1994.

Canadian authorities remain committed to maintaining an effective import control policy for the textile and clothing industries in order to moderate growth in low-cost imports and to provide the Canadian industry with a climate that is conducive to an orderly adjustment process. The current bilateral textile agreement between Romania and Canada has served to ensure secure terms of access for textiles and clothing exports from Romania.

The Canadian authorities propose that the MOU be extended until 31 December, 1994 or if the authorities of Romania are agreeable, to 31 December, 1995. This extension would apply to all terms and conditions of the MOU, including growth rate and flexibility provisions. It would also be without prejudice to any changes that may be required to be implemented as a result of the successful conclusion of the Uruguay Round or as the result of the extension of the MFA. In the event that the MTN results are implemented in 1995, the second year of this extension, where applicable, would be superseded by the restraint structure contained in the MTN agreement.

If the authorities of Romania are in agreement with the proposed extension of the MOU, the Canadian authorities propose further that this Note, along with the reply from the

authorities of Romania, constitute an agreement extending the MOU until the date on which we mutually agree.

The Embassy of Canada avails itself of this opportunity to renew to the Ministry of Foreign Affairs of Romania the assurances of its highest consideration.

Romania
Ministry of Commerce
Department of Foreign Trade

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E4d / 1838 / 23.09.1993

The Romanian Ministry of Commerce, Department of Foreign Trade, presents its compliments to the Department of External Affairs and International Trade - Canada and has the honour to confirm the receipt of the Note No.035/29.07.1993 with the following content:

Canadian Embassy
Note No. 035

The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of Romania and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of Romania relating to the export from Romania of certain textiles and textile products for import into Canada (the MOU).

In light of the continued delay in the completion of the Uruguay Round of Multilateral Trade Negotiations (MTN), it is clear that the MTN results on textiles and clothing will regrettably not be implemented on January 1, 1994, as was hoped for in 1992 when the MOU was extended for one year until December 31, 1993. To date, the textiles committee of the GATT has not taken a decision on the extension of the arrangement regarding international trade in textiles (MFA) beyond its expiry date of 31 December, 1993. It is likely that a decision in this respect will not be made until much later in 1993.

Under these circumstances, Canadian authorities wish to avoid uncertainties among producers, exporters and importers in Canada and in Romania with respect to the rules which will govern our bilateral trade in textiles and clothing in 1994. Orders have already been placed for delivery in 1994. Manufacturers in Canada and in Romania will soon have to produce the items necessary to meet their 1994 delivery commitments. Canadian importers also have committed themselves to meet increasingly stringent deadlines for delivery to their Canadian customers. In the absence of the extension of the MOU, Canadian authorities are not in a position at this time to counsel Canadian importers on whether the current import regime would continue into 1994.

Canadian authorities remain committed to maintaining an effective import control policy for the textile and clothing industries in order to moderate growth in low-cost imports and to provide the Canadian industry with a climate that is conducive to an orderly adjustment process. The current bilateral textile agreement between Romania and Canada has served to ensure secure terms of access for textiles and clothing exports from Romania.

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The Canadian authorities propose that the MOU be extended until 31 December, 1994 or if the authorities of Romania are agreeable, to 31 December, 1995. This extension would apply to all terms and conditions of the MOU, including growth rate and flexibility provisions. It would also be without prejudice to any changes that may be required to be implemented as a result of the successful conclusion of the Uruguay Round or as the result of the extension of the MFA. In the event that the MTN results are implemented in 1995, the second year of this extensions, where applicable, would be superseded by the restraint structure contained in the MTN agreement.

If the authorities of Romania are in agreement with the proposed extension of the MOU, the Canadian authorities proposed further that this Note, along with the reply from the authorities of Romania, constitute an agreement extending the MOU until the date on which we mutually agree.

The Embassy of Canada avails itself of this opportunity to renew to the Ministry of Foreign Affairs of Romania the assurances of its highest consideration.

Bucharest

July 29, 1993

The proposal being accepted by the Romanian authorities, the exchange of these documents constitute now an agreement for the extension of the MOU until December 31, 1995.

The Romanian Ministry of Commerce, Department of Foreign Trade avails itself of this opportunity to renew the Department of External Affairs and International Trade Canada the assurances of its highest consideration.

Bucharest

September 23, 1993

