

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

CONFIDENTIAL
TEX.SB/3002*
4 July 1994

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

**Extension and modification of the bilateral agreement between
Canada and Hong Kong**

Note by the Chairman

Attached is a notification received from Canada of an extension and modification of its agreement with Hong Kong, for the period 1 January 1994 to 31 December 1995.¹

¹The bilateral agreement, a previous extension and amendment are contained in COM.TEX/SB/1409, 1732 and 1843.

*English only/Anglais seulement/Inglés solamente

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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-ASIA

June 29, 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,

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, until 31 December 1995, of the bilateral Memorandum of Understanding (MOU) between Canada and Hong Kong.

In this extension, product coverage and growth rates remain unchanged with the exception of one category on which restraints were removed. Swing, carry-over and carry-forward were improved for certain categories. The limit on the combined use of flexibility was removed for all categories. Attached please find copy of an exchange of Notes extending this Agreement.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Jean Saint-Jacques'.
Jean Saint-Jacques
Counsellor

Ref. : CR EIC 191/5/16

The Trade Department of Hong Kong presents its compliments to the Commission for Canada and has the honour to refer to the Arrangement Regarding International Trade in Textiles, maintained in force by the Protocol done at Geneva on 9 December 1993 (the MFA), the Memorandum of Understanding between the Government of Hong Kong and the Government of Canada relating to the export from Hong Kong of certain textiles and textile products for import into Canada, as extended by the exchange of Diplomatic Note of 25 September 1991 (the MOU) and amended by the exchange of Diplomatic Note of 24 December 1992. The Trade Department further refers to the Agreed Record of Discussions signed in Hong Kong on 25 October 1993 (the Agreed Record).

2. The Trade Department has the honour to confirm that the extension and amendment to the MOU proposed by the Government of Canada as set out in the Agreed Record and clarified by the Commission's Note XBTD1111 of 1 June 1994 is acceptable to the Government of Hong Kong, and that the Commission's Note together with this reply constitute an extension and amendment to the MOU effective from 1 January 1994.

3. The Trade Department avails itself of this opportunity to renew to the Commission for Canada the assurances of its highest consideration.

SA.

Trade Department
Hong Kong Government
6 June 1994

28 JUN 94 17:41
No 2687 P

Jun. 28. 1994 4:40PM
FIVE TEXTILES & CLOTHING

Commission for Canada**Commissariat du Canada**

Commercial Division
13/F., One Exchange Square
8 Connaught Place
GPO Box 11142
Hong Kong

Division Commerciale
Tel: 847-7414
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Note XBTD1111

June 1, 1994

The Commission for Canada presents its compliments to the Trade Department of the Hong Kong Government and has the honour to refer to the Arrangement Regarding International Trade in Textiles, maintained in force by the Protocol done at Geneva on December 1993 (the MFA), the Memorandum of Understanding between the Government of Canada and the Government of Hong Kong relating to the export from Hong Kong of certain textiles and textile products for import into Canada, as extended by the exchange of Diplomatic Note of 25 September 1991 (the MOU) and amended by the exchange of Diplomatic Note of December 24, 1992. The Commission also refers to the Agreed Record of Discussions signed in Hong Kong on October 25, 1993 (the Agreed Record).

The Canadian Authorities confirm that the reversion arrangement provided for 1993 specified in paragraph 13(c) of the MOU, as set out in paragraph 2.V of the Agreed Record of Discussions ratified by the Diplomatic Note of December 24, 1992 will continue to apply in 1994.

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No 2667
28 JUN '94
21:44

Jun. 28. 1994 3:43PM
FIBRE TEXTILES & CLOTHING

Note XBTD1111

The Canadian Authorities propose that this Note, together with the reply from the Trade Department of Hong Kong confirming their acceptance of the extension and amendment to the MOU as set out in the Agreed Record of Discussions of October 25, 1993, and as clarified by this Note, shall constitute an extension and amendment to the MOU which shall take effect from January 1, 1994.

The Commission for Canada avails itself of this opportunity to renew to the Trade Department of the Government of Hong Kong the assurances of its highest consideration.

No 2667 P 3
28 JUN '94 21:44

Jun. 28. 1994 3:44PM EIP2 TEXTILES & CLOTHING

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Canada-Hong Kong Textile and Clothing ConsultationsAgreed Record of Discussions

Representatives of the Government of Canada and the Government of Hong Kong met on 25 October 1993, in Hong Kong, to discuss the modification and extension of the Memorandum of Understanding between the Government of Canada and the Government of Hong Kong relating to the export from Hong Kong of certain textiles and textile products into Canada (the MOU), 1987-1991, as extended to 31 December 1993.

2. During the consultations, both sides agreed ad referendum to the following :

- (a) The MOU will be extended for a period of two years until 31 December 1995.
- (b) The extension will apply to all the terms and conditions contained in the MOU including growth rates, carry-over/carry-forward and flexibility provisions except otherwise provided herein.
- (c) Carry-over and carry-forward provisions would also apply to 1993 and 1994.
- (d) The restraint limit of Item 42a will be removed effective from 1 January 1994.
- (e) Should Item 42a (or products presently covered under this Item) become subject to restraint at some future date, the restraint level for this Item would be established in conformity with provisions of the MFA or successor arrangements.

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- (f) Effective from 1 January 1994, the following items will be accorded swing at the percentages as shown below :-

	<u>Swing</u>
Item 7/8, and sublimits 7/8a & 7/8b	7%
Item 9	7%
Item 11, and sublimit 11a	7%

- (g) Effective from 1 January 1994, the following items will be accorded carry-over/carry-forward at the percentage as shown below :

	<u>Carry-over/Carry-forward</u>
Item 5, and sublimit 5a	10% (5%)
Item 6	10% (5%)

- (h) Effective from 1 January 1994, the percentage limiting the combined use of swing, carry-over and carry-forward will be removed for all items set out in Annex I of the MOU.

3. The extension of the MOU will 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 a result of the extension of the Arrangement Regarding International Trade in Textiles, as extended by the Protocol dated 9 December 1992 (the MFA). The two governments will consult each other on any change necessary to the terms of the extended MOU in order to take into account any successor to the MFA.

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4. The two governments will consult upon request of either Party on the implementation of the transition arrangement upon the conclusion of the Uruguay Round.

For the Government of Canada

For the Government of Hong Kong

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line.

Mr. D. E. Hobson
Leader of the Canadian Delegation

A handwritten signature in black ink, featuring a large, stylized 'P' followed by the name 'Pang'.

Mr. Peter S. T. Pang
Leader of the Hong Kong Delegation

Hong Kong
25 October 1993