

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/924^{*}

20 February 1984

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification to the Bilateral Agreement
between Canada and Thailand

Note by the Chairman

Attached is a notification received from Canada concerning a modification to the bilateral agreement with Thailand.¹

¹The original bilateral agreement is contained in COM.TEX/SB/819.

^{*}English only/Anglais seulement/Inglés solamente.

TS/ 140-4

The Permanent Mission of Canada
to the United Nations



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La Mission Permanente du Canada
auprès des Nations Unies

10A, avenue de Budé
1202 Geneva

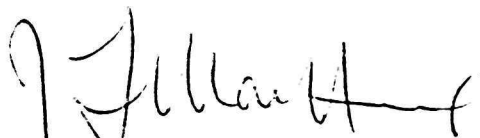
February 13, 1984

Ambassador M. Raffaelli
Chairman
Textiles Surveillance Body
GATT Secretariat
Centre William Rappard
154, rue de Lausanne
1211 Geneva 21

Dear Ambassador Raffaelli,

--- I have the honour to forward to you
notification of a modification of the provisions
of the memorandum of understanding between Canada
and the Government of the Kingdom of Thailand and
between Canada and the Government of Hong Kong
respecting certain textile products.

Yours sincerely,


J.L. MacNeil
Minister

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	TEX. SB/924 and 925	
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For		
Cabinet or DB		
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Sess. / Council Aff. Div.		
CHAIRMAN TSB	X	

For	Agree	Comment	Int.
OPER. DEPT. A			
Non Tar. M. Div.			
Development Div.			
Tech. Coop. Div.			
Trade Pol. Div.			
Coop. Proj. Div.			
OPER. DEPT. B			
Econ. R. Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
DEPT. CONF. Aff. / Int.			
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Trans. / Doc. Div.			
Training Div.			
Personnel Off.			
Conference Off.			

Short Reasoned Statement to accompany the notification to the Textile Surveillance Body of a modification of the provisions of the Memorandum of Understanding between the Government of Canada and the Government of the Kingdom of Thailand relating to the export from Thailand of certain textiles and textile products for import into Canada.

With reference to paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the MFA), done at Geneva on December 2, 1973, and to the Protocol extending the MFA, done at Geneva, December 22, 1981, I have the honour to notify the Textile Surveillance Body of two amendments to the provisions of the current restraint arrangement concluded between the Government of Canada and the Government of the Kingdom of Thailand. Pursuant to the consultation levels provisions as set out in paragraphs 30 to 33 of the current arrangement, the amendments provide for the conversion of the consultation levels governing the export of jackets and trousers, shorts, overalls and coveralls from Thailand to Canada into specific restraint levels effective from January 1, 1983 to December 31, 1986.

These modifications were agreed upon by the two Governments in December 1983, taking into consideration the circumstances currently affecting the Canadian clothing market and the position of Thailand as an established supplier to that market. The clothing products subject to the modifications fall within the scope of the MFA. The 1983 base levels applicable were established in accordance with consideration historical trading patterns and other provisions contained in Article 4 of the MFA and its Protocol of Extension.

In line with MFA guidelines, the amendments contain provisions for annual growth rates of 6 percent. The flexibility provisions allow for a swing provision established at 6 percent between any category included in the current arrangement and a carry-over/ borrow-forward of 11 percent with the sub-limit for borrow-forward of 6 percent.

The Government of Canada believes these modifications are in conformity with the provisions of the MFA and its Protocol of Extension and, as such, are in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

Accept, Sir, the renewed assurance of my highest consideration.

A handwritten signature in dark ink, appearing to be 'J. Fu' or similar, located at the bottom right of the page.

Agreed Record of Consultation

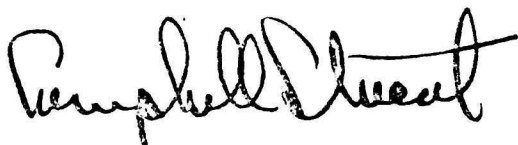
Delegations representing the Government of Canada and the Government of the Kingdom of Thailand met in Bangkok on December 12-13, 1983 to consider the Canadian request for consultations regarding exports from Thailand of jackets (Item 6 of Annex I) to Canada in accordance with the provisions of paragraphs 30 to 33 of the Memorandum of Understanding between the Government of Canada and the Government of the Kingdom of Thailand relating to the export from Thailand of certain textiles and textile products for import into Canada as concluded in Chiangmai, Thailand.

During the consultations, the delegations agreed to convert the existing consultation level governing the export of jackets from Thailand to Canada into a specific restraint level for the duration of the life of the Memorandum of Understanding (i.e until the end of 1986). In this regard, a 1983 restraint level for jackets was established at 600,000 units with an annual growth rate of 6 percent. In addition, it was further agreed that this category shall be accorded swing of 6 percent and carryover and carry-forward of 11 percent, of which carry-forward shall not be more than 6 percent. Finally, for the purpose of using the swing provisions, the conversion factor for jackets shall be 3.0 square meters per unit.

With respect to the consultations held between the two delegations in Bangkok on August 15-16, 1983 and further to Thai acceptance of the Canadian proposal to convert the consultation level governing the export of trousers, shorts, overalls and

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coveralls (Item 4 of Annex I) into a specific restraint for the duration of the life of the Memorandum of Understanding, a 1983 level of 470,000 units was established with an annual growth rate of 6 percent. It was also agreed that swing shall be 7 percent and carryover and carry-forward shall be 11 percent with carry-forward to be not more than 6 percent. It was also agreed that the conversion factor of 1.90 square meters shall apply.



Campbell Stuart
Leader
Canadian Delegation



Oranuj Osatananda
Leader
Thai Delegation

Bangkok

December 13, 1983.