

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/992\*  
4 July 1984

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement  
between Canada and Thailand

Note by the Chairman

Attached is a notification received from Canada concerning a further modification of the bilateral agreement, concluded under Article 4 of the MFA, with Thailand, under which restraints were agreed on exports of hosiery from Thailand.

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<sup>1</sup>The original agreement and previous modification are contained in COM.TEX/SB/819 and 932

\*English only/Anglais seulement/Inglés solamente

TS/140-4

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The Permanent Mission of Canada  
to the United Nations



La Mission Permanente du Canada  
auprès des Nations Unies

10A, avenue de Budé  
1202 Geneva

June 25, 1984

Ambassador M. Raffaelli  
Chairman  
Textiles Surveillance Body  
General Agreement on Tariffs  
and Trade  
Centre William Rappard  
154, rue de Lausanne  
1211 Geneva 21

Dear Ambassador Raffaelli,

--- I have the honour to forward to you the  
attached notification to the Textiles 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 textiles products for import into Canada.

Yours sincerely,

*J.L. MacNeil*

J.L. MacNeil  
Minister

For	Action	Comment	Int.
OPER. DEPT. A			X
Non-Tar. M. Div.			
Development Div.			
Tech. Coop. Div.			
Trade Pol. Div.			
Spec. Proj. Div.			
OPER. DEPT. B			X
Econ. R. Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Ser. E. L.			
Ext. Rel. Div.			
USP. C. Div.			
Adm. / Fin. Div.			
Trans. / Com. Div.			
Training Div.			
Personnel Off.			
Conference Off.			

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ANSWERED	DOC. ISSUED	FOLIO
TEX 581990		
REG 26 JUN 1984		
For	Action	Comment
Cabinet of DG		
Info. Services		
OFFICE LEGAL AFF.		
Secs. / Liaison Aff. Div.		
CHAIRMAN TS9	X	

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.

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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 an amendment to the provisions of the current restraint arrangement concluded between the Government of Canada and the Government of the Kingdom of Thailand. The amendment provides for the inclusion of hosiery, as of May 1, 1984 under the coverage of the current arrangement.

This modification was agreed upon by the two Governments in April 1984, taking into consideration the circumstances currently affecting the Canadian textile market and the position of Thailand as an established supplier to that market. The textile product subject to the modifications fall within the scope of the MFA. The 1984 base level applicable was established in accordance with consideration of historical trading patterns and other provisions contained in Article 4 of the MFA and its Protocol of Extension.

In line with MFA guidelines, the amendment contains provisions for annual growth rate of 6 percent. The flexibility provisions allow for a swing provision established at 7 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 this modification is in conformity with the provisions of the MFA and its Protocol of Extension and, as such, is in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

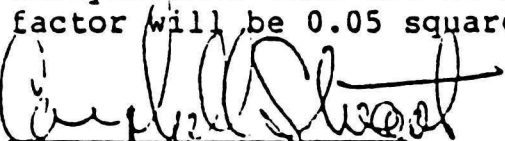
Accept, Sir, the renewed assurance of my highest consideration.

## Record of Agreement

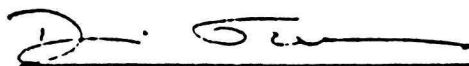
Delegations representing the Government of Canada and the Government of the Kingdom of Thailand met on March 14 and 15, 1984 in Bangkok to discuss the export of hosiery from Thailand to Canada in accordance with the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles.

Subsequent to these discussions, it was agreed that Thai authorities will begin to restrain, effective May 1, 1984, exports of hosiery from Thailand to Canada through the issuance of "Export Certificates" endorsed and issued by the proper Thai authority. It was also agreed that during the period May 1 to December 31, 1984, exports of hosiery shall be restrained to the level of 1,500,000 pairs.

It was further agreed that exports from Thailand to Canada of hosiery as described in the attached Appendix I, shall be restrained for the period 1985 to 1986 and shall be specified as Item 8 of Group II as shown in Annex I 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. It was further agreed that the 1985 restraint level governing the export of this product will be 2,080,000 pairs plus 6 percent and that the restraint level for 1986 will be accorded a further growth rate of 6 percent. The provision for swing will be 7 percent and the provision for carryover/carryforward will be 11 percent, of which carryforward will not be more than 6 percent. The conversion factor will be 0.05 square meters per pair.



Campbell Stuart  
Government of Canada



Danai Tulalamba  
Government of the Kingdom  
of Thailand

Appendix I

Hosiery, is knitted footwear for adults, children and infants. Excluded are men's and boys' woollen hosiery (over 50% of wool by weight) and ladies seamless or full fashioned full length hosiery and knee highs produced on machines of 400 needless or above and made from yarn of 30 denier or finer, and panty-hose.

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