

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL
TEX.SB/253
13 October 1977

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Agreement between Canada and Romania

Note by the Chairman

Attached hereto is a communication received from the Permanent Mission of Canada concerning the bilateral agreement concluded between Canada and Romania, covering certain textiles products.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4:4

Accord entre le Canada et la Roumanie

Note du Président

La Mission permanente du Canada a fait parvenir au secrétariat la communication ci-jointe concernant l'accord bilatéral conclu entre le Canada et la Roumanie, qui porte sur certains produits textiles.

TS/140-4

The Permanent Mission of Canada
to the United Nations



La Mission Permanente du Canada
auprès des Nations Unies

10a, avenue de Budé
Geneva

October 3, 1977

Dear Mr. Wurth,

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed to inform the Textiles Surveillance Body of a recent agreement concluded between my Government and the Government of Romania with respect to imports into Canada of worsted fabrics from Romania.

The aforementioned agreement provides that Romania will restrain its exports to Canada of worsted fabrics for a 3-year period beginning January 1, 1977. During the first year of the agreement, Romania will not ship more than 185,000 square yards to Canada. Import levels for the second and third years are to be established during subsequent consultations.

In order to avoid hardship to both Romanian exporters and Canadian importers, it was agreed to admit on an ex-quota basis all shipments effected before May 5, 1977, the date of the original request to Romania for a restraint agreement.

The agreement was concluded under the provisions of Articles 4 and 6 of the Multi-Fibre Arrangement in order to eliminate the real risk of market disruption which both Governments agreed existed and which is demonstrated by the following facts:

Mr. P. Wurth, Chairman,
Textiles Surveillance Body,
Centre William Rappard,
154 rue de Lausanne,
1211 Geneve.

ANSWERED	DOC. ISSUED	FILED
	TS/253	
REG - 5 OCT 1977		
For:	Action	Comment
TRADE POLICY DT.		X
Gen. Div.		
Agri. Div.		
Special Proj.		
TRADE DEVELOP. DT.:		
Sp. Asst. Tr. Negs		
Dev. Div.		
Intel. Div.		
CHAIR, TSB	X	
OFFICE OF D-G:		
Consultant (ADG)		
Conf. Div.		
Dir. Ext. Rels/Info.		
Ext. Rels. Sec.		
Info/Lib. Serv.		
Training Prog.		

1..2


[Handwritten signature]

- (a) the apparent Canadian market for worsted fabrics decreased by 13% between 1973 and 1976;
- (b) imports in 1976 increased 14% over 1975 and preliminary data indicate substantially increased import levels for 1977;
- (c) the share of the apparent Canadian market held by imports increased from 31.5% in 1974 to 35.8% in 1976 while domestic shipments declined from 68.5% to 64.2% over the same period;
- (d) Canadian worsted fabric producers are under severe price pressures from off-shore goods and profit margins have been eliminated; and
- (e) employment in the worsted sector has declined by 8% since 1974 and domestic producers are faced with low order book positions and high inventory levels.

In the view of Canadian authorities the aforementioned agreement fully meets and exceeds the requirements of Article 4 and, while eliminating a real risk of market disruption, ensures the orderly development of trade in worsted fabrics.

I have attached herewith copies of the memorandum of understanding and the exchange of letters effecting this agreement.

Yours sincerely,


R. Harry Jay,
Ambassador and
Permanent Representative

attachments



EMBASSY OF THE
SOCIALIST REPUBLIC OF ROMANIA
473 WILBROD STREET
OTTAWA, ONTARIO, CANADA


No 638

L'Ambassade de la République Socialiste de Roumanie présente ses compliments au Ministère de l'Industrie et du Commerce et à l'honneur de porter à sa connaissance que les autorités roumaines ont approuvé le texte du mémorandum d'entente concernant l'exportation de tissus de laine peignée au Canada, paraphé à Genève, le 12 juillet 1977.

Conformément à l'entente réalisée à la date respective, les prévisions du document mentionné doivent entrer officiellement en vigueur au moment de l'échange des notes verbales à ce sujet.

L'Ambassade de la République Socialiste de Roumanie sera agré au Ministère de l'Industrie et du Commerce de bien vouloir lui notifier son accord sur le document paraphé à Genève.

L'Ambassade de la République Socialiste de Roumanie saisit cette occasion pour renouveler au Ministère de l'Industrie et du Commerce les assurances de sa très haute considération.


O t t a w a, le 3 août 1977.

Au Ministère de l'Industrie et du Commerce
E n v i l l e .

Embassy of the Socialist Republic
of Romania,
473 Wilbrod Street,
Ottawa, Ontario, Canada.

The Embassy of the Socialist Republic of Romania presents its compliments to the Ministry of Industry, Trade and Commerce and has the honour to advise that the Romanian authorities have approved the text of the memorandum of understanding concerning exports of worsted wool fabrics to Canada, initialled at Geneva on 12 July 1977.

As agreed at that date, the provisions of the above-mentioned document are formally to enter into force upon the exchange of notes verbales on this subject.

The Embassy of the Socialist Republic of Romania will be grateful to the Ministry of Industry, Trade and Commerce for notifying its agreement to the document initialled at Geneva.

The Embassy of the Socialist Republic of Romania takes this opportunity to express to the Ministry of Industry, Trade and Commerce the renewed assurances of its highest consideration.

Ottawa, 3 August 1977

Your file Votre référence

Our file Notre référence

August 4, 1977

Mr. Nicolai Dumitrescu,
Director,
Ministry of Foreign Trade,
Bucharest, Romania.

Dear Mr. Dumitrescu,

This is in reference to the Memorandum of Understanding concerning an export restraint arrangement for worsted fabrics which was concluded on an ad referendum basis on July 12, 1977 in Geneva by representatives of the Government of Canada and the Government of Romania.

I have the honour to inform you that the Minister of Industry, Trade and Commerce has confirmed, on behalf of the Government of Canada, the acceptance of this arrangement. Upon confirmation of the acceptance of the arrangement by the Government of Romania, it shall constitute an agreement between our two Governments.

I wish to express the appreciation of the Canadian government for the understanding and cooperation shown by Romanian authorities in resolving this situation.

Yours truly,



J. K. Woyzbun,
Director,
Office of Special Import Policy.

JKW/jp

111

CPC

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between the Government of Canada as represented by the Department of Industry, Trade and Commerce and the Government of Romania as represented by the Ministry of Foreign Trade and International Economic Cooperation sets out the Agreement reached between authorities of the Governments of Romania and Canada regarding the restraint to be applied by Romania to exports of worsted fabrics containing 17 percent or more by weight of wool, in accordance with Articles 4 and 6 and other provisions of the Arrangement Regarding International Trade in Textiles (ITA).

1. It is agreed that Romania will restrain its exports to Canada of worsted fabrics containing 17 percent or more by weight of wool for a 3-year period beginning January 1, 1977. During the first year of the Agreement, Romania will not ship more than 185,000 square yards to Canada, not counting shipments effected before May 5, 1977, but taking into account the provisions of paragraph 3 below.
2. Romanian and Canadian authorities will consult at mutually agreeable dates to determine the second and third year levels of this Agreement, it being understood that these levels will not be lower than the level agreed for each previous year and that the growth factors will be established in accordance with the appropriate provisions of the ITA.
3. With respect to carryforward and carryover for worsted fabrics as set out in this Arrangement, Paragraph 5 of Annex B of the Arrangement Regarding International Trade in Textiles shall apply.
4. The appropriate Romanian authorities will provide an export licence covering all shipments to Canada of worsted fabric as defined above, which are valued in excess of \$250.00 Canadian, certifying that the goods have been authorized for export to Canada within the agreed restraint level.
5. The Canadian authorities will issue individual import licences against certificates of export authorization issued by Romanian authorities within the agreed restraint level.
6. All shipments valued at less than \$250.00 Canadian do not require certification for export by Romanian authorities.
7. Romanian authorities will endeavour to maintain a balanced pattern of shipments throughout the period of the restraint to ensure orderly marketing in Canada of worsted fabrics from Romania.
8. Romanian and Canadian authorities will provide each other, on request, with any available statistical data relevant to this arrangement.
9. Romanian and Canadian authorities will enter into consultations on request about any matter arising from or related to this Arrangement.
10. This Memorandum of Understanding shall enter into force on the date of signature and be effective for the period January 1, 1977 to December 31, 1979.

Done in two copies at Geneva this 12 day of July,
1977 in the English language.

For the Government of
Romania:



M. Petrescou
Minister Counsellor
The Permanent Mission of
the Socialist Republic
of Romania to the Office
of the United Nations and
specialized institutions
at Geneva

For the Government of
Canada:



C.D. Arthur
General Director
Office of Special Import Policy
Department of Industry, Trade
and Commerce
Ottawa, Canada