

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL  
TEX.SB/469  
25 October 1979

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Note by the Chairman

I attach hereto a copy of a letter received from Canada concerning the imposition of quantitative restrictions on shirts with tailored collars for men and boys, blouses and shirts for women and girls, and skirts and dresses, when imported from India during the period 1 October 1979 to 30 September 1980.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 3, paragraphe 5

Note du Président

Les membres de l'OST trouveront ci-joint une lettre que j'ai reçue du Canada au sujet de l'application de restrictions quantitatives sur les chemises à col tailleur pour hommes et garçonnet, les blouses et chemisiers pour femmes et fillettes, et les jupes et robes, à l'importation en provenance de l'Inde pendant la période allant du 1er octobre 1979 au 30 septembre 1980.



NOTE TO INDIAN AUTHORITIES

In September 1978, the Canadian authorities advised the Indian authorities that in addition to the May 1977 findings of the Textile and Clothing Board, information received through import surveillance indicated that substantial increases in imports of garments from India were anticipated in 1979. This would have represented sharp increases over the recent trading pattern and in some instances would have resulted in import levels significantly exceeding negotiated restraint levels with Canada's other traditional suppliers. On this basis, Canadian authorities requested the Indian authorities to enter into consultation under the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles (ITA) with a view to concluding an export restraint arrangement on certain clothing categories. Consultations were held in Delhi, November 15-16, 1978 with the Canadian delegation advancing a proposal covering shirts with tailored collars for men and boys; blouses and shirts for women and girls; other types of shirts; T-shirts; sweatshirts; pants; dresses, skirts, co-ordinates and outerwear sets; and jackets. These talks were inconclusive. Subsequently, further meetings were held in Ottawa May 27-30, 1979, these too did not result in any bilateral solution.

In view of the limited progress achieved in these meetings; the sharp increases in imports from India in the first half of 1979; and continued sensitivity in the Canadian textile and clothing manufacturing industry, the Canadian authorities requested on July 25, 1979 that Indian authorities enter into consultations under Art 3 of the ITA on blouses and shirts, both genders; and dresses, skirts and coordinates. Consultations were held in

Delhi August 27-29. Although the levels offered by the Canadian side were higher than ITA requirements, the differences in the positions of both sides on levels and coverage were such that a bilateral solution could not be reached.

The Canadian authorities regret that three meetings over a period of ten months did not result in the negotiation of a mutually acceptable arrangement. During this period imports from India which already were at substantial levels, had increased sharply particularly in the first half of 1979 when, for example, imports of blouses increased by 175 percent and skirts/dresses by 92 percent over the same period in 1978. Consequently the Canadian authorities wish to inform the Indian authorities that as a temporary action it has become necessary, pursuant to the provisions of Article 3 (5) of the ITA, to limit imports from India of (a) shirts with tailored collars for men and boys (b) blouses and shirts for women and girls and (c) dresses and skirts. It is the opinion of the Canadian authorities that this step is necessary to prevent further disruption to the Canadian clothing industry and fulfill Canada's obligations to trading partners with whom Canada has bilateral restraint arrangements.

Using the specific provisions of the ITA, i.e. on the basis of actual imports from India during the period 1 May 1978 to 30 April 1979, Canadian authorities will limit importations from India for the twelve month period beginning 1 October 1979 as follows: shirts with tailored collars for men and boys to 145,000 units; blouses and shirts for women and girls to 1,971,000 units; and dresses and skirts to 562,000 units. The Canadian authorities wish to stress that this is a temporary measure and that it is their continuing hope that a mutually acceptable solution can be found through bilateral negotiation.