

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/477

9 November 1979

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between Canada and Bulgaria

Note by the Chairman

Attached hereto is a notification from Canada of a new bilateral agreement concluded between Canada and Bulgaria. This notification was made bearing in mind the request by the Textiles Committee that actions taken vis-à-vis non-participants should be notified to the TSB.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément aux articles 7 et 8

Accord bilatéral entre le Canada et la Bulgarie

Note du Président

Le Canada a fait parvenir au secrétariat la notification ci-jointe relative à un nouvel accord bilatéral qu'il a conclu avec la Bulgarie. Cette notification a été faite conformément à la demande du Comité des textiles selon laquelle les mesures prises à l'égard de pays non participants doivent être notifiées à l'OST.



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF CANADA

AND

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA

RELATING TO THE EXPORT FROM BULGARIA

OF CERTAIN CLOTHING PRODUCTS

FOR IMPORT INTO CANADA

PARAGRAPH 1

1. This Memorandum of Understanding sets out the arrangement that has been agreed between the Government of the People's Republic of Bulgaria as represented by the Ministry of Foreign Trade (hereinafter referred to as the Bulgarian authority) and the Government of Canada as represented by the Department of Industry, Trade and Commerce (hereinafter referred to as the Canadian authority) regarding the export of certain clothing products from Bulgaria for import into Canada.
2. During the time this arrangement is in effect both of the parties agree that the export of clothing products from Bulgaria to Canada will be executed by the Bulgarian authority within the mutually agreed quantitative limits set out for those products in Annex I hereto.
3. For the purposes of classifying clothing products in the appropriate category, the definitions and notes set out in Annex I will apply.

PARAGRAPH 2

1. The two parties agree to exchange useful information concerning their mutual trade in textiles and textile products in order to ensure the successful implementation of this arrangement.
2. The Bulgarian authority will provide a certificate of export authorization (hereinafter referred to as export licence) covering each shipment to Canada of all categories of clothing exports to which this arrangement applies, which is valued in excess of \$250.00 Canadian, certifying that the goods have been authorized for export to Canada within the agreed restraint level.
3. All shipments valued at less than \$250.00 Canadian will not require export licences by the Bulgarian authority.
4. The Canadian authority will issue automatically individual import permits against original export licences corresponding as per Annex II, which are issued by the Bulgarian authority within the agreed restraint levels. In the event of total or partial withdrawal

of an export licence, the Bulgarian authority will immediately notify the Canadian authority of such total or partial withdrawal.

5. The Bulgarian authority agrees to furnish the Canadian authority with precise statistical information, on a quarterly basis, at the latest two months after the ending of the quarter, of all export licences issued by them for all categories of clothing product exports to which this arrangement applies.

6. The Canadian authority agrees to supply the Bulgarian authority with quarterly statistics on imports from Bulgaria of those clothing products to which this arrangement applies.

PARAGRAPH 3

The Bulgarian authority will endeavour to space out as evenly as possible over each of the arrangement years the exports of all clothing products for which quantitative limits may be established under this arrangement, due account being taken of seasonal factors.

PARAGRAPH 4

1. Each party agrees at the request of the other party to enter promptly into consultations with the other on any problems arising from the application of this arrangement.

2. The following specific consultation procedures shall apply to the trade in clothing or textile products not specifically provided for in this arrangement.

3. The Canadian authority may request consultations with the Bulgarian authority with a view to reaching a mutually acceptable solution for clothing or textile products not specifically provided for in this arrangement when conditions in the Canadian market are such that a limitation on further trade in certain of these clothing or textile products may be necessary to eliminate real risk of market disruption.

4. The request for such consultation shall be accompanied within 21 days by a statement of the market conditions in Canada which make necessary the request for consultations. The statement shall include data in respect of the existence of real risk of market disruption.

5. Until such time as a mutually accepted solution has been reached, the Bulgarian authority undertakes, if so requested by the Canadian authority, to limit shipments from the date on which Canada requests consultations, in order to ensure that exports of the products in question to Canada do not exceed, based on an annual rate, the level of 105% of the exports recorded, as agreed by the two parties, in the twelve-month period ending two months before the month in which the request for consultation was made. Should, in the opinion of the Bulgarian authority, the application of these provisions give rise to difficulties causing hardship to the commercial interests involved, the Bulgarian authority may request consultations to which the Canadian authority will respond promptly. The Canadian authority shall, in particular, give full and sympathetic consideration to the treatment of goods for which there are outstanding bona fide contracts and letters of credit.

6. The parties shall consult following the communication of the statement referred to in sub paragraph 4 above and will make their best efforts to reach a mutually acceptable solution within 60 days of the communication.

PARAGRAPH 5

If either party considers that it is being placed in an inequitable position as compared with a third country, that party may seek consultations with the other with a view to taking appropriate remedial action.

PARAGRAPH 6

1. This arrangement shall be effective for three calendar years starting on 1 January, 1979 and ending on 31 December, 1981.

2. Either party may at any time propose modifications to this arrangement or terminate it provided that notice of such proposal or termination is given to the other party at least 90 days before the expiry of any year of this arrangement; in the event of a notice to terminate, the arrangement will come to an end at the expiry of the

arrangement year in which the notice is given.

3. In this arrangement, "arrangement year" means any period of twelve consecutive months commencing on 1 January during the life of this arrangement.

PARAGRAPH 7

1. Subject to the specific limitations set out in Annex I, any quantitative limit shown therein may be exceeded by the percentage shown in column (e) thereof provided that an equivalent amount is deducted from any other quantitative limit shown therein.

2. For the purpose of implementing these swing provisions the conversion factors shown in column (d) of Annex I shall apply.

PARAGRAPH 8

1. Following notification to the Canadian authority of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during any restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period within the higher percentage limit set out in column (f) of Annex I.

2. Any quantitative limit may be increased within the lower percentage limit set out in column (f) of Annex I by an amount advanced from the corresponding quantitative limit for the following restraint period. The quantitative limit for the following restraint period shall be reduced by an amount equal to the amount so advanced.

3. Notwithstanding the foregoing, the carryover and borrow-forward provisions may be used in combination only up to the higher percentage limit set out in column (f) of Annex I.

PARAGRAPH 9

1. Annexes I and II to this arrangement shall form an integral part thereof.

ANNEX I

(a) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
<p>1. <u>Outerwear garments, men's, boys', women's, girls', children's and infants', (commonly referred to as snowsuits, snow-mobile suits, ski-suits, ski pants and snow-pants, and jackets and vests including parkas, ski-jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g. quilted linings, down or fibre filling, etc., but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, but excluding: all unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; bona fide industrial end-use clothing, although they meet the requirements of the above description; and ski-pants and cross-country ski-suits which do not meet the above description (e.g., constructed entirely from knitted fabric).</u></p> <p>Footnotes:</p> <p>1. A unit comprises garments which have been designed to be sold as a set, e.g. matching or co-ordinated ski-jackets and ski-pants comprising a ski suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.</p> <p>2. No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions for the receiving product.</p>	<p>1979: 25,000 1980: 26,500 1981: 28,090</p>	<p>3.50 sq. yd. per unit</p>	<p>See Footnote (2)</p>	<p>13</p>



ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
2.	<p>A. <u>Pants, Slacks, Jeans, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof, being garments which do not extend above the waist but extend to the knee or below. Included are jodhpurs, knickers, footless tights, and gauchos.</u></p> <p>B. <u>Outer shorts, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof, being garments similar to pants but not extending to the knee.</u></p> <p>C. <u>Overalls and coveralls, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being one-piece garments, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included.</u></p>	<p>1979: 150,000 1980: 159,000 1981: 168,540</p>	<p>1.90 sq. yd. per unit</p>	<p>5%</p>	<p>10% of which borrowforward shall not be more than 5%.</p>

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
3.	Rainwear, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof, being garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including raincoats, sets, capes and ponchos).	1979: 100,000 1980: 106,000 1981: 112,360	4.50 sq. yd. per unit	10%	12% of which borrow forward shall not be more than 6%.

## ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
4.	<p>A. <u>Overcoats, topcoats, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being outerwear garments extending to the knee or below, excluding rainwear and leather coats. Professional and Shopcoats, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof, being one-piece garments including barber coats, clinical coats, medical coats, laboratory coats and surgical gowns.</u></p> <p>B. <u>Jackets, men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof, being outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding those garments covered by Items 32, 39, 41, 46C, 47, 48, 49, 50 of the Import Control List.</u></p>	<p>1979: 150,000 1980: 159,000 1981: 168,540</p>	4.50 sq. yd. per unit	10%	12% of which borrow forward shall not be more than 6%.

## ANNEX I

(a) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
<p>5. <u>Structured suits, sports coats and blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof:</u></p> <p>The suit-jacket or blazer must contain the following three elements or equivalent:</p> <p style="padding-left: 40px;">(i) lining; (ii) shoulder padding; and (iii) front stiffening.</p> <p>Footnotes:</p> <p>1. A unit is either a jacket or a suit. A suit is a two- or three-piece garment consisting of matching or co-ordinated jacket/pants or jacket/ vest/pants packed and shipped together.</p> <p>2. No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions of the receiving product.</p>	<p>1979: 20,000 1980: 20,600 1981: 21,225</p>	<p>4.50 sq. yd. per suit</p>	<p>See footnote (2)</p>	<p>1%</p>

## ANNEX I

(a) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
<p>6. <u>Shirts with tailored collars, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted, or woven, being garments covering the upper part of the body normally worn next to the skin or directly over underwear and with a full or partial front opening which may include a zipper. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.</u></p> <p>Footnotes:</p> <ol style="list-style-type: none"> <li>1. A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends.</li> <li>2. No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions for the receiving product.</li> </ol>	<p>1979: 200,000 1980: 206,000 1981: 212,180</p>	<p>2.10 sq. yd. per unit</p>	<p>See footnote (2)</p>	<p>1%</p>

ANNEX I

(a) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
<p>7. <u>Sweaters, pullovers, cardigans, (including knitted ponchos), men's, boys', women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being knitted garments covering the upper part of the body of construction coarser than 19 cut, i.e. less than 19 vertical stitches per inch. Included are such items with co-ordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc.</u></p> <p><u>Note:</u></p> <p>A garment in this item when shipped with such co-ordinating or matching accessories will be considered a set and counted as one unit.</p>	<p>1979: 150,000 1980: 159,000 1981: 168,540</p>	<p>1.40 sq. yd. per unit</p>	<p>5%</p>	<p>10% of which borrow forward shall not be more than 5%.</p>

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
8.	Blouses and shirts, women's, girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted, or woven, being garments with complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweatshirts, and sweaters.	1979: 120,000 1980: 127,200 1981: 134,832	1.70 sq yd. per unit	5%	10% of which borrow forward shall not be more than 5%

ANNEX I

Explanatory Notes

- 1) Partially manufactured garments, i.e. garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing, are also included in all the foregoing items, and are to be counted against the item number of the end product. For example, outerwear shells which are to be filled or lined are considered as partially manufactured products falling within Item 1.
- 2) Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.
- 3) Children's and infants' sizes are 0 - 6X.
- 4) Swing is permitted from adults' to children's and infants' at a 3 to 5 ratio.



ANNEX II

1. Exporter (name, full address, country)	O R I G I N A L		2. No.
	3. Restraint year	4. Goods	
5. Consignee (name, full address, country)	EXPORT CERTIFICATE (CLOTHING PRODUCTS)		
	6. Country of origin BULGARIA		
	7. Country of destination CANADA		
8. Place and date of shipment - means of transport	9. Supplementary details		
10. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS	11. Quantity	12. Value FOB \$ Canadian	
	13. CERTIFICATION BY THE COMPETENT AUTHORITY  I, the undersigned, certify the product above has been charged against the quantitative limit established for the year shown in box No. 3 in respect of the goods shown in box No. 4 by the provisions regulating trade in clothing products with Canada.		
14. Competent authority (name, full address, country)	At  (Signature)	, on  (Stamp)	