

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1040*

7 March 1985

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the Bilateral Agreement between Canada and Malaysia

The Textiles Surveillance Body has received a notification from Canada of an amendment to its bilateral agreement with Malaysia, concluded under Article 4 of the MFA. Restraints on pants have been introduced from 15 April 1984 and on shorts from 1 July 1984. A licensing arrangement covering clothing items not subject to restraint or consultation levels has also been concluded between the parties.

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The original bilateral agreement is contained in COM.TEX/SB/820

²See COM.TEX/SB/35, Annex B

*English only/Anglais seulement/Inglés solamente

Kuala Lumpur, 13 June 1984

The Ministry of Foreign Affairs, Malaysia presents its compliments to the Canadian High Commission and has the honour to refer to the latter's Note No. 025 dated 19 April 1984 which read as follows:

"The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions on pants and shorts signed by representatives of the two Governments in Kuala Lumpur on 16 March 1984. In this regard, the Canadian authorities would specifically refer to paragraph 9 of this record and wish to confirm to the Malaysian authorities their formal acceptance of the provisions of the paragraphs 2 to 8 of the agreed record. Accordingly the Canadian authorities propose that this note together with the Malaysian response, constitute an agreement between the two Governments.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration."

The Ministry of Foreign Affairs, Malaysia has the honour to confirm that the proposal in the above note is acceptable to the Government of Malaysia and that the above note and this reply shall constitute an agreement between our two Governments.

The Ministry of Foreign Affairs, Malaysia avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Kuala Lumpur, 19 April 1984

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions on pants and shorts signed by representatives of the two Governments in Kuala Lumpur on 16 March 1984. In this regard, the Canadian authorities would specifically refer to paragraph 9 of this record and wish to confirm to the Malaysian authorities their formal acceptance of the provisions of the paragraphs 2 to 8 of the agreed record. Accordingly, the Canadian authorities propose that this note together with the Malaysian response, constitute an agreement between the two Governments.

The Canadian High Commission avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

CANADA/MALAYSIA TEXTILE NEGOTIATIONS
AGREED RECORD OF DISCUSSIONS

1. Delegations representing the Government of Malaysia and the Government of Canada met on 12, 13 and 16 March 1984 in Kuala Lumpur to discuss the export of pants, shorts, overalls and coveralls from Malaysia to Canada in accordance with the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles.
2. During these discussions it was agreed that Malaysian authorities will begin to restrain, effective 15 April 1984, exports of pants from Malaysia to Canada through the issuance of "Export Licences" endorsed and issued by the proper Malaysian authority. It was also agreed that during the period 15 April to 31 December 1984, exports of pants shall be restrained to the level of 192,000 units. In addition, Canadian authorities will permit entry into Canada, on a one time only basis, another 400,000 units of pants exported from Malaysia in 1984. The provision for swing will be 7 per cent and the provision for carry forward will be 6 per cent. The conversion factor will be 1.9 square metres per unit.
3. It was also agreed that Malaysian authorities will begin to restrain effective 1 July 1984, exports of shorts from Malaysia to Canada through the issuance of "Export Licences" endorsed and issued by the proper Malaysian authority. It was also agreed that during the period 1 July to 31 December 1984, exports of shorts shall be restrained to the level of 32,000 units. The provision for swing will be 7 per cent and the provision for carry forward will be 6 per cent. The conversion factor will be 1.9 square metres per unit.
4. It was further agreed that exports from Malaysia to Canada of pants and shorts as described in the attached Appendix I, shall be restrained for the period 1985 to 1986 and shall be specified as Item 5 of Group I as shown in Annex I of the Memorandum of Understanding between the Government of Canada and the Government of Malaysia Relating to the Export from Malaysia of Certain Textiles and Textile Products for Import into Canada. The two delegations further agreed that the 1985 restraint level governing the export of this product will be 335,000 units plus 6 per cent and that the restraint level for 1986 will be accorded a further growth rate of 6 per cent. The provision for swing will be 7 per cent and the provision for carryover/carry forward will be 11 per cent, of which carry forward will not be more than 6 per cent. The combined use of swing, carryover and carry forward will not exceed 15 per cent. Conversion factor will be 1.9 square metres per unit.
5. In order to ensure that both governments have the benefit of accurate and common statistics should the Government of Canada make a further request for consultations with respect to any clothing item not covered by either the Memorandum of Understanding or this Agreed Record, it was agreed that Malaysian authorities will licence those clothing items described in the attached Appendix II.

6. It was also agreed that the export licences issued by the proper Malaysian authority in respect to the products listed in Appendix II to this Agreed Record will contain the following information.

- (i) Country of destination
- (ii) Country of origin
- (iii) Licence number
- (iv) Importer's name and address
- (v) Exporter's name and address
- (vi) Category number and description of product as set out in Appendix II
- (vii) Quantity expressed in units
- (viii) f.o.b. or c.i.f. value except for non-commercial consignments
- (ix) Certification by the Malaysian authority that the quantities covered by these licences are not subject to any agreed restraint levels governing exports of textiles and textile products from Malaysia to Canada

7. Both sides agreed that the licensing of unrestrained clothing exports from Malaysia to Canada shall be effective on 1 July 1984 for the remainder of the life of the Memorandum of Understanding.

8. Both governments undertake to submit to the other monthly statistics relating to both the restrained and unrestrained products covered by the Memorandum of Understanding and the Agreed Records of Discussions subsequently signed by representatives of the two governments.

9. The provisions of the paragraphs 2 to 8 of this Agreed Record of Discussions will become formally effective immediately subsequent to an exchange of notes between the two governments confirming their acceptance of these arrangements.

Kuala Lumpur, 16 March 1984

Campbell Stuart
Director General
Special Trade Relations Bureau
Department of External Affairs
Government of Canada

Yap Fung Kong
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Ministry of Trade and Industry
Government of Malaysia

APPENDIX I

Item No.

Product Description

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Trousers, pants, slacks and jeans 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, gauchos.

Note: Men's and boys' garments in this item manufactured of fabric containing 5 per cent or more by weight of wool or hair are considered to be woollen garments.

Outershorts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Shorts are garments similar to pants but not extending to the knees.

APPENDIX II

- | <u>Item No.</u> | <u>Product Description</u> |
|-----------------|---|
| 6 | <u>Winter outerwear garments</u> (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski-pants and snow-pants, and 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. Excluded are 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; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric). |
| 7 | <u>Overalls and coveralls</u> wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Overalls and coveralls are 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. |
| 8 | <u>Shirts, men's and boys', children's and infants' other than with tailored collars, including full fashioned collars</u> , wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full fashioned collar consists of one piece knitted to shape collar. For a full description of shirts, see description for Item I of Annex II of the Memorandum of Understanding. |
| 9 | <u>T-shirts</u> , wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which may have collarless front opening or no front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch. <u>Sweatshirts</u> , wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included. |

Note: The definitions of T-shirts and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full fashioned collars.

| <u>Item No.</u> | <u>Product Description</u> |
|-----------------|--|
| 10 | <p><u>Sleepwear and bathrobes</u> <u>Pyjamas and sleepwear</u>, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.</p> <p><u>Bathrobes, dressing gowns and housecoats</u>, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.</p> |
| 11 | <p><u>Dresses and Skirts</u> <u>Dresses</u>, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extending above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).</p> <p><u>Skirts</u>, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.</p> |
| 12 | <p><u>Suits, co-ordinates and outerwear sets</u> <u>Suits, co-ordinates or matching sets, and blazers</u>, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or co-ordinated pieces, covering both the upper and lower parts of the body, packed, shipped and sold as a set. Co-ordinates include: coat or jacket and dress sets, blouse and pant or skirt sets, shirt and skirt or pant sets, jacket and pant or skirt sets, coat and pant or skirt sets.</p> <p><u>Athletic sets or suits</u>, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or co-ordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition in this list including leotards covering the trunk of the body, judo sets, tracksuits, jogging suits, cross-country ski-suits (subject to the description in Item 1).</p> <p><u>Leisurewear, co-ordinates or sets</u> not defined by any definitions in this Annex. These may include short sets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and loungewear, n.e.s.</p> |

- | <u>Item No.</u> | <u>Product Description</u> |
|-----------------|--|
| | <p><u>Miscellaneous garments</u>, children's and infants' garments not meeting any of the descriptions relating to children's and infants' wear contained elsewhere in this list, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.</p> |
| 13 | <p><u>Underwear</u> <u>Underwear</u>, wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.</p> <p>Note: In the case of underwear sets, each piece is to be counted separately.</p> |
| 14 | <p><u>Swimwear</u> <u>Swimwear</u>, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.</p> <p>Note: Garments fitting this description which consist of two (or more) pieces must be matched or co-ordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this list as individual garments. Co-ordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and co-ordinates in Item 13.</p> |
| 15 | <p><u>Foundation garments</u> <u>Foundation garments</u>, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: brassières, girdles, corselettes, corsets and panty girdles.</p> |
| 16 | <p><u>Coats, jackets and rainwear</u> <u>Jackets</u>, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Jackets are outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this Appendix.</p> <p><u>Overcoats and topcoats</u>, 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.</p> |

Item No.

Product Description

Professional and shop coats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.

Rainwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

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Fine suits

Fine suits, sports coats and blazers, men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.

Note: The suit-jacket, sports coat or blazer may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.

Note: A unit is either a jacket, sports coat or 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 and sold as a set.