

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/443

11 July 1979

Special Distribution

Textiles Surveillance Body

Original: English/French

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4:4 Notification

Bilateral Agreement Between Canada and the Philippines

The Textiles Surveillance Body has received from Canada a notification of a bilateral agreement which has been concluded under Article 4 of the Arrangement between Canada and the Philippines for a three-year period starting 1 January 1979.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4¹, has examined the relevant documentation and is circulating² the text of this agreement to participating countries for their information.

¹See COM.TEX/SB/35, Annex B.

²For the observations of the TSB, see COM.TEX/SB/446, paragraph 3.

MEMORANDUM OF UNDERSTANDING

Discussions between delegations of the Governments of Canada and the Republic of the Philippines concerning trade in selected textile products were held in Manila from March 27 to April 6, 1978, as a result of which both delegations initialled the attached Agreement on an ad referendum basis.

(signed)

FOR THE GOVERNMENT
OF CANADA

(signed)

FOR THE GOVERNMENT
OF THE REPUBLIC OF
THE PHILIPPINES

Manila, Philippines.

April 6, 1978

AGREEMENT RELATING TO TRADE IN SELECTED TEXTILE PRODUCTSBETWEENCANADA AND THE PHILIPPINESINTRODUCTION

1. This Agreement sets out the arrangements that have been agreed upon between the delegations of the Government of Canada and the Government of the Republic of the Philippines regarding the export of selected textile products from the Philippines to Canada.
2. This Agreement was entered into taking into consideration the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the ITA), in particular Article 4 thereof as well as paragraphs 5.3, 5.4, 5.6 and paragraph 8 of the Protocol extending the ITA (L/4616).
3. In respect of the products covered by this Agreement, the Government of Canada shall not introduce without prior consultation as provided for in paragraph 24 hereof, quantitative restrictions under Article XIX of the General Agreement on Tariffs and Trade and Article 3 of the ITA in the event it lifts its global quota.
4. During the term of this Agreement, measures having equivalent effect to quantitative restrictions on the importation into Canada of the products covered

by this Agreement shall not be introduced without prior consultations as provided for in paragraph 24 hereof.

COVERAGE

5. Both Governments recognize and confirm that the conduct of their mutual trade in selected textile products originating and dispatched from the Republic of the Philippines as listed in ANNEX I shall be governed by the provisions of this Agreement.
6. For purposes of this Agreement, "textiles" shall be as defined in Article 12 (1) of the ITA.
7. Traditional folkloric items produced by the cottage industry of the Philippines shall be exempted from restraint provided that such items are properly certified in accordance with arrangements to be established before January 1, 1979.
8. For the purpose of classifying textile products in the appropriate item number, the definitions and the footnotes set out in ANNEX I and the explanatory notes set out in ANNEX II hereof shall apply.

RESTRAINT PERIOD

9. This Agreement shall be in effect for three separate calendar year periods commencing January 1, 1979 and terminating December 31, 1981. In respect of acrylic

yarn and handbags described in ANNEX I, this Agreement shall apply for the 1970 calendar year period and thereafter for the three separate calendar year periods.

RESTRAINT LIMITS

10. The Republic of the Philippines shall regulate its exports to Canada of selected textile products described in ANNEXES I and II to the limits set out therein for the period specified in paragraph 9 above.

ADMINISTRATION

11. This Agreement shall be implemented on the basis of the export allotment system of the Philippines.
12. The Government of Canada shall automatically admit imports of selected textile products described in ANNEX I upon presentation of export license as per specimen shown in ANNEX III. Such license shall be issued by the appropriate Philippine authorities attesting that the Philippine exports covered by the license have been debited to the applicable quantitative limits as set out in ANNEX I.
13. The Government of the Philippines shall endeavour to ensure that exports of all textile products subject to quantitative limits are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and having regard to normal channels of trade.

SWING, CARRYOVER/BORROW FORWARD

14. Swing, carryover and borrow forward shall be allowed as described in ANNEX IV.
15. For the purposes of implementing the swing provisions in paragraph 14, the conversion factors shown in column (F) of ANNEX I shall apply.

EXCHANGE OF STATISTICS

16. Both Governments agree to exchange all useful information concerning their mutual trade in textiles, including information on textile items not covered by this Agreement.
17. The Government of the Philippines shall provide the Government of Canada with monthly statistics relating to exports of selected textile products listed in ANNEX I.
18. The Government of Canada shall provide the Government of the Philippines with monthly statistics of total imports from the Republic of the Philippines and from other suppliers in respect of the textile products subject to this Agreement.

EQUITY

19. Should either Government consider, as a result of this Agreement, that it is being placed in an inequitable position vis-a-vis any third supplier, that Government may request the other to consult with a view to implementing appropriate remedial measures.

CONCENTRATION.

20. If, on the basis of export data provided by the Government of the Philippines, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports, other than a concentration attributable to normal seasonal factors, of particular products in any item number subject to quantitative limits, the Government of Canada may request consultations in accordance with the provisions of paragraph 24 below with a view to remedying this situation.

RE-EXPORTS

21. Imports into Canada of those textile products to which this Agreement applies which are for immediate re-export or for inward processing and subsequent re-export outside Canada shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within Canada.
22. The Government of Canada shall inform the Government of the Philippines when imports into Canada of selected textile products subject to this Agreement are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of the Philippines to quantitative limits, it may then credit the amounts involved to the appropriate quantitative limits.

REVISIONS

23. Either Government may at any time propose revisions to the terms of this Agreement having regard to the provisions of the ITA and to the provisions of paragraph 5.4 of the Protocol extending the ITA (L/4616).

CONSULTATIONS

24. Either Government shall have the right to request consultations with the other Government on any matter arising from the implementation of this Agreement. Such consultations shall be conducted in the following manner:

- any request for consultations shall be notified in writing to the other Government;
- the request for consultations shall be followed within fifteen days by a statement setting out the reasons for such a request;
- both Governments shall enter into consultations within one month from receipt of notification, with a view to reaching agreement or a mutually acceptable solution within one month from start of consultations;
- ending conclusion of such consultations, the Government of Canada agrees not to impose any unilateral restraint on selected textile products which are under consultation.

25. The Government of Canada shall not impose any unilateral restraint on any textile product exported from the Philippines not covered by this Agreement without prior consultations conducted in accordance with Paragraph 24 above.

26. Consultations held under the foregoing provisions shall be conducted in a spirit of cooperation and with the view of reconciling differences.

ANNEXES

27. The ANNEXES and Explanatory Notes to this Agreement shall be considered as integral parts thereof.

TERMINATION

28. Either Government may terminate this Agreement effective at the end of any restraint period by written notice to the other Government, to be given at least ninety days prior to the end of any restraint period.

TRANSITIONAL ARRANGEMENTS

29. Both Governments agree that any difficulties which may arise as a consequence of the transition from any control arrangements maintained by the Government of Canada upon imports into Canada of products subject to this Agreement to the export allotment system provided for in this Agreement shall be brought immediately

to the attention of the other Government and that consultations as provided for under paragraph 24 of this Agreement shall be held to resolve such difficulties.

(signed)

For the Government
of Canada

Manila, Philippines
April 6, 1978

(signed)

For the Government of
the Republic of the
Philippines

Manila, Philippines
April 6, 1978

ANNEX I

(A)	(B)	(C)	(D)	(E)	(F)
SWING GROUP NO.	ITEM NO.	ITEM DESCRIPTION	RESTRAINT LIMIT (Pieces unless otherwise stated)	GROWTH RATE	COEFFICIENT FACTOR (Sq. Yds. per unit unless otherwise stated)
I	I	Winter outerwear garments, men's and boys', women's and girls', children's and infants', (commonly referred to as snow-suits, 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 synthetic or man-made materials and that are lined with woven fabrics and that 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 ensembles; 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). (Growth through Central USA NO. 32)	1979: 60,000 1980: 61,200 1991: 62,424	2%	2.50

EXPLANATION:

A unit includes 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 to be counted separately.

(A) SHEETS OR UP NO.	(B) TARI NO.	(C) ITEM DESCRIPTION	(D) RESTRICTION LIMIT (Pieces unless otherwise stated)	(E) GROSS RATE	(F) COUNTRY OF ORIGIN (Sq. yds. per unit unless otherwise stated)
. I	2	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. (CANADIAN IMPORT CONTROL LIST NO. 49)	1979: 85,000 1980: 86,700 1981: 88,434	2%	2.10
I	3	Shirts, men's and boys', other than with tailored collars, including those with full fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof. For a full description of "shirts" see description for item 2 above. (CANADIAN IMPORT CONTROL LIST NO. 49)	1979: 260,000 1980: 270,400 1981: 281,216	4%	2.00
AND					
Blouses and shirts, women's and girls' 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, sweat-shirts and sweaters. (CANADIAN IMPORT CONTROL LIST NO. 39)					

FOOTNOTES:

- (1) "Tailored collar" consists of one or more pieces of material which are cut and sewn pointed or rounded ends.
- (2) "Full-fashioned collar" consists of one piece knitted-to-shape collar.

(A)	(B)	(C)	(D)	(E)	(F)
SWIFT GROUP NO.	ITEM NO.	ITEM DESCRIPTION	RESTRICTION LIMIT (pieces unless otherwise stated)	GROWTH RATE	COMMISSION ESTIMATE (5c. yds. for knit and 10c. for other items stated)
I	4	T-shirts and sweat-shirts, men's and boys', women's and girls', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments with a front opening covering the upper part of the body of construction 19 cut or finer, i.e. 19 or more vertical stitches per inch. Sweat-shirts are garments, at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included. (QUANTITATIVE REPORT CONTROL ITEM HOS. 39 AND 49)	1979: 170,000 1980: 160,200 1981: 191,012	6%	1.70
I	5	Sweaters, pullover and cardigans (including knitted pieces), men's and boys', women's and girls', 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 contrasting or matching accessories, e.g. hosiery, scarves, gloves, mittens, socks, etc. A garment in this item which shipped with such co-ordinating or matching accessories will be considered a set and counted as one unit. (QUANTITATIVE REPORT CONTROL ITEM NO. 59)	1979: 90,000 1980: 91,800 1981: 93,656	2%	1.40

NOTES:

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

(A) SWING GROUP NO.	(B) ITEM NO.	(C) ITEM DESCRIPTION	(D) RESTRAINT LIMIT (Pieces unless otherwise stated)	(E) GROWTH RATE	(F) CONVERSION FACTOR (Sq. yards per unit unless otherwise stated)
11	6	<p>Suits, women's and girls', co-ordinates and underwear sets, including athletic sets or suits, men's and boys', women's and girls', 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 and shipped as a set. Co-ordinates include: coat and dress sets, blouse or women's shirt and pant or skirt sets, cabana sets, beach pyjamas, lounging pyjamas, short sets, and beach wear. Athletic sets or suits 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 as a set, normally worn for participation in athletic activities and not covered by any other definition in these arrangements, including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross country ski-suits. (Subject to the description in Item 1).</p> <p>AND</p> <p>Dresses and skirts, women's and girls', 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, house dresses and caftans (other than sleepwear). Skirts are one piece garments not extending above the waist, including golf skirts, kilts (including men's and boys') and culottes.</p>	<p>1979: 275,000</p> <p>1980: 291,500</p> <p>1981: 308,990</p>	6%	3.5

(CANADIAN IMPORT CONTROL LIST NO. 42)

(A) SWING GROUP NO.	(B) ITEM NO.	(C) ITEM DESCRIPTION	(D) RESTRAINT LIMIT (Prices unless otherwise stated)	(E) GROWTH RATE	(F) CONVERSION FACTOR (Sq. Yds. per unit unless otherwise stated)
II	7	Brassières (Foundation Garments) (CANADIAN IMPORT CONTROL LIST NO. 43)	1979: 1,300,000 1980: 1,378,000 1981: 1,460,680	6%	.30
II	8	Underwear, men's and boys', women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are slips and bloomers. (CANADIAN IMPORT CONTROL LIST NO. 45)	1979: 220,000 1980: 233,200 1981: 247,192	6%	.90
II	9	Children's and infants' wear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof: blouses, shirts, T-shirts, sweatshirts (as defined in Items 2, 3 and 4), sweaters (as defined in Item 5), dresses, skirts, suits, co-ordinates and outerwear sets (as defined in Item 6). Also included are: sunsuits, christening sets, pramssets, creepers, rompers and crawlers. (CANADIAN IMPORT CONTROL LIST NOS. 39, 42 and 50)	1979: 1,700,000 1980: 1,836,000 1981: 1,982,880	8%	2.00

FOOTNOTES:

- (1) In the case of bra sets, the brassière is to be counted against item number 7, while the panties are to be counted against item number 8.
- (2) Children's and infants' garments are sizes 0-6X.

(A) SHEET GROUP NO.	(B) ITEM NO.	(C) ITEM DESCRIPTION	(D) RESTRAINT LIMIT (Pieces unless otherwise stated)	(E) GROWTH RATE	(F) PERCENTAGE OF FIBRATIONS (Sq. yds. per unit unless otherwise stated)
IIV	10	All types of machine and hand knitting ACRYLIC YARN containing 50% or more by weight of acrylic fibre, except those yarns spun on the cotton system.	1978: 188,679 lbs. 1979: 200,000 lbs. 1980: 212,000 lbs. 1981: 224,700 lbs.	6%	1.0 lb. per unit
III	11	Handbags	1978: 283,019 1979: 300,000 1980: 318,000 1981: 337,000	6%	0.5 lb. per unit

FOOTNOTE:

"Handbags" covered above are made of fabrics, wholly or mainly by weight of cotton, man-made fibres, wool or blends thereof, uncoated, with a body area, excluding handles, between 40 and 190 square inches, in the manufacture of which genuine leather and plastic materials may be used as trim and finish, but not as a major component of the shell.

ANNEX II

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 I.
- (2) Garments of indeterminate gender, including unisex garments are to be counted as of male gender.
- (3) A unit includes garments which have been designed to be sold as a set or one unit, e.g. matching or coordinated ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set.

ANNEX IV

- GROUP I
 - Swing among or into products within Group I may not exceed 5%.
 - No individual product may be increased by more than 10% (including swing, carryover and borrow forward).
 - Carryover and borrow forward cannot exceed 10% (of which borrow forward shall not exceed 5%).

- GROUP II
 - Swing among or into products of Group II may not exceed 7%.
 - No individual product may be increased by more than 15% (including swing, carryover and borrow forward).
 - Carryover and borrow forward cannot exceed 11% (of which borrow forward shall not exceed 6%).

- GROUP III
 - Swing within Group III may not exceed 7%.
 - No individual product may be increased by more than 15% (including swing, carryover and borrow forward).
 - Carryover and borrow forward cannot exceed 11% (of which borrow forward shall not exceed 6%).

FOOTNOTES:

- (1) The conversion factors appearing in column (F) of Annex I shall be applied in utilizing the Swing provisions.
- (2) Swing into Groups I and II from III shall not be allowed, and vice-versa.
- (3) Swing out of children's garments is not permitted.