

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/444

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Textiles Surveillance Body

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French

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Article 4:4 Notification

#### Bilateral Agreement Between Canada and Hong Kong

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 Hong Kong, for a three-year period starting 1 January 1979.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4<sup>1/</sup>, has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.<sup>2/</sup>

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<sup>1/</sup> See COM.TEX/SB/35, Annex B.

<sup>2/</sup> For the observations of the TSB see COM.TEX/SB/446, paragraph 4 to 7.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF CANADA  
AND THE HONG KONG GOVERNMENT RELATING TO THE EXPORT FROM  
HONG KONG OF CERTAIN TEXTILE PRODUCTS TO CANADA

Introduction

1. This Memorandum of Understanding sets out the arrangements that have been agreed between the Government of Canada and the Hong Kong Government regarding the export of certain textile products from Hong Kong for import into Canada.
2. These arrangements have been made having regard to the Arrangement regarding International Trade in Textiles (hereinafter referred to as "the ITA") and in particular to Article 4 thereof, and to the Protocol extending the said Arrangement (L/4616) and in particular to paragraph 5.3 thereof, which provides for the possibility of jointly agreed reasonable departures from particular elements of the ITA in particular cases.

Coverage

3. These arrangements shall apply to Hong Kong's exports to Canada of the textile products set out in Annex I to this Memorandum.
4. For the purposes of these arrangements, the expression "textiles" shall have the meaning ascribed to the expression in Article 12.1 of the ITA.
5. For the purposes of classifying textile products in the appropriate category, the definitions and notes set out in Annex I shall apply.

Restraint periods

6. Except as provided for in paragraphs 7 and 8 below, these arrangements shall apply for three separate calendar year periods commencing on 1 January 1979 and terminating 31 December 1981. Should these or other arrangements regarding textiles be continued or introduced after 31 December 1981, the Government of Canada and the Hong Kong Government agree that regard shall be had to paragraph 5.4 of the Protocol extending the ITA (L/4616).<sup>1</sup>

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<sup>1</sup>Extract from L/4616:

"5.4 It was agreed that any such departures as mentioned in sub-paragraph 3 above would be temporary and that participants concerned shall return in the shortest possible time to the framework of the Arrangement."

7. In respect of bedsheets, as described in Annex I, these arrangements shall apply from 11 March 1978 to 31 December 1978 and thereafter for the three separate calendar year periods mentioned in paragraph 6 above.

8. In respect of cotton terry towels, washcloths and sets, as described in Annex I, these arrangements shall apply from 1 January 1978 to 31 December 1978 and thereafter for the three separate calendar year periods mentioned in paragraph 6 above.

9.

#### Restraint limits

10. Except as provided for in paragraphs 14 to 18 below, Hong Kong shall restrain its exports to Canada of the textile products described in Annex I to the limits set out therein for each of the periods specified therein.

#### Administration

11. The Government of Canada and the Hong Kong Government agree that these arrangements shall be implemented on the basis of the export control system operated by the Trade Industry and Customs Department of the Hong Kong Government.

12. The Government of Canada shall admit imports of the textile products described in Annex I provided such imports are covered by a copy of a Hong Kong export licence endorsed and issued by the Trade Industry and Customs Department to the effect that the imports covered by the licence have been debited to the applicable quantitative limit or export authorization as set out in Annex I.

13. The Hong Kong Government shall endeavour to ensure that exports of all textile products, particularly men's and boys' shirts, subject to quantitative limits or the export authorization system 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

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

15. For the purposes of implementing the swing provisions in paragraph 14, the conversion factors shown in column (e) of Annex I shall apply.

Carryover/carryforward

16. Following notification to the Government of Canada 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 (g) of the Annex.

17. Any quantitative limit may be increased within the lower percentage limit set out in column (g) 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.

18. Notwithstanding the foregoing, the carryover and carryforward provisions may be used in combination only up to the higher percentage limit set out in column (g) of Annex I.

Exchange of statistics

19. The Hong Kong Government shall provide the Government of Canada with half-monthly statistics relating to exports of the textile products listed in Annex I licensed for export to Canada and debited to the quantitative limits or export authorizations issued as appropriate for each restraint period.

20. The Hong Kong Government shall provide such other statistical data relating to exports of textile products which are not subject either to quantitative limits or to export authorizations as the Government of Canada may reasonably require.

21. The Government of Canada shall provide the Hong Kong Government with quarterly statistics of total imports and of imports from Hong Kong and from other significant suppliers in respect of the textile products subject to these arrangements.

Concentration

22. If, on the basis of export data provided by the Hong Kong Government, 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 category subject to quantitative limits, the Government of Canada may request consultations in accordance with the provisions of paragraph 36 below with a view to remedying this situation.

Equity

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

Re-exports

24. The Government of Canada shall, so far as possible, inform the Hong Kong Government when imports into Canada of textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Hong Kong Government to quantitative limits, the Hong Kong Government may then credit the amounts involved to the appropriate quantitative limits.

Export Authorization System

25. In view of the well established and effective Hong Kong system of Export Authorization (hereinafter referred to as an "E/A"), and the desire of both Governments to eliminate real risks of market disruption, the following provisions shall apply to each category of textile products in Annex I not subject to a quantitative limit.

26. The Hong Kong Government shall require that all exports to Canada of the textile products not subject to a quantitative limit listed in Annex I be covered by an E/A issued by the Trade Industry and Customs Department of the Hong Kong Government. An E/A shall be issued only on evidence of a firm contract for the supply of the goods involved and shall be valid for three months from the date of issue or until the end of the calendar year in which it is issued whichever period is the shorter.

27. Export licences to ship goods covered by an E/A shall be issued by the Trade Industry and Customs Department on presentation of the relevant E/A within its validity. An export licence shall be valid for twenty-eight days from its date of issue or until the end of the calendar year in which it is issued whichever period is the shorter. The Hong Kong Government shall not issue export licences in respect of exports to Canada subject to these provisions which are not covered by a valid E/A.

28. The Government of Canada shall admit imports of the textile products of Hong Kong origin subject to these provisions where such imports satisfy all normal conditions of entry and are accompanied by a copy of a Hong Kong export licence endorsed and issued by the Trade Industry and Customs Department to the effect that the quantities covered by the export licence have been debited to the appropriate E/A.

29. The Hong Kong Government shall provide the Government of Canada with half-monthly statistical returns showing the quantities covered by E/A's issued to Hong Kong exporters in respect of the textile products subject to these provisions.

30. The Hong Kong Government shall notify the Government of Canada immediately upon receipt of any application for E/A's in exceptionally large amounts or unusual concentration of applications for E/A's in the textile products concerned. In judging what constitutes exceptionally large or unusual concentrations of applications the Hong Kong Government shall have regard to recent levels of trade. The Hong Kong Government acknowledges that the provisions of paragraph 31 apply to any such notifications.

31. The Government of Canada may request the Hong Kong Government to suspend the issue of E/A's if, in the opinion of the Government of Canada, a limitation on further trade in the textile products subject to these provisions may be necessary to eliminate real risk of market disruption as defined in Annex A of the ITA. Such a request shall be accompanied by a request for consultations and by a statement of the reasons and justification for the request.

32. Upon receipt of such a request for suspension of E/A's and for consultations, the Hong Kong Government shall suspend immediately the issue of E/A's in respect of those textile products concerned. The Hong Kong Government may, however, continue to issue export licences against valid E/A's issued before any such suspension.

33. The consultations shall be held in accordance with the provisions of paragraph 36 below. It is agreed that any quantitative limit which may be agreed shall not be lower than the level of E/A's issued. Any limitation established under these provisions shall continue until 31 December 1981. The two Governments agree that the quantitative limit shall be increased for each subsequent restraint period and that the provisions of paragraphs 14 to 18 shall apply.

34. Should the two Governments not reach agreement on the need for a limitation on further trade, and pending the conclusion of any consultations, Hong Kong may resume the issue of E/A's provided exports of the textile products in question do not exceed, at an annual rate, the exports of such textile products recorded in the twelve months ending two months before the month in which the Government of Canada requested consultations.

#### Revisions

35. Either Government may at any time propose revisions to the terms of these arrangements having regard to the provisions of paragraph 5.4 of the Protocol extending the ITA (L/4616).

Consultations

36. Either Government shall have the right to request consultations with the other Government on any matter arising from the implementation or operation of these arrangements or on any matter germane thereto. Such consultations shall be governed by the following:

- any request for consultations shall be notified in writing to the other Government;
- the other Government shall accept such a request and such consultations shall be held as soon as possible;
- the request for consultations shall be accompanied by or followed within a reasonable period (and in any case not later than fifteen days following the request) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Government, justify the submission of such a request;
- the Governments shall enter into consultations within one month at the latest of notification of the request, with a view to reaching a mutually acceptable conclusion within one month at the latest.

37. Any consultations held under these provisions shall be approached by both Governments in a spirit of co-operation and with a desire to reconcile the differences between them.

Annexes

38. The Annex to this Memorandum of Understanding shall be considered an integral part of it.

Termination

39. Either Government may terminate these arrangements 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

40. 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 these arrangements to the export control system provided for in these arrangements shall be brought immediately to the attention of the other Government and that consultations shall be held to resolve such difficulties.

For the Government  
of Canada

For the Hong Kong  
Government



Annex 1

	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
1	<p>Winter 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 &amp; 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)</p> <p>- of which adults'</p>	<p>Quantitative Limit (QL)</p>	<p>1979: 537,000 1980: 542,370 1981: 547,794</p>	<p>3.50</p>	<p>See Foot-note (3)</p>	<p>1% of which carryforward shall not be more than 1/2%</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) Swing is permitted from adults' to infants' at a 3 to 5 ratio.</p> <p>(3) The parties acknowledge that swing into this item has already been incorporated in the restraint limits set out in Column (d).</p> <p>(4) Children's and infants' are size 0 to 6X.</p>						

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
2	<p>Structured suits and blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof</p> <p>The suit-jacket or blazer must contain the following three elements or equivalent:</p> <ul style="list-style-type: none"> <li>(i) lining;</li> <li>(ii) shoulder padding; and</li> <li>(iii) front stiffening</li> </ul> <p>Footnotes:</p> <p>(1) The parties acknowledge that swing into this item has already been incorporated in the restraint limits set out in Column (d). 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>	QL	<p>1979: 40,050 1980: 40,450 1981: 40,855</p>	4.50	See Footnote (1)	1% of which carryforward shall not be more than 1/2%

ANNEX 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
3	<p>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.</p> <p><u>Footnotes:</u></p> <p>(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.</p> <p>(2) The parties acknowledge that swing into this item has already been incorporated in the restraint limits set out in Column (d).</p>	QL	<p>1979: 2,900,000 1980: 2,929,000 1981: 2,958,290</p>	2.10	See Footnote (2)	1% of which carryforward shall not be more than 1/3%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
4	<p>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, sweatshirts, and sweaters.</p> <p><u>Footnote:</u> (1) The parties acknowledge that swing into this item has already been incorporated in the restraint limits set out in Column (d).</p>	QL	<p>1979: 6,818,100 1980: 6,954,462 1981: 7,093,551</p>	1.70	See Footnote(1)	<p>% of which carryforward shall not be more than 1/3%</p>
5	<p>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. 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>- of which men's and boys' wear</p> <p><u>Footnotes:</u> (1) Swing is permitted from adults' to infants' at a 3 to 5 ratio. (2) The parties acknowledge that swing into this item has already been incorporated in the restraint limits set out in column (d).</p>	QL	<p>1979: 6,762,100 1980: 6,829,721 1981: 6,898,018</p> <p>1979: 1,000,000 1980: 1,010,000 1981: 1,020,100</p>	1.40	See Footnote(2)	<p>% of which carryforward shall not be more than 1/3%</p>

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
6	<p>Shirts, men's and boys', other than with tailored collars, including full-fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full-fashioned collar consists of 1 piece knitted to shape collar. For a full description of "shirts" see description for Item 3 above.</p> <p><u>Footnote:</u></p> <p>(1) The restraint limits in Column (d) may not be increased by more than 17% by the combined use of swing, carryover and carryforward</p>	QL	<p>1979 : 475,000 1980 : 489,250 1981 : 503,928</p>	2.10	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
7	<p>T-shirts and sweatshirts, men's, 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 without front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch. Sweatshirts are garments, at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.</p> <p>- of which sweatshirts</p> <p><u>Footnotes:</u></p> <p>(1) The definitions of T-shirts and sweatshirts for men and boys are subject to the overriding definitions of men's and boys' shirts with tailored or full-fashioned collars.</p> <p>(2) The restraint limits in column (d) may not be increased by more than 11% by the combined use of swing, carryover and carryforward.</p> <p>(3) Swing into this Item in excess of Footnote (2) is permitted from Items 3, 4 or 6 at a one to one ratio.</p>	QL	<p>1979 : 3,000,000 1980 : 3,090,000 1981 : 3,182,700</p> <p>1979 : 750,000 1980 : 772,500 1981 : 795,675</p>	1.70	5%	10% of which carry forward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limits (pieces, union otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
8	<p>Shirts, blouses, T-shirts and sweatshirts, children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Definitions for these products are as in Items (3), (4), (6) and (7) above.</p> <p><u>Footnotes:</u></p> <p>(1) Children's and infants' garments are sizes 0 - 3X.</p> <p>(2) The restraint limits in column (d) may not be increased by more than 1% by the combined use of swing, carryover and carryforward.</p> <p>(3) Swing into this item in excess of Footnote (2) is permitted from items 3, 4, 6 or 7 at a three to five ratio.</p>	QL	<p>1979 : 535,000 1980 : 567,100 1981 : 601,126</p>	1.40	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
9	<p>Trousers, slacks and jeans, men's and boys', 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.</p> <p style="text-align: center;">-- of which wool</p> <p><u>Footnotes:</u></p> <p>(1) Men's and boys' garments in this item manufactured of fabric containing 5% or more by weight of wool or hair are considered to be woollen garments.</p> <p>(2) The restraint limits in column (d) may not be increased by more than 11% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979: 3,000,000 1980: 3,060,000 1981: 3,121,200</p> <p>1979: 150,000 1980: 153,000 1981: 156,060</p>	1.90	5%	10% of which carryforward shall not be more than 5%
10	<p>Trousers, slacks and jeans, women's and girls' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.</p> <p>Definitions for these products are as in Item (9) above.</p> <p><u>Footnote:</u></p> <p>(1) The restraint limits in column (d) may not be increased by more than 11% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979: 907,000 1980: 943,280 1981: 981,011</p>	1.70	5%	10% of which carryforward shall not be more than 5%



Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, uniers otherwise stated)	(e) Conversion Factor (square yard per unit, unices otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
11	<p>Overalls and coveralls, men's, boys, women's and girls' 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 cover the upper part of the body. One-piece jumpsuits are included.</p> <p>Footnote : (1) The restraint limits in Column (d) may not be increased by more than 1% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 400,000 1980 : 424,000 1981 : 449,440</p>	3.50	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
12	<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>	QL	<p>1979 : 1,000,000 1980 : 1,060,000 1981 : 1,123,600</p>	3.20	5%	10% of which carryforward shall not be more than 5%
<p><u>Footnote :</u> (1) The restraint limits in Column (d) may not be increased by more than 11% by the combined use of swing, carryover and carryforward.</p>						

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
13	<p>Suits, women's and girls' co-ordinates and outerwear sets, including athletic sets or suits, men's, 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 and pant or skirt sets, shirt and skirt sets, cabana sets, beach pyjamas, lounging pyjamas, short sets, and beachwear. 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>Footnote: (1) The restraint limits in column (d) may not be increased by more than 11% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 600,000 1980 : 636,000 1981 : 674,160</p>	4.00	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
14	<p>Children's and infants' wear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof:-  trousers (as defined in Item 9);  shorts (as defined in Item 16);  overalls and coveralls (as defined in Item 11);  dresses and skirts (as defined in Item 12);  suits, co-ordinates and outerwear sets (as defined in Item 13);  pyjamas and sleepwear (as defined in Item 19);  bathrobes and dressing gowns (as defined in Item 23)</p> <p>- of which trousers, slacks, jeans, shorts, overalls and coveralls.</p> <p>Also included are : children's and infants' garments not meeting any of the description relating to children's and infants' wear contained elsewhere in these arrangements, 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> <p><u>Footnotes:</u>  (1) Children's and infants' garments are sizes 0 - 6X  (2) The restraint limits in column (d) may not be increased by more than 17% by the combined use of swing, carryover and carryforward.  (3) Swing into this Item in excess of Footnote (2) is permitted from Items (9), (10), (11), (12), (13), (16), (17), (19) and (23) at a ratio of 3 to 5.</p>	QL	<p>1979 : 820,000  1980 : 869,200  1981 : 921,352</p> <p>1979 : 20,000  1980 : 265,000  1981 : 280,900</p>	1.50	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
15	<p>Underwear, men's, boys', women's, girls', children's and infants', wholly or mainly byweight of cotton, man-made fibres or wool, or blends thereof. Included are slips, bloomers and diapers of woven or knitted fabrics.</p> <p><u>Footnotes:</u></p> <p>(1) In the case of underwear sets, each piece is to be counted separately.</p> <p>(2) The restraint limits in Column (d) may not be increased by more than 1% by the combined use of swing, carryover and carryforward.</p> <p>(3) Swing is permitted from adults' to infants' at a ratio of 3 to 5.</p>	QL	<p>1979: 6,091,000 1980: 6,334,640 1981: 6,588,026</p>	0.90	5%	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) swing	(g) Carryover/ Carryforward
16	<p>Shorts, men's, boys', women's and girls', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments similar to trousers as defined in Items (9) and (10) but not extending to the knee.</p> <p>Footnote : (1) The restraint limits in column (d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 400,000 1980 : 424,000 1981 : 449,440</p>	1.25	7%	11% of which carryforward shall not be more than 6%
17	<p>Unstructured suits and blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being suits and blazers which do not contain the following three elements or equivalent : (i) lining; (ii) shoulder padding; and (iii) front stiffening.</p> <p>Footnote : (1) The restraint limits in column (d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 400,000 1980 : 424,000 1981 : 449,440</p>	4.50	7%	11% of which carryforward shall not be more than 6%



(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
18	<p>Jackets, professional and shop coats, 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.</p> <p>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 by Items (1), (2), (3), (4), (5), (7) and (22).</p> <p>Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.</p> <p><u>Footnotes:</u></p> <p>(1) The restraint limits in column (d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p> <p>(2) Swing is permitted from adults' to infants' at a ratio of 3 to 5.</p>	QL	<p>1979 : 678,000 1980 : 718,680 1981 : 761,800</p>	3.50	7%	11% of which carryforward shall not be more than 6%



ANNEX 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
19	<p>Pyjamas and sleepwear, men's, boys', women's and girls' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.</p> <p>Footnote: (1) The restraint limits in column (d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 241,000 1980 : 255,460 1981 : 270,788</p>	3.40	7%	11% of which carryforward shall not be more than 6%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (piccos, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
20	<p>Foundation garments, men's, boys', women's and girls', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are : brassieres, girdles, corselettes, corsets and panty girdles.</p> <p><u>Footnote :</u> (1) The restraint limits in column (d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 680,000 1980 : 720,800 1981 : 764,048</p>	0.30	7%	<p>11% of which carryforward shall not be more than 6%</p>

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
21	<p>Swimwear, men's, boys', women's and girls', children's and infants', 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><u>Footnotes:</u></p> <p>(1) The restraint limits in column(d) may not be increased by more than 12% by the combined use of swing, carryover and carryforward.</p> <p>(2) Garments fitting this description which consist of two (or more) pieces, which may be matched or co-ordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this Agreement 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 11.</p> <p>(3) Swing is permitted from adults' to infants' at a ratio of 3 to 5.</p>	QL	<p>1979 : 727,000 1980 : 770,620 1981 : 816,857</p>	1.50	7%	11% of which carryforward shall not be more than 6%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
22	<p>Overcoats, topcoats and rainwear, men's, boys', women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.</p> <p>Overcoats and topcoats are outerwear garments extending to the knee or below excluding rainwear.</p> <p>Rainwear are garments of coated, impregnated or treated fabrics normally worn to protect against rain (including rainsuits, sets, capes and ponchos).</p> <p>- of which overcoats and topcoats</p>	QL	<p>1979: 170,000 1980: 181,900 1981: 194,633</p> <p>1979: 95,000 1980: 101,650 1981: 108,766</p>	4.50	10%	12% of which carryforward shall not be more than 6%
<p><b>Footnotes:</b></p> <p>(1) The restraint limits in Column (d) may not be increased by more than 15% by the combined use of swing, carryover and carryforward.</p> <p>(2) Swing is permitted from adults' to infants' at a ratio of 5 to 5.</p>						

1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
23	<p>Bathrobes, dressing gowns and housecoats, men's, boys', women's and girls', 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> <p>Footnote :</p> <p>(1) The restraint limits in column (d) may not be increased by more than 15% by the combined use of swing, carryover and carryforward.</p>	QL	<p>1979 : 49,000 1980 : 52,920 1981 : 57,154</p>	4.00	10%	12% of which carryforward shall not be more than 6%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/Carryforward
24	<p>Work gloves, wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof, whether or not impregnated or coated. Included are such gloves with a leather component.</p> <p><u>Footnote:</u> (1) 1% swing from the apparel items has been incorporated into the restraint limits in Column (d); 5% represents the swing margin still available between this Item and Items 25 and 26.</p>	QL	<p>1979: 830,000 doz.pr. 1980: 879,800 doz.pr. 1981: 932,588 doz.pr.</p>	3.50 sq.yd./doz.pr.	5% see Footnote (1)	10% of which carryforward shall not be more than 5%
25	<p>Bedsheets of woven fabrics wholly or mainly by weight of cotton or man-made fibre yarns, or blends thereof. Included are flannelette sheets and/or blankets. Bedsheets can be flat or fitted for all bed sizes.</p> <p><u>Footnote:</u> (1) 1% swing from the apparel items has been incorporated into the restraint limits in Column(d); 5% represents the swing margin still available between this Item and Items 24 and 26.</p>	QL	<p>1978: 583,890 (11 March to 31 December 1978) 1979: 720,000 1980: 741,600 1981: 763,848</p>	6.20	5% see Footnote (1)	10% of which carryforward shall not be more than 5%
26	<p>Cotton terry towels, washcloths or sets, of fabrics woven on a terry loom using single or plied cotton (or blends thereof) yarns with loop pile on one or both sides covering the entire surface in either plain or patterned weave, whether greige, bleached, dyed or printed, including tea, hand, beach and bath towels and bath sheets.</p> <p><u>Footnote:</u> (1) 1% swing from the apparel items has been incorporated into the restraint limits in Column (d). 5% represents the swing margin still available between this Item and Items 24 and 25.</p>	QL	<p>1978: 446,254 lb. 1979: 473,029 lb. 1980: 496,680 lb. 1981: 521,514 lb.</p>	1.50 sq.yd./lb.	5% See Footnote (1)	10% of which carryforward shall not be more than 5%

Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Restraint Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Suius	(g) Carryover/Carryforward
27	<p><u>Cotton, Polyester and polyester/cotton yarn</u></p> <ul style="list-style-type: none"> <li>- Cotton yarn comprises all yarns consisting of 100% cotton fibres, either combed or carded, in a state ready for further processing.</li> <li>- Polyester yarn comprises all yarns consisting of 100% polyester fibres or filaments.</li> <li>- Polyester/cotton yarn comprises all yarns consisting of blended polyester and cotton fibres.</li> </ul> <p><u>Footnote:</u> (1) The Government of Canada undertakes not to invoke the provisions of paragraph 31 of these arrangements in respect of this Item at least until the level of export authorizations(E/A's) issued by the Hong Kong Government exceeds 250,000 pounds.</p> <p>* Not Applicable</p>	Export authorisation (EA)	* NA	* NA	* NA	* NA

(a) Item Number	(b) Description	(c) Control System	(d) Reinforce Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Swing	(g) Carryover/ Carryforward
28	<p>Fabrics, wholly or mainly by weight of cotton</p> <ul style="list-style-type: none"> <li>- Duck and allied fabrics, including awning fabric, tent cloth and canvas.</li> <li>- Drill, twill and warp sateen including gabardine, and cord fabric</li> <li>- Print cloth and sheeting including muslin, percale, calico, chintz, cretonne and osenburg.</li> <li>- Flannel napped fabric including billiard cloth blanket cloth and flannellette.</li> <li>- Denim and corduroy.</li> <li>- Pile fabric, broadwoven, n.e.s. including plush fabric, velour, velveteens, velvet and flocked fabrics.</li> <li>- Broadwoven fabric, n.e.s.</li> </ul> <p>Polyester/cotton broadwoven fabric of yarns made from blends of cotton and polyester fibres, where polyester fibres represent 50% or more by weight.</p> <p>Nylon broadwoven fabric in which nylon fibres account for 50% or more by weight or 50% or more by thread count.</p> <p>Polyester filament broadwoven fabrics, are fabrics in which the warp is composed of polyester filament, flat or textured yarn.</p> <p><u>Footnote:</u> The Government of Canada undertakes not to invoke the provision of paragraph 31 of these arrangements in respect of this item, at least until the level of export authorisations (E/A) issued by the Hong Kong Government exceeds 7,500,000 square yards in aggregate; 5,200,000 square yards in the case of cotton denim and cotton corduroy combined; 75,000 square yards in the case of nylon broadwoven fabric; or 385,000 square yards in the case of polyester filament broadwoven fabric.</p>	EA	NA	NA	NA	NA



Annex 1

(a) Item Number	(b) Description	(c) Control System	(d) Reinforcement Limit (pieces, unless otherwise stated)	(e) Conversion Factor (square yard per unit, unless otherwise stated)	(f) Sizing	(g) Carryover/ Carryforward
29	<p>Fillowcases, woven, wholly or mainly by weight of cotton, man-made fibres, or blendsthereof.</p> <p><u>Footnote</u> (1): The Government of Canada undertakes not to invoke the provision of paragraph 31 of these arrangements - in respect of this Item, at least until the level of export authorisations(E/A's) issued by the Hong Kong Government exceeds 100,000 pieces.</p>	EA	NA	NA	NA	NA
30	<p>Towels, other than cotton terry towels, wholly or mainly by weight of cotton. Included are dish, huck and crash towels.</p> <p><u>Footnote</u> (1): The Government of Canada undertakes not to invoke the provision of paragraph 31 of these arrangements - in respect of this Item, at least until the level of export authorisations(E/A's) issued by the Hong Kong Government exceeds 1,000,000 pounds.</p>	EA	NA	NA	NA	NA