

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TEX/SB/823
13 January 1983

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between
Canada and Romania

The Textiles Surveillance Body has received from Canada a notification of a new bilateral agreement with Romania, concluded under Article 4 of the MFA, valid for the period 1 January 1982 to 31 December 1986.^{1/}

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4^{2/}, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.^{3/}

^{1/} The previous agreement with Romania is contained in COM.TEX/SB/522

^{2/} See COM.TEX/SB/35, Annex B.

^{3/} The TSB's observations on this agreement are contained in COM.TEX/SB/824, paragraphs 20 to 23.

Canadian Note

The Canadian Embassy in Bucharest presents its compliments to the Ministry of Foreign Trade of the Socialist Republic of Romania and has the honour to refer to discussions between the delegations of the Government of Canada and the Government of the Socialist Republic of Romania held in Ottawa 28-30 September 1981 concerning trade in selected textiles and textile products between Romania and Canada.

The Embassy has further the honour to refer to the Memorandum of Understanding which was initialled ad referendum in Ottawa on 17 November 1981 as a result of these discussions.

Accordingly, the Embassy has the honour to propose to the Ministry of Foreign Trade that this Note and the reply thereto confirming the Memorandum of Understanding will constitute an arrangement between our two governments which will enter into force on 01 January 1982 and remain in force for five calendar year periods until 31 December 1986, subject to the right of either government to terminate it at the end of any calendar year period by written notice to the other given not less than ninety days prior to the end of such restraint period.

The Canadian Embassy in Bucharest avails itself of the opportunity to renew to the Ministry of Foreign Trade of the Socialist Republic of Romania the assurances of its highest consideration.

Bucharest
5 January 1982

Romanian Note

(Unofficial Canadian Translation)

The Ministry of Foreign Trade and International Cooperation presents its compliments to the Embassy of Canada in Bucarest and has the honour to refer to the Memorandum of Understanding concerning trade in selected textiles and textile products between Romania and Canada, initialled ad referendum in Ottawa on November 17, 1981 and to the Canadian Embassy Note Number 02 of January 5, 1982.

The Ministry of Foreign Trade has also the honour to confirm that the Government of the Socialist Republic of Romania approved the Memorandum of Understanding and its Annexes as negotiated and initialled.

Consequently, the Canadian Embassy Note Number 02 and the present answer constitute an arrangement between our two Governments confirming the coming into force of the Memorandum on the 1st of January 1982, for five calendar-year periods until the 31st of December 1986, which can be terminated at the end of any calendar-year period by written notice to the other Government, to be given at least ninety days prior to the end of any such restraint period.

The Ministry of Foreign Trade and International Economic Cooperation avails itself of this opportunity to renew to the Embassy of Canada in Bucarest the assurance of its highest consideration.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA
RELATING TO THE EXPORT FROM ROMANIA OF
CERTAIN TEXTILES AND TEXTILE PRODUCTS
FOR IMPORT INTO CANADA

Memorandum of Understanding between the Government of Canada and the Government of the Socialist Republic of Romania relating to the export from Romania of certain textiles and textile products for import into Canada.

Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and Romania regarding the export of certain textiles and textile products from Romania 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 MFA") and in particular to Article 4 and Article 6 thereof, and to the Protocol extending the said Arrangement.

Restraint Periods

3. These arrangements will apply for five (5) years commencing on 1 January 1982 and ending on 31 December 1986.

Restraint Levels

4. Except as provided for in paragraphs 14 to 20 below, the Government of Romania will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing 1 January 1982 to the limits specified therein.

5. For the four calendar year periods commencing 1 January 1983 and ending on 31 December 1986, the Government of Romania will restrain its exports to Canada of the textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column (D).

Coverage

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA.

7. For the purpose of classifying textiles and textile products in the appropriate category, the definition and notes set out in Annex II will apply.

Administration

8. These arrangements will be implemented on the basis of the export control system operated by the Government of Romania.

9. The Government of Canada will admit imports of the textiles and textile products described in Annex II and subject to a specific quantitative limit in Annex I, provided such imports are covered by an original copy of a Romanian "Export Licence" endorsed and issued by the competent Romanian authority to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.

10. The export licences issued by the Government of Romania in respect of products subject to restraint levels as specified in Annex I of this arrangement will contain the following information:

1. Country of destination
2. Country of origin
3. Licence number
4. Importer's name and address
5. Exporter's name and address
6. Category number and description of product as set out in Annex I of the MOU
7. Quantity expressed in the units as designated in Annex I of the MOU. If more than one set of measure is established, all should be indicated; where the quantity is expressed other than as designated in the MOU, the equivalent weight, units or m² should be calculated in accordance with the conversion factors set out in Annex I
8. Certification by the Romanian Authority that the quantity has been debited against the agreed restraint level for exports to Canada.

11. In the event any quantity covered by an export licence is not shipped, the Government of Romania will notify the Government of Canada of such quantity which may be credited by the Government of Romania to the appropriate restraint level.

12. The Government of Romania will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels as per Annex I are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.

13. If, on the basis of export data provided by the Government of Romania, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textiles or textile products, other than that attributable to normal seasonal factors, it may request consultations in

accordance with the provisions of paragraphs 29 and 30 with a view to remedying this situation.

Swing

14. Subject to the specific limitations set out in Annex I, and following notification to the Canadian authorities, any restraint level may be exceeded by the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level. When any restraint level is exceeded by the application of swing, the Government of Romania will so indicate in subsequent quarterly returns.

15. For the purpose of implementing the swing provisions in paragraph 14, the conversion factors shown in Annex I will apply.

Carry-Over/Carry-Forward

16. Portions of any restraint limit which remain unused from the restraint period commencing 1 January 1981 (as covered by the preceding bilateral arrangement) may, after notification, be carried over and added to the appropriate restraint level for the restraint period commencing 1 January 1982. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I of this MOU.

17. 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 the restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period. The restraint level for any such restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

18. Any restraint level may be increased within the lower percentage limit set out in column (F) of Annex I by an amount advanced from the corresponding restraint level for the following restraint period. The restraint level for any such following restraint period will be reduced by an amount equal to the amount so advanced.

19. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

20. Further to paragraphs 14 to 19 above, where applicable, the restraint levels in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.

Exchange of Statistics

21. Both Governments will exchange such other statistical data relating to exports of textiles and textile products not subject to these arrangements as may reasonably be required.

22. The Government of Romania will provide the Government of Canada with quarterly statistics relating to exports of the textiles and textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period as per Annex I.

23. When submitting the quarterly statistics mentioned in paragraph 22, the Government of Romania undertakes to include the following information:

- a. Category and description of goods as set out in Annex I.
- b. Original and adjusted restraint level for the restraint period.
- c. Total quantity issued for the restraint period to date in the units designated in Annex I.
- d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 14, and 16-20 above.

This information would be provided as soon as possible following the end of each quarter.

24. The Government of Canada will provide the Government of Romania with quarterly statistics relating to import permits issued for imports originating in Romania of the textiles and textile products listed in Annex II.

25. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

Equity

26. Should either Government consider, as a result of these arrangements, that it is placed in an inequitable position compared with any third party, that Government may request the other to consult as provided in paragraphs 29 and 30 with a view to implementing appropriate remedial measures.

Re-Exports

27. The Government of Canada will, so far as possible, inform the Government of Romania when imports into Canada of textiles and textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Romania Government to quantitative limits the Government of Romania may then credit the amount involved to the appropriate quantitative limits.

Handloom Products

28. With reference to Article 12(3) of the MFA, the limitations set out in this arrangement will not apply to handloom fabrics of the cottage industry, handmade clothing and textile products made of such handloom fabric as defined in Annex III, and traditional folklore handicraft textile products known as "Romania items" as defined in Annex IV, when accompanied on importation by a certificate validated by the competent Romanian authorities. A sample certificate is contained in Annex V.

Consultations

29. Either Government has 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 concerning their trade in textiles and textile products. Such consultations will be governed by the following:

- Any request for consultations will be notified in writing to the other Government;
- The request for consultations will be accompanied by or followed within a reasonable period (and in any case not later than twenty-one 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 other Government will accept such a request and such consultations will be held within thirty days of the date of notification of the request;
- Both Governments will enter into consultations with a view to reaching a mutually acceptable conclusion within thirty days of the date on which actual consultations commence.

30. Any consultations held under these provisions will be approached by both Governments in a spirit of cooperation and with a desire to reach a mutually acceptable agreement.

31. In the event the Government of Romania wishes to export to Canada clothing and textile products in excess of the agreed levels, the Government of Romania may request higher levels and the Government of Canada will consider the request sympathetically and respond promptly.

MFA Rights

32. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to these arrangements.

Revisions and Termination

33. Either Government may at any time propose revisions to the terms of these arrangements having regard to the MFA and to the Protocol extending it.

34. 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.

Annexes

35. The annexes to this Memorandum of Understanding will be considered an integral part of it.

Transitional Arrangements

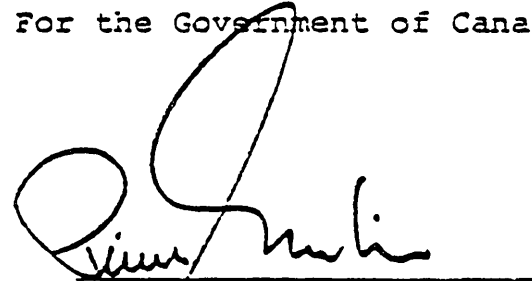
36. Any difficulties which may arise as a consequence of the transition from the 1981 arrangement to the 1982 arrangement will be brought immediately to the attention of the one Government by the other Government and efforts will be made by both Governments, through consultations or other means, to resolve such difficulties to their mutual satisfaction.

Final Provisions

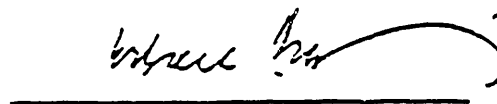
37. This Memorandum of Understanding will become effective on 1 January 1982 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

For the Government of Canada

For the Government of the Socialist
Republic of Romania



Pierre J. Gosselin



Serban Andrei

| (A) ITEM NO. | (B) SHORT DESCRIPTION | CONVERSION FACTOR (M ² /UNIT) | (C) RESTRAINT LEVEL (Units) | (D) GROWTH | (E) SWING | (F) CARRY-OVER/ CARRY- FORWARD | (G) COMBINED FLEXIBILITY (E) & (F) |
|--------------------|--|--|--------------------------------------|---------------|--------------|---|---|
| <u>Group A</u> | | | | | | | |
| 1. | Outerwear MBWGCI and Fine Suits MB, of which: | 3.2 | 100,000 | 3% | 5% | 10% (5%) | 11% |
| 1a | Fine Suits up to | | (70,000) | 3% | 5% | 10% (5%) | 11% |
| 2. | Shirts, tailored collar MB | 1.7 | 165,000 | 3% | 5% | 10% (5%) | 11% |
| 3. | Sweaters MBWGCI | 1.1 | 1,100,000 | 3% | 5% | 10% (5%) | 11% |
| 4. | Shirts, blouses, T-shirts and sweatshirts MBWGCI of which: | 1.2 | 1,300,000 | 6% | 5% | 10% (5%) | 11% |
| 4a | Shirts other MB up to | | (525,000) | 6% | 5% | 10% (5%) | 11% |
| 5. | Trousers, shorts, overalls and coveralls; Coats, jackets and rainwear; Sleepwear and bathrobes MBWGCI of which | | 840,000 | 6% | 5% | 10% (5%) | 11% |
| 5a | Wool pants up to | | (80,000) | 6% | 5% | 10% (5%) | 11% |

| (A) ITEM NO. | (B) SHORT DESCRIPTION | CONVERSION FACTOR (M ² /KG) | (C) RESTRAINT LEVEL | (D) GROWTH | (E) SWING | (F) CARRY-OVER/ CARRY- FORWARD | (G) COMBINED FLEXIBILITY (E) & (F) |
|--------------------|-------------------------------------|--|---------------------------|---------------|--------------|---|---|
| 6. | Worsted Fabric (M ²) | 3.8 | 124,000 M ² | 3% | 5% | 10% (5%) | 11% |
| 7. | Nylon Fabric (kg) | 14.2 | 180,000 kg | 6% | 5% | 10% (5%) | 11% |

Group B

NOTE: No swing between products in Group A and products in Group B.

ANNEX II - DEFINITIONS AND DESCRIPTIONS OF
TERMS USED IN ANNEX I

General Notes

1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men, boys, women, girls, children and infants. Children's and infants' garments include all garments sized 0-6X.
2. Unless otherwise indicated, swing is permitted from adult garments to childrens' and infants' garments at a 3 to 5 ratio.
3. All garment items include partially manufactured garments, i.e., garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing.
4. Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.
5. "Wholly or mainly" is 50 percent or more in all items unless otherwise indicated.

Description of Product Categories

1. Winter Outerwear Garments

Winter Outerwear Garments (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 of 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).

Note: 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.

2. Trousers, Shorts, Overalls and Coveralls

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 percent or more by weight of wool or hair are considered to be woollen garments.

Overalls and coveralls 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.

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.

3. Shirts, Tailored Collar

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 a partial front opening which may include a zipper and may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.

Note: included are children's sizes 4-6X.

Note: 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. The following may be used when needed, in the construction: stays, lining, stiffening by any means.

4. Shirts, Blouses, T-shirts, Sweatshirts

Blouses and shirts, women's and 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 which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweat-shirts and sweaters.

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 one piece knitted to shape collar. For a full description of "shirts" see description for shirts, tailored collar.

T-shirts, 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.

Sweatshirts, 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.

5. Sweaters, Pullovers and Cardigans

Sweaters, pullovers, cardigans (including knitted ponchos), wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being knitted or crocheted garments covering the upper part of the body and which may be of any length 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.

6. Sleepwear and Bathrobes

Pyjamas and sleepwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.

Bathrobes, dressing gowns and housecoats, 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.

7. Coats, Jackets and Rainwear

Jackets, 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 Annex.

Overcoats and topcoats, 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.

Professional and shopcoats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Professional and shopcoats 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).

8. Fine Suits

Fine Suits, sportscoats & blazers, men's and boys', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.

Note: The suit-jacket, sportscoat 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, sportscoat 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 and sold as a set. The definition of fine suits does not include what is commonly known as leisure suits or safari suits.
9. Worsted Fabric

Broadwoven fabric, having 17% or more by weight of wool and in which at least the warp is made from worsted spun yarn.

10. Broadwoven Nylon Fabric

Broadwoven fabric, in which nylon fibre accounts for 50% or more by weight or thread count, or where nylon fibres in combination with other fibres represent the chief value.

ANNEX III

1. The exemption provided for in paragraph 28 of this arrangement in respect of cottage industry products will apply only to the following products:
 - (a) textile fabrics woven on looms operated solely by hand or foot, in the cottage industry of Romania;
 - (b) hand made cottage industry apparel and other textile products made of the fabrics described in (a) above; and
 - (c) traditional folklore handicraft textile products of Romania as defined in Annex IV.
2. The exemption shall apply only in respect of products covered by a certificate issued by the competent Romanian authorities conforming to the specimen contained in Annex V. Such certificates shall indicate the grounds on which the exemption is based.

Annex IV
 Agreed List of Romanian Items,
 i.e. Traditional Folklore Handicraft
 Textile Products of Romania

These items are traditional folklore handicraft textile products, historically Romanian, made in the cottage industry. They cover the clothing products enumerated below and such other items as may be agreed upon from time to time.

I. Embroided blouses, costumes and other garments inspired by folkloric art.

The Romanian folkloric clothing items are worked primarily from cotton or linen, hand-woven and hand-embroidered mostly with decorative elements varying from region to region of Romania. The ornamental fields are put around the neck, shoulders, sleeves, most of the decorative motives being geometrical, disposed by the rules of the simetry and alternation. The colouring is characterized by sobriety, the main colours being red, black or gold.

| No. | Name | Description |
|-----|-----------------|--|
| 1. | Iie | Women's blouses, woven from cotton or linen, as a rule by hand, hand-embroided. |
| 2. | Fote and rochii | Skirts and dresses made out of cotton or linen, hand-embroided with traditional folkloric motives. |
| 3. | Itari | Romanian traditional folkloric pants, from hand-woven woolen cloth ("abba"). |
| 4. | Zeghe | Cloaks, coats of different lengths, made from hand-woven woolen cloth ("abba"), often decorated by hand. |
| 5. | Bundă, ilic | Vest or petticoat, made from hand-woven woolen cloth. |
| 6. | Costume | Folkloric costumes, made from hand-woven cotton cloth, hand-embroided. |

ANNEX V

Exporter (name, full address)

1.

CERTIFICATE in regard to HANDLOOMS,
TEXTILE HANDICRAFTS and TRADITIONAL
TEXTILE PRODUCTS OF THE COTTAGE INDUSTRY

Importer (name, full address)

4. Country of Origin 5. Country of
Destination

Place and date of shipment-Means
of transport

7. Supplementary details

Marks and numbers-Number and kind of 9. Quantity
packages - DESCRIPTION OF GOODS

Certificate by the competent authority

I, the undersigned, certify that the consignment described above includes
only the following textile products of the cottage industry of the country
shown in box No. 4:

- a) textile fabrics woven on looms operated solely by hand or foot,
in the cottage industry of Romania;
- b) hand made cottage industry apparel and other textile products
made of the fabrics described in (a) above; and
- c) traditional folklore handicraft textile products of Romania as
defined in Annex IV.

Competent authority (name, full address, country)

At - _____, On - _____