

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/844

26 May 1983

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Canada and India

The Textiles Surveillance Body has received from Canada a notification of a new bilateral agreement with India, concluded under Article 4 of the MFA, valid for the period 1 January 1983-31 December 1986.¹

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4², has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous bilateral agreement is contained in COM.TEX/SB/613.

²See COM.TEX/SB/35, Annex B.

³For the TSB's observations on this notification, see COM.TEX/SB/846

Canada Note

The Canadian High Commission presents its compliments to the Ministry of External Affairs and has the honour to refer to the Memorandum of Understanding initialled in Delhi on March 6, 1982 between delegations representing the Government of Canada and the Government of the Republic of India relating to the export from India of certain textiles and textile products for import into Canada for the four-year period commencing January 1, 1983,

Canadian authorities have the further honour to confirm the Government of Canada's acceptance of the Memorandum of Understanding as constituting an arrangement between our two governments which will enter into effect on January 1, 1983 for four calendar year periods. Accordingly, the Canadian authorities have the honour to propose that this note and the reply thereto confirming the Memorandum of Understanding will constitute an arrangement between our two governments.

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

NEW DELHI

September 27, 1982

India Note

The Ministry of Commerce (Department of Textiles) Government of India present its compliments to the Canadian High Commission at New Delhi and acknowledges receipt of its note No. 98 dt. 27th September 1982, addressed to the Ministry of External Affairs, the text of which is set out below:

" The Canadian High Commission presents its compliments to the Ministry of External Affairs and has the honour to refer to the Memorandum of Understanding initialled in Delhi on March 6, 1982 between Delegations representing the Government of Canada and the Government of the Republic of India relating to the export from India of certain textiles and textiles products for import into Canada for the four-year period commencing January 1, 1983.

Canadian authorities have the further honour to confirm the Government of Canada's acceptance of the Memorandum of Understanding as constituting an arrangement between our two governments which will enter into effect on January 1, 1983 for four calendar year periods. Accordingly, the Canadian authorities have the honour to propose that this note and the reply thereto confirming the Memorandum of Understanding will constitute an arrangement between our two governments.

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

The Ministry of Commerce has the honour to convey the acceptance of the Government of the Republic of India to the contents of the foregoing note and to confirm that the Memorandum of Understanding shall constitute an arrangement between our two Governments, which will come into effect on January 1, 1983 for four calendar year periods.

The Ministry of Commerce (Department of Textiles) Government of India avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

New Delhi,

The 17th November, 1982.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF CANADA
AND THE GOVERNMENT OF THE REPUBLIC OF INDIA RELATING TO
THE EXPORT FROM INDIA 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 India regarding the export of certain textiles and textile products from India 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 thereof, and to the Protocol of 23 December 1981 extending the said arrangement.

Restraint Periods

3. These arrangements will apply for four calendar year periods commencing on 1 January 1983 and ending on 31 December 1986. For the period August 1 to December 31, 1986 these arrangements are subject to both parties being free to request, at any time, consultations with a view to proposing revisions in the light of any successor arrangement to the MFA as extended by the Protocol of December 23, 1981.

4. These arrangements may be extended by mutual consent to apply for a fifth year commencing on 1 January 1987 to 31 December 1987 subject to any modifications which either side may propose in the light of any successor arrangement to the MFA as extended by the Protocol of December 23, 1981.

Restraint Levels and Growth Rate

5. Except as provided for in paragraphs 17 to 22 below, the Government of India will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing 1 January 1983 to the limits specified therein.

6. Except as provided for in paragraphs 17 to 22 below, for the three calendar year periods commencing, 1 January 1984 and ending on 31 December 1986, the Government of India 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

7. For the purpose of these arrangements, the expression

"textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA.

8. 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 "India items" as defined in Annex IV, when accompanied on importation by a certificate validated by the competent Indian authorities. A sample certificate is contained in Annex V.

9. For the purpose of classifying textiles and textile products included in Annex I in the appropriate category, the definitions and notes set out in Annex II will apply.

Administration

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

11. The Government of Canada will admit imports of the textiles and textile products described in Annex II and subject to a specific or group quantitative limit in Annex I, provided such imports are covered by a copy of an Indian "Export Certificate" as per specimen in Annex VI endorsed and issued by the proper Indian authority to the effect that the imports covered by the certificate have been debited to the applicable quantitative limit as set out in Annex I.

12. The export certificates issued by the Government of India 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. Certificate 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 m should be calculated in accordance with the conversion factors set out in Annex I.

8. F.O.B. or C.I.F. value except for non-commercial consignments
9. Certification by the Indian authority that the quantity has been debited against the agreed restraint level for exports to Canada.
13. All shipments valued at less than \$500 (Canadian) F.O.B. do not require an export certificate.
14. In the event any quantity covered by an export certificate is not shipped, the Government of India will notify the Government of Canada of such quantity which may be credited by the Government of India to the appropriate restraint level.
15. For the purpose of implementing these arrangements, date of export from the Republic of India (i.e. consignment to the carrier) will be used to determine within which restraint period any textile or textile products subject to these arrangements will be counted.
16. The Government of India 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.

Swing

17. Subject to the specific limitations set out in Annex I, any restraint level or group limit may be exceeded by the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level or group limit. When any restraint level or group limit is exceeded by the application of swing, the Government of India will so indicate in subsequent monthly returns.

18. For the purpose of implementing the swing provisions in paragraph 17, the conversion factors shown in Annex I will apply.

Carry-Over/Carry-Forward

19. 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 within the higher percentage limit set out in column (F) of Annex I.

20. 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.

21. 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.

22. Portions of any restraint limit which remain unused from the restraint period 1 January 1982 to 31 December 1982 (as covered by the preceding arrangement) may, following notification to the Government of Canada, be carried over and added to the appropriate restraint level for the restraint period commencing 1 January 1983. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I.

Exchange of Statistics

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

24. The Government of India will provide the Government of Canada with monthly statistics relating to exports of the textiles and textile products listed in Annex I which are licensed for export to Canada and debited against restraint levels for each restraint period.

25. The monthly statistics mentioned in paragraph 24, will 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. Utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 17-22 above.

26. The Government of Canada will provide the Government of India with monthly statistics relating to import permits issued for imports originating in India of the textiles and textile products listed in Annex I and Annex II and total imports from other suppliers in respect of the products subject to these arrangements.

Equity

27. 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

28. The Government of Canada will inform the Government of India 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 Indian Government to quantitative limits the Government of India may then credit the amount involved to the appropriate quantitative limits.

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 germane thereto. 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 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 reconcile the differences between them.

31. The Government of Canada may request consultations in accordance with the provisions of paragraphs 29 and 30 whenever in its view any product not subject to a specific limitation but subject to a group limitation in Annex I is disrupting or threatening to disrupt its market in terms

of the definition in Annex A of the MFA, with a view to removing such disruption or risk of disruption. If, following consultations, there is mutual understanding that the situation calls for restrictions in trade in the product concerned, the Government of Canada undertakes not to seek a restraint at a level less than 106 percent of the level of exports in the item during the previous calendar year or 106 percent of the level of export in the calendar year in which the request is made, whichever level is higher.

32. In highly unusual and critical circumstances, where imports of a product subject to a group limit in these arrangements would cause serious market disruption giving rise to damage difficult to repair, the Government of India undertakes, if so requested by the Government of Canada and without prejudice to the outcome of consultations, to limit shipments from the date on which Canada requests consultations, in order to ensure that exports of the products in question to Canada do not exceed during that calendar year a level of 106 percent of the exports during the previous year or 106 per cent of exports to date in the calendar year in which the request is made, whichever level is higher.

33. In seeking to establish a new restraint level for the balance of any calendar year period, the Government of Canada will give full and sympathetic consideration to the treatment of goods for which there are outstanding bona fide contracts and letters of credit.

MFA Rights

34. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to these arrangements. For textiles and textile products covered by these arrangements, it is understood that either Government may have recourse to any or all of the provisions of the MFA, save that the Government of Canada waives its rights under Article 3 of the MFA with respect to products subject to specific or group quantitative limits as per Annex I as long as this MOU remains in effect.

Revisions and Termination

35. Either Government may at any time propose revisions to the terms of these arrangements having regard to the MFA and to the Protocol of 23 December 1981 extending it.

36. 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

37. Annexes I, II, III, IV, V and VI to this Memorandum of Understanding will be considered as integral part of it.

Final Provisions

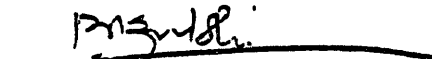
38. This Memorandum of Understanding will become effective on 1 January 1983 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

New Delhi, March 6, 1982.

For the Government of Canada


C. D. Arthur

For the Government of India


B. K. Zutshi

ANNEX I: RESTRAINT LEVELS

(A) ITEM NUMBER	(B) PRODUCT DESCRIPTION	(C) RESTRAINT LEVEL	(D) GROWTH	(E) SWING	(F) CARRY-OVER CARRY-FORWARD	(G) CONVERSION FACTOR
GROUP I - APPAREL		10,200,000 M ²	6%	5%	10% (5%)	-
1	Shirts with tailored collars MB (3)	337,366 units	6%	7%	10% (5%)	1.8 M ² /unit
2	Shirts, Blouses, T-Shirts and Sweatshirts (4)	Within Group Limit	-	-	-	1.4 M ² /unit
3	Trousers, Shorts, Overalls, Coveralls (2)	425,000 units	6%	7%	10% (5%)	1.6 M ² /unit
4	Dresses, Skirts, Suits, Coordinatates and outer-wear sets (7, 8)	Within Group Limit	-	-	-	2.7 M ² /unit
5	Jackets (ex. 12)	Within Group Limit	-	-	-	3.0 M ² /unit
GROUP II - TEXTILES		1,950,000 M ²	6%	5%	10% (5%)	-
6	Cotton Terry Towels Washcloths and Sets (14)	Within Group Limit	-	-	-	2.75 M ² /kg.
7	Worsted fabric (15)	720,000 M ²	4.5%	5%	10% (5%)	4.00 M ² /kg.
8	Work Gloves (15)	Within Group Limit	-	-	-	.24 M ² /pair

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 children's 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

GROUP 1

1. Winter Outerwear Garments

Winter Outerwear Garments (commonly referred to as snow-suits, snow-mobile suits, ski-suits, ski pants and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre filling, etc. but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).

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 dhotis, knickers, footless tights, gauchos.

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: 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', children's and infants', 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 Item 3 above.

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. Dresses and Skirts

Dresses, women's and girls', children's and infants' wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extending above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.

8. Suits, Coordinates and Outwear Sets

Coordinates or matching sets and blazers, men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof packed, shipped and sold as a set and not covered by any other definition in this annex.

Suits, coordinates or matching sets, and blazers, women's and girls, children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Coordinates include: coat or jacket and dress sets, blouse and pant or skirt sets, shirt and skirt or pant sets, jacket and pant or skirt sets, coat and pant or skirt sets.

Miscellaneous Garments, Children's and infants' garments not meeting any of the description relating to children's and infants' wear contained elsewhere in this list, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.

Athletic sets or suits, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or coordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition in this list including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross country ski-suits (subject to the description in Item 1).

Leisure wear, coordinates or sets not defined by any definitions in this annex. These may include shortsets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and loungewear, nes.

9. Underwear

Underwear, wholly, or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

10. Swimwear

Swimwear, 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.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or co-ordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this list as individual garments. Co-ordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and co-ordinates in Item 8.

11. Foundation Garments

Foundation Garments, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: Brassieres, girdles, corselettes, corsets and panty girdles.

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

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

13. Fine Suits

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

Note: The suit-jacket, 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.

GROUP II

14. Cotton Terry Towels and Washcloths and Sets

Cotton terry towels, washcloths and sets, containing 50 percent or more by weight of cotton. Cotton terry towels, washcloths and sets are of fabrics woven on a terry loom using single or piled 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, barmops and towel blanks.

15. Worsted Fabric

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

16. Work Gloves

Work Gloves, both finished and partially manufactured that are 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 including such gloves manufactured partly of leather, and including work glove liners.

ANNEX III

COTTAGE INDUSTRY PRODUCTS

1. The exemption provided for in paragraph 6 of the Memorandum of Understanding in respect of cottage industry products will apply only to the following products:

- (a) Handloom textile fabrics, being fabrics woven on looms operated solely by hand or foot and made in the cottage industry of India.
- (b) Garments or other textile products, made in the cottage industry of India having been hand-made from handloom textile fabrics as described above.
- (c) Traditional folklore handicraft textile products of India as described in Annex IV.

2. The exemption will apply only in respect of products covered by a certificate issued by the competent Indian authorities conforming to the specimen in Annex V. Such certificates will indicate the grounds on which exemption is based.

3. Either Government may request consultations in respect of the trade covering handloom garments or textile products as described in paragraph 1(b) above corresponding to items 1 to 5 in Annex. I, whenever it considers such consultations desirable.

ANNEX IV

AGREED LIST OF INDIA ITEMS I.E. TRADITIONAL FOLKLORE
HANDICRAFT TEXTILE PRODUCTS OF INDIA

India items are traditional folklore handicraft textile products uniquely and historically Indian, made in the cottage industry. They cover the products enumerated below (clothes and clothing accessories, decorative furnishing) and such other items as may be agreed upon from time to time.

I. Clothes and clothing accessories

All the garments and accessories listed below are uniquely and historically Indian traditional folklore textile products on account of their similarity in shape and design with those of clothes and accessories traditionally worn in India.

The products listed below must have all of the following characteristics:

- they are produced in cottage industry units
- they do not include zip fasteners
- they are ornamented in the characteristic Indian folk styles, using one of the following methods:
 - hand painting, hand printing, handicraft batik or handicraft tie and dye (kalamkari)
 - embroidery by hand (zari)
 - appliqué work of sequins, glass or wooden beads, shells, mirrors or ornamental motifs of textile or other materials by hand
 - extra-weft ornamentation of cotton, silk or art silk, metal thread (zari)

No.	Name	Description
1	Kurta	A loose, almost straight-cut shirt or tunic-like garment, reaching to the hips, mid-thighs, knees or ankles with quarter, half or full-length narrow or loose sleeves, with or without buttons (not plain).

No.	Name	Description
2	Pherron	A short or full-length, extremely loose-fitting dress with long, loose sleeves, without buttons, embroidered, ornamented or printed.
3	Chola	A full-length, loose-fitting dress-like garment, with sleeves, mainly for indoor wear.
4	Churidar Pyjama	Trouser, loose at waist (with drawstring or hooks) tapering to a narrow fit at the ankle.
5	Salwar	Loose-fitting trousers, legs either straight or baggy with extra fullness at the thighs.
6	Gararra	Loose-fitting trousers with frills or flaring below the knee.
7	Tamba	Loose-fitting trousers with typical Indian hand ornamentation.
8	Lungi	A long cylindrical garment worn as a wrap around the lower half of the body.
9	Angharka	A full-length, light-weight coat-like garment closing in front with a decorative cord or ribbon, with sleeves.
10	Bagal Bandini	A knee-length or full-length jacket or coat-like garment closing at the side with strings, with half sleeves or without sleeves.
11	Aba	A full-length dress with close-fitting bodice, long, wide skirt, with sleeves.

No.	Name	Description
12	Burka	A full-length cape-like garment, covering the wearer's head and body, with aperture for eyes covered with gauze or lace.
13	Jawahar Jacket	A loose-fitting jacket or waistcoat worn over a kurta, with or without buttons.
14	Choli	A short bodice with or without sleeves crocheted or woven.
15	Chagra Lahnga	An ankle-length, very wide skirt with drawstring or hooks at waist.
16	Pavadai	A set made of a full- or ankle-length skirt and a bodice.
17	Dupatta	A very light woven scarf about 120 cm x 80 cm worn with kurta and churidar.
18	Ohdani	A cloth about 2 m x 1 m with much ornamentation.
19	Patka	A long stole, non-printed, ornamented with art work.
20	Culu Band	Neckband with traditional art work.
21	Kamarband	Decorated waistband and textile belt.
22	Bazuband	Decorative arm-band.
23	Mattarati	Decorative forehead band.
24	Safa	Headwear made up of traditional embroidery work.

No.	Name	Description
II. <u>Decorative furnishings</u>		
25	Toran	A textile article, traditionally used to decorate door posts, embroidered or with appliqué work in folk motifs.
26	Tombai	Cylindrical hanging with appliqué work of hand-printed, hand-painted or hand-embroidered fabrics, traditionally hung from ceilings or in doorways.
27	Shamiana	Canopy or awning with appliqué work of squares or triangle in contrasting colours, used as ceiling decoration.
28	Kalamkari	Wall hangings with mythological scenes depicted by hand-painting or hand-printing using wax.
29	Temple Hangings	Hand-painted or hand-printed hangings with traditional mythological or religious motifs.
30	Chakla	Embroidered wall-hangings, with or without mirror work, depicting folk motifs.
31	Batik Wall Hangings	Wall hangings of cotton, with designs created by the traditional handicraft batik process (hand-waxing, dyeing and boiling being repeated for each colour).
32	Chahdani Posh	A decorative cover for a teapot or coffee-pot.
33	Takiagilaf	A cushion cover decorated with Indian motifs.

No.	Name	Description
34	Pulkhari	Decorative embroidered cloth with close darning stitch employed with strands of untwisted silk to make the flower-like embroideries.
35	Goddiposh	Decorative version of the bedspread, sometime quilted.
36	Hand-knotted carpets	Having woollen or cotton warp and weft and a woollen knotted pile, of which each knot or loop is made by hand and joins two warp threads. After each row of knots is completed, a weft thread is passed through the warp. The pile is subsequently shorn by hand to give the carpet the desired thickness. The traditional patterns used are common to India and neighbouring regions of south and central Asia, and usually consist of stylized floral, animal and geometrical motifs, in either a single design or repeated several times within a border. Carpets with traditional pictorial designs (e.g. court, hunting, polo, jungle scenes etc.), modern designs with Indian motifs from ancient monuments and murals, and carpets in a single colour, without pattern, are also produced by hand in India.
37	Hand-woven carpets	Of the <u>Kelem</u> , <u>Schumak</u> and <u>Karamanie</u> types.
38	Gabba	Floor-coverings produced by hand-embroidery or by appliqué work on a base consisting of woven wool, felt, or jute, with or without a cotton backing.

No.	Name	Description
39	Namdas	A floor covering with felted woollen surface with or without traditional embroideries in various shapes and sizes.

ANNEX V

SPECIMEN OF HANDLOOM CERTIFICATE

(to be supplied by the Government
of India)