

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Textiles Surveillance Body

Original: English

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Articles 7 and 8

#### Bilateral Agreement between Canada and Bulgaria

The TSB has received from Canada a notification, under Articles 7 and 8 of the MFA, of a new bilateral agreement concluded with Bulgaria, valid for the period 1 January 1982 to 31 December 1986.

This notification has been made in accordance with the request by the Textiles Committee that agreements concluded with countries, non-participants in the Arrangement should be notified.

The TSB is circulating the agreement to participating countries for their information.

CANADA NOTE

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs of the People's Republic of Bulgaria and has the honour to refer to discussions between the delegations of the Government of Canada and the Government of the People's Republic of Bulgaria held in Sofia October 5-7, 1981 concerning trade in selected textiles and textile products between the People's Republic of Bulgaria and Canada.

The Embassy has further the honour to refer to the Memorandum of Understanding which was initialled ad referendum in Sofia on October 7, 1981 as a result of these discussions.

Accordingly, the Embassy has the honour to propose to the Ministry of Foreign Affairs of the People's Republic of Bulgaria that this Note and the reply thereto confirming the Memorandum of Understanding

will constitute an agreement between our two Governments which will enter into force on 1 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.

The Canadian Embassy avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the People's Republic of Bulgaria the assurances of its highest consideration.

BELGRADE, NOVEMBER 27, 1981.

BULGARIA NOTE

The Ministry of Foreign Affairs of the People's Republic of Bulgaria presents its compliments to the Canadian Embassy and has the honour to acknowledge receipt of its Note No 069 of 27 November 1981, in which the Embassy proposes to the Ministry that its Note and the reply thereto confirming the Memorandum of Understanding which was initialled ad referendum in Sofia on October 7, 1981 as a result of the discussions between the delegations of the Government of the People's Republic of Bulgaria and the Government of Canada, held in Sofia, October 5 - 7, 1981 concerning trade in selected textiles and textile products between the People's Republic of Bulgaria and Canada, will constitute an Agreement between our two Governments, which will enter into 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.

The Ministry has the honour to convey the confirmation by the Government of the People's Republic of Bulgaria of the Memorandum of Understanding referred to in the Canadian Embassy's note and to state that its note and this reply shall constitute an Agreement between our two Governments.

The Ministry of Foreign Affairs of the People's Republic of Bulgaria avails itself of this opportunity to renew to the Canadian Embassy the assurances of its highest consideration.

Sofia, February 11, 1982

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GOVERNMENT OF CANADA  
AND  
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA RELATING  
TO THE EXPORT FROM THE PEOPLE'S REPUBLIC OF BULGARIA OF  
CERTAIN 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 the People's Republic of Bulgaria regarding the export of certain textile products from the People's Republic of Bulgaria for import into Canada.

Restraint Periods

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

Restraint Levels

3. Except as provided for in paragraphs 12 to 18 below, the Government of the People's Republic of Bulgaria will restrain its exports to Canada of the textile products described in Annex I for the calendar year commencing 1 January 1982 to the limits specified therein.

4. For the four calendar year periods commencing 1 January 1983 and ending on 31 December 1986, the Government of the People's Republic of Bulgaria 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

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

Administration

6. These arrangements will be implemented on the basis of the export control system operated by the Government of the People's Republic of Bulgaria.
7. The Government of Canada will admit imports of the 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 Bulgarian "Export Licence" endorsed and issued by the proper Bulgarian 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.
8. The export licences issued by the Ministry of Foreign Trade of the People's Republic of Bulgaria 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 m<sup>2</sup> 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 Bulgarian Authority that the quantity has been debited against the agreed restraint level for exports to Canada.
9. In the event any quantity covered by an export licence is not shipped, the Ministry of Foreign Trade of Bulgaria will notify the Government of Canada of such quantity which

may be credited by the Ministry of Foreign Trade of People's Republic of Bulgaria to the appropriate restraint level.

10. The Government of the People's Republic of Bulgaria will endeavour to ensure that exports of all 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.

11. If on the basis of export data provided by the Ministry of Foreign Trade of the People's Republic of Bulgaria, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textile products, other than that attributable to normal seasonal factors, it may request consultations in accordance with the provisions of paragraphs 26 and 27 with a view of remedying this situation.

#### Swing

12. Subject to the specific limitations set out in Annex 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 Ministry of Foreign Trade of the People's Republic of Bulgaria will so indicate in subsequent quarterly returns.

13. For the purpose of implementing the swing provisions in paragraph 12, the conversion factors shown in Annex I will apply.

Carry-Over/Carry-Forward

14. 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.

15. 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.

16. 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.

17. 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

18. Further to paragraphs 12 to 17 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

19. The competent authorities will exchange such other statistical data relating to exports of textile products not subject to these arrangements as may reasonably be required.

20. The Ministry of Foreign Trade of the People's Republic of Bulgaria will provide the Government of Canada with quarterly statistics relating to exports of the textile products listed in Annex II which are licensed for export to Canada as per Annex I and Annex III.

21. When submitting the quarterly statistics mentioned in paragraph 20, the Government of the People's Republic of Bulgaria undertakes to include the following information:

- a. Category and description of goods set out in Annex I and Annex III
- b. Original and adjusted restraint level for the restraint period
- c. Total quantity issued for the restraint or consultation period to date in the units designated in Annex I and Annex III.
- d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 12, and 14-18 above.

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

22. The Government of Canada will provide the Government of the People's Republic of Bulgaria with quarterly statistics relating to import permits issued for imports originating in the People's Republic of Bulgaria of the textile products listed in Annex II.

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

### Equity

24. 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 26 and 27 with a view to implementing appropriate remedial measures.

### Re-Exports

25. The Government of Canada will, so far as possible, inform the Ministry of Foreign Trade of the People's Republic of Bulgaria 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 Ministry of Foreign Trade of the People's Republic of Bulgaria to quantitative limits the Ministry of Foreign Trade of the People's Republic of Bulgaria may then credit the amount involved to the appropriate quantitative limits.

### Consultations

26. 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 to their trade in 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 circumstance 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.

27. 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.

#### Consultation Levels

28. The Government of the People's Republic of Bulgaria will require that all exports to Canada of the textile products subject to a consultation level listed in Annex III be covered by an original copy of an "Export Licence" endorsed and issued by the proper Bulgarian authority.

29. The Canadian authority may request consultations with the Bulgarian authority with a view to reaching agreement on an appropriate level of restraint for any textile products listed in Annex III, whenever, in the view of the Canadian authority, conditions in the Canadian market are such that a limitation on further trade in any such textile products may be necessary to eliminate real risk of market disruption. For those products listed in Annex III, the Canadian authority undertakes not to seek consultations until imports into Canada reach at least the respective consultation levels during any one specific restraint period.

30. Until such time as a mutually satisfactory conclusion has been reached, the Bulgarian authority undertakes, if so requested by the Canadian authority, 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 106% of the consultation level listed in Annex III.

31. The parties will consult following the communication of the statement referred to in paragraph 29 above, and will use their best efforts to reach a mutually satisfactory conclusion within 30 days of the request for consultations.

#### Revisions and Termination

32. Either Government may at any time propose revisions to the terms of these arrangements with a view to improving Canada/Bulgaria trade in textile products.

33. Either Government may terminate these arrangements by written notice to the other Government effective at any time but without prejudice to the restraint levels for the year in which notice is given.

#### Annexes

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

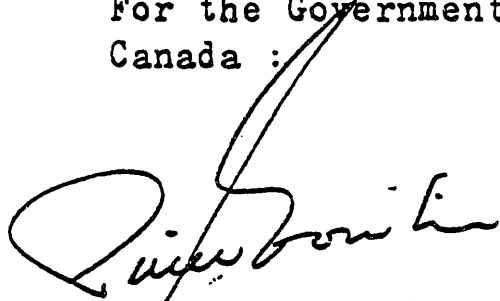
#### Transitional Arrangements

35. 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

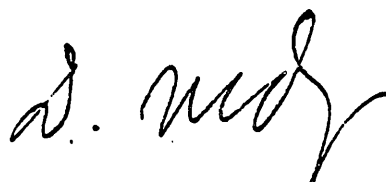
36. This Memorandum of Understanding will become effective on 1 January 1982 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

For the Government of  
Canada :

A handwritten signature in cursive script, appearing to read "Pierre J. Gosselin".

Pierre J. Gosselin

For the Government of  
the People's Republic  
of Bulgaria :

A handwritten signature in cursive script, appearing to read "Dimitre Zhdrakov".

Dimitre Zhdrakov

ANNEX I - RESTRAINT LEVELS

(A) Item No	(B) Short Descrip- tion	Conver- sion Factor (M2/Unit)	(C) Restraint Level (Units)	(D) Growth	(E) Swing	(F) Carry- over/ Carry- forward	(G) Comb: ed P: xibi- ty (E)&(
1.	Outerwear MBWGCI	NA	CL	NA	NA	NA	NA
2.	Pants, shorts overalls and coveralls MBWGCI	NA	CL	NA	NA	NA	NA
3.	Shirts, tailored collar	1.7	RL 185,000	3%	5%	10%(5%)	11%
4.	Shirts, blouses WGCI	NA	CL	NA	NA	NA	NA
5.	Sweaters MBWGCI	1.1	RL 100,000	3%	5%	10%(5%)	11%
6.	Jackets and coats MBWGCI	3.6	RL 160,000	6%	5%	10%(5%)	11%
7.	Rainwear MBWGCI	NA	CL	NA	NA	NA	NA
8.	Fine suits MB	3.6	RL 25,500	6%	5%	10%(5%)	11%

Legend: CL - Consultation Level  
RL = Restraint Level

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

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.

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. 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.

7. 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.

ANNEX III - CONSULTATION LEVELS

ITEM NO.	SHORT DESCRIPTION	CONSULTATION LEVEL
1.	Outerwear MBWGCI	20,000
2.	Pants, shorts, overalls and coveralls MBWGCI	100,000
4.	Shirts, blouses WGCI	100,000
7.	Rainwear MBWGCI	100,000