

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TEX/SB/930

10 May 1984

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between Canada and Uruguay

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

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4¹, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.²

¹See COM.TEX/SB/35, Annex B.

²For the TSB's observations on this notification, see COM.TEX/SB/935.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF
CANADA AND THE GOVERNMENT OF URUGUAY RELATING TO THE
EXPORT FROM URUGUAY 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 Uruguay regarding the export of certain textiles and textile products from Uruguay 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 extending the said Arrangement.

Restraint Periods

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

Restraint Levels

4. Except as provided for in paragraphs 14 to 16, the Government of Uruguay will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing January 1, 1982 to the limits specified therein.
5. For the four calendar year periods commencing January 1, 1983 and ending on 31 December 1986, the Government of Uruguay 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 Uruguay.

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 an "Export Licence" endorsed and issued by the proper Uruguayan 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 Uruguay 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.
8. F.O.B. or C.I.F. value except for non-commercial consignments
9. Certification by the Government of Uruguay that the quantity has been debited against the agreed restraint level for exports to Canada.
10. Quota year.

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

12. The Government of Uruguay 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 Uruguay, 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 24 and 25 with a view to remedying this situation.

Carry-Over/Carry-Forward

14. 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.

15. 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.

16. 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.

Exchange of Statistics

17. 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.

18. The Government of Uruguay will provide the Government of Canada with monthly 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.

19. When submitting the monthly statistics mentioned in paragraph 18, the Government of Uruguay 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 carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 14 to 16 above.

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

20. The Government of Canada will provide the Government of Uruguay with monthly statistics relating to import permits issued for imports originating in Uruguay of the textiles and textile products listed in Annex II, along lines similar to the statistics to be provided by the Government of Uruguay pursuant to paragraph 18 above. In addition, the Government of Canada will provide the Government of Uruguay with monthly statistics of total imports and imports from other significant suppliers in respect of textiles and textile products categorized in Annex I.

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

Equity

22. 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 24 and 25 with a view to implementing appropriate remedial measures.

Re-Exports

23. The Government of Canada will, so far as possible, inform the Government of Uruguay 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 Government of Uruguay to quantitative limits the Government of Uruguay may then credit the amount involved to the appropriate quantitative limits.

Consultations

24. 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 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.

25. 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.

MFA Rights

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

Revisions and Termination

27. 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.

28. 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

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

Transitional Arrangements

30. Any difficulties which may arise as a consequence of the transition to this 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.

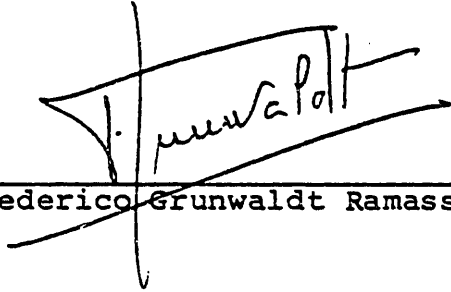
Final Provisions

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

32. This Memorandum of Understanding has been prepared in duplicate in the English and Spanish languages, each version being equally authentic.

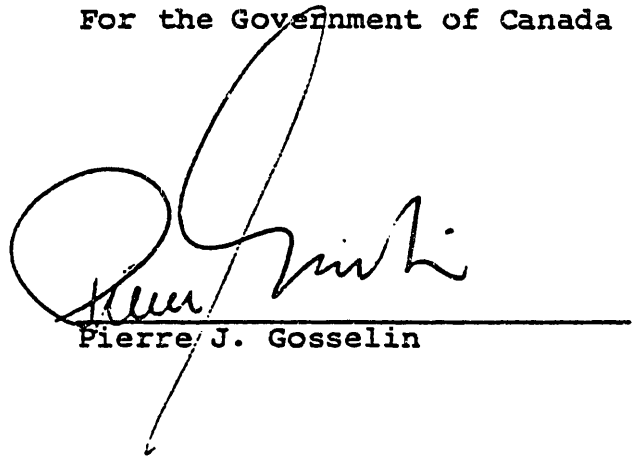
For the Government of Uruguay

For the Government of Canada



A handwritten signature in black ink, appearing to read 'F. Grunwaldt Ramasso', written over a horizontal line.

Frederico Grunwaldt Ramasso



A handwritten signature in black ink, appearing to read 'Pierre J. Gosselin', written over a horizontal line.

Pierre J. Gosselin

ANNEX I - RESTRAINT LEVELS

(A) ITEM NO.	(B) SHORT DESCRIPTION	(C) RESTRAINT LEVEL	(D) GROWTH	(E) SWING	(F) CARRY-OVER/ CARRY- FORWARD	(G) COMBINED FLEXIBILITY (E) & (F)	(H) CONVERSION FACTOR (M2/UNIT)
1.	Worsted Fabric	(1982) 151,000 kg (1983) 155,530 kg (1984) 160,195 kg (1985) 165,000 kg (1986) 169,950 kg	3%	N.A.	10% (5%)	N.A.	N.A.

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

Description of Product Categories

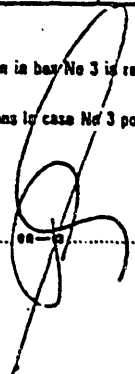
1. **Worsted Fabric**

Worsted Fabrics are woven fabrics having 17% or more by weight of wool and in which at least the warp is made from worsted spun yarn. Both governments will exchange notes listing their import/export control categories for the above described product.

ANNEX III

Show net weight (kg) and also quantity in the unit prescribed for category where other than net weight—Indiquer le poids net (kg) ainsi que la quantité dans l'unité prévue pour la catégorie si celle-ci n'est pas le poids net
in the currency of the sale contract—Donner le montant du contrat de vente

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2 NO.
	3 Quota year Année contingente	4 Category number Numéro de catégorie
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	EXPORT CERTIFICATE (Textile products)	
	CERTIFICAT D'EXPORTATION (Produits textiles)	
8 Place and date of shipment—Means of transport Lieu et date d'embarquement—Moyen de transport	6 Country of origin Pays d'origine	7 Country of destination Pays de destination
	9 Supplementary details Données supplémentaires	
8a GRI No.		
10 Marks and numbers—Number and kind of packages—DESCRIPTION OF GOODS Marques et numéros—Nombre et nature des colis—DESIGNATION DES MARCHANDISES	11 Quantity (1) Quantité(1)	12 FOB Value (2) Valeur FOB(2)
13 CERTIFICATION BY THE COMPETENT AUTHORITY—VISA DE L'AUTORITE COMPETENTE		
I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with the Government of Canada. Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans le case No 3 pour la catégorie désignée dans le case No 4 dans le cadre des dispositions régissant les échanges de produits textiles avec le Government of Canada.		
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At—A.....	
	(Signature)	(Stamps—Cachet)

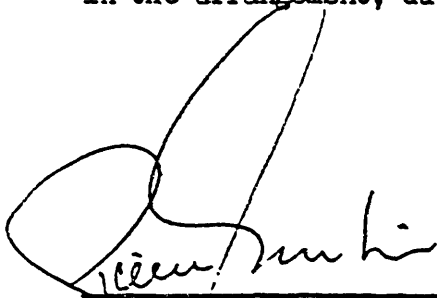


AGREED MINUTE

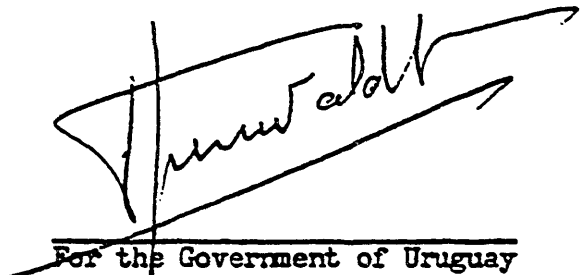
This Agreed Minute sets out the understanding that has been reached between the delegations of Uruguay and Canada during consultations which took place in Geneva from July 14 to 16, 1982.

The delegations concluded an "ad referendum" arrangement that will govern their trade in worsted fabrics during the period 1 January, 1982 until 31 December, 1986. The arrangement that will be initialled at the earliest opportunity provides that the Government of Uruguay will limit its exports of worsted fabric to Canada to 151,000 kilograms during calendar year 1982. It is agreed that shipments of worsted fabric that have already entered Canada in 1982 will be debited from the aforementioned base level. In subsequent years ie 1983-1986 this base level will be advanced by three percent per annum. The arrangement also includes flexibility provisions of 10 percent carry-over and five percent carry-forward.

It was further agreed that the temporary cessation of shipments of worsted fabric requested by the Canadian authorities in their note of 28 May, 1982 would be lifted immediately. Accordingly, exports of worsted fabric from Uruguay will be accepted up to the levels provided for in the arrangement, due account being taken of previous shipments in 1982.



For the Government of Canada
Mr. P. J. Gosselin
A/Assistant Under-Secretary,
Department of External Affairs,
Ottawa, Canada.



For the Government of Uruguay
Mr. Federico Greenwaldt Ramasso
Ambassador,
Embassy of Uruguay,
Geneva, Switzerland.

Geneva, Switzerland
16 July, 1982.