

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TEX/SB/933

10 May 1984

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement
between Canada and Hong Kong

The Textiles Surveillance Body has received from Canada a notification of modifications of its bilateral agreement with Hong Kong, concluded under Article 4 of the MFA.¹

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

¹The original bilateral agreement is contained in COM.TEX/SB/883.

²See COM.TEX/SB/35, Annex B.


The Trade Department presents its compliments to the Commission for Canada and has the honour to refer to the Commission's Note No. 169 of 13 December 1983 concerning the election of the Government of Canada, pursuant to Paragraph 42 of the "Memorandum of Understanding (MOU) between the Government of Canada and Government of Hong Kong relating to the export from Hong Kong of certain textiles and textile products for import into Canada", to convert the 1983 restraint level for denim fabric into a specific limit effective from 1 January 1984 to 31 December 1986.

2. The Trade Department wishes to record that, pursuant to Paragraph 42 of the MOU, the restraint limit for denim fabric for 1984 will be 3,816,000 square metres and that this will be subject to an annual growth rate of 6 per cent in the remainder of the MOU. The Trade Department agrees with the Canadian authorities that the following flexibility provisions, as set out in Paragraph 2 of the "agreed record of consultations" initialled in Hong Kong on 22 June 1983, will apply to denim fabric as from 1 January 1984 :

<u>Swing</u>	<u>Carryover/ Carryforward</u>	<u>Combined flexibility</u>
5%	10% (5%)	11%

3. The Trade Department further agrees with the Canadian authorities that this Note and the Commission's Note No. 169 of 13 December 1983 shall constitute an amendment to the MOU between our two Governments for denim fabric exports from Hong Kong to Canada.

4. The Trade Department avails itself of this opportunity to renew to the Commission for Canada the assurance of its highest consideration.


Trade Department
Hong Kong
16 December 1983

The Commission for Canada presents its compliments to the Hong Kong Trade Department and has the honour to refer to consultations held in Hong Kong on June 21 and 22, 1983 between a delegation from the Government of Canada and a delegation from the Government of Hong Kong pursuant to provisions of the "Memorandum of Understanding between the Government of Canada and Government of Hong Kong relating to the export from Hong Kong of certain textiles and textile products for import into Canada" concerning exports of denim fabric from Hong Kong to Canada.

The Canadian authorities have further the honour to refer to the "agreed record of consultations" which was initialled in Hong Kong on June 22, 1983 and to Paragraph 2 of the record which notes that, pursuant to Paragraph 42 of the Memorandum of Understanding, either Government may, prior to the start of 1984, elect to convert the 1983 restraint level for denim fabric into a specific limit effective from January 1, 1984 to December 31, 1986. In this regard, the Government of Canada wishes to advise the Government of Hong Kong of its election to convert the 1983 restraint level for denim fabric into a specific limit effective from January 1, 1984 to December 31, 1986. The Canadian authorities also note that, pursuant to Paragraph 40 of the Memorandum of Understanding, the annual growth rate is 6 percent.

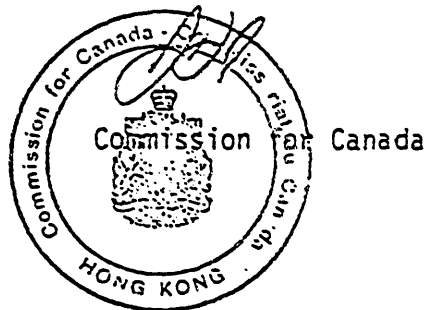
The Canadian authorities further wish to refer to the corresponding flexibility provisions provided for in Paragraph 2 of the record which apply in the event of an election to convert the 1983 restraint level for denim fabrics into a specific limit. In this regard, the flexibility provisions are swing, 5 percent; carryover/carryforward 10 percent (5 percent), and combined flexibility 11 percent.

Accordingly, the Canadian authorities wish to propose that this Note and the reply thereto, confirming acceptance by the Government of Hong Kong, shall constitute an amendment to the Memorandum of Understanding between our two Governments for denim fabrics exports from Hong Kong to Canada.

The Commission for Canada avails itself of this opportunity to renew to the Trade Department the assurance of its highest consideration.

December 13, 1983

Hong Kong



Agreed Record of Consultations

Consultations were held in Hong Kong on 21 and 22 June 1983 between a delegation from the Government of Canada and a delegation from the Government of Hong Kong on the export of denim fabric from Hong Kong to Canada, pursuant to paragraphs 35 and 36 of the Memorandum of Understanding between the Government of Canada and the Government of Hong Kong Relating to the Export from Hong Kong of Certain Textiles and Textile Products for Import into Canada (MOU). It was agreed that :-

- (i) on the basis of a reconciliation of the respective trade data, the quantity of denim fabric exported from Hong Kong to Canada in 1982 amounted to 3,126,334 m²; and
- (ii) having regard to paragraph 33 of the MOU, the Government of Hong Kong would limit exports of denim fabric to Canada in 1983 to a level of 3,600,000 m².

2. It was noted that, pursuant to paragraph 42 of the MOU, either Government may, prior to the start of 1984, elect to convert that limit into a specific limit, effective from 1 January 1984 to 31 December 1986. In the event that either Government were so to elect, it was agreed that the following flexibility provisions would apply in each of these calendar years :-

<u>Swing</u>	<u>Carryover/ Carry forward</u>	<u>Combined flexibility</u>
5%	10% (5%)	11%

3. The agreement described in paragraph 2 will become effective immediately upon an exchange of notes between the two Governments confirming their acceptance of it.

Hong Kong

22 June 1983

For the Government of Canada

For the Government of Hong Kong

Michael D. Moore

Michael Moore

M.D. Cartland
M.D. Cartland