

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/958*

9 July 1984

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:4

Bilateral Agreement between Canada and Indonesia

The Textiles Surveillance Body has received from Canada a notification of a new bilateral agreement with Indonesia, concluded under Article 3:4 of the MFA, valid for the period 1 January 1983 to 31 December 1983.¹

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¹The agreement superseded a unilateral measure taken under Article 3:5.

²See COM.TEX/SB/35, Annex B.

³For the TSB's observations on this notification and quota levels, see COM.TEX/SB/962.

*English only/anglais seulement/inglés solamente

The Embassy of Canada presents its compliments to the Department of Foreign Affairs of the Republic of Indonesia and has the honour to refer to discussions in Ottawa, 8-9 August 1983 between the delegation of the Government of Canada and the delegation of the Government of Indonesia concerning trade in selected textile products between Canada and Indonesia.

The Government of Canada also has the honour to refer to the Memorandum of Understanding signed in Ottawa on 9 August 1983 regarding the export from Indonesia of certain textile products for import into Canada and to the exchange of letters signed ad referendum in Ottawa on 9 August 1983 for a one-year restraint arrangement covering tailored collar shirts.

The Canadian authorities have further the honour to confirm the Government of Canada's acceptance of the Memorandum of Understanding and the exchange of letters regarding tailored collar shirts. Accordingly, the Canadian authorities have the honour to propose that this note and the reply thereto confirming the acceptance of the Government of Indonesia will constitute arrangements between our two governments.

The Canadian Government has the honour to refer to the discussions in Ottawa, 8-9 August between the Canadian and Indonesian delegations concerning a one-year restraint arrangement for trousers, pants, slacks and jeans, and to confirm its acceptance of the terms of a one-year restraint arrangement covering trousers, pants, slacks and jeans along the lines of the draft letter attached to the agreed record of discussions dated 9 August 1983 on the understanding that the Government of Indonesia will limit its shipments based on the date of export for the twelve-month period ending 31 December 1983 to those shipments that are covered by irrevocable letters of credit issued prior to 30 July 1983.

Accordingly, the Canadian authorities have further the honour to propose that this note and the reply thereto confirming the acceptance of the Government of Indonesia will constitute an arrangement between our two governments.

The Embassy of Canada avails itself of this opportunity to renew to the Department of Foreign Affairs of the Republic of Indonesia the assurance of its highest consideration.

JAKARTA, 26 October 1983

Unofficial Translation

The Department of Foreign Affairs of the Republic of Indonesia presents its compliments to the Embassy of Canada and has the honour to acknowledge receipt of the Embassy Note No. 142 dated 26 October 1983 which refer to the discussions in Ottawa, 8-9 August 1983 between the delegation of the Government of Indonesia and the delegation of the Government of Canada concerning trade in selected textile products between Indonesia and Canada.

The Government of Indonesia also has the honour to refer to the Memorandum of Understanding signed in Ottawa on 9 August 1983 regarding the export from Indonesia of certain textile products for import into Canada and the exchange of letters signed ad referendum in Ottawa on 9 August 1983 for one-year restraint arrangement covering tailored collar shirts.

The Indonesian authorities have further the honour to confirm the Government of Indonesia's acceptance of the Memorandum of Understanding and the exchange of letter regarding tailored collar shirts. Accordingly, the Indonesian authorities have the honour to propose that this note confirming the acceptance of the Government of Canada will constitute arrangement between our two governments.

The Indonesian Government has the honour to refer to the discussions in Ottawa, 8-9 August 1983 between the Indonesian and Canadian delegations concerning a one-year restraint arrangement for trousers, pants, slacks and jeans, and to confirm its acceptance of the terms of a one-year restraint arrangement covering trousers, pants, slacks and jeans along the lines of the draft letter attached to the agreed record of discussions dated 9 August 1983 on the understanding that the Government of Indonesia will limit its shipments based on the date of export for the twelve-months period ending 31 December 1983 to those shipments that covered by irrevocable letters of credit issued prior to 30 July 1983.

Accordingly, the Indonesian authorities have further the honour to propose that this note confirming the Acceptance of the Government of Canada will constitute an arrangement between our two governments.

The Department of Foreign Affairs of the Republic of Indonesia avails itself of this opportunity to renew to the Embassy of Canada the assurance of its highest consideration.

3 November 1983

The Embassy of Canada

Jakarta

Ottawa, Ontario
K1A 0H5

9 August 1983

Canada Letter

Dr. Asyik Ali
Director
Export of Industrial and
Mining Products
Department of Trade
Government of Indonesia

Dear Dr. Ali,

I have the honour to refer to the bilateral discussions between representatives of the Government of Indonesia and the Government of Canada which took place 8-9 August in Ottawa and have the pleasure in confirming on an ad referendum basis the one-year bilateral restraint arrangement covering trousers, pants, slacks and jeans. The definition for this product is attached as Annex I.

I have further the honour to confirm the following understanding reached as a result of the above-mentioned discussions in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA).

The Government of Indonesia will limit its shipments based on the date of export for the twelve-month period ending 31 December 1983 to those shipments that are covered by irrevocable letters of credit issued prior to 18 July 1983. The Government of Canada in recognition of Article 6 of the MFA, and paragraph 12 of the Protocol of Extension as they pertain to Indonesia undertakes to accept shipments of trousers, pants, slacks and jeans up to the above-mentioned maximum level for 1983, on the agreed understanding that the maximum level consists of the following two parts:

- (i) the level recommended by Article 3 and Annex B of the MFA, that is, trousers, pants, slacks and jeans arriving in Canada during the first twelve of the fourteen months preceding the date of the request for consultations (18 July 1983), and
- (ii) any excess shipments in 1983 if they are bona fide contracts covered by irrevocable letters of credit issued prior to 18 July 1983. These excess shipments will be allowed into Canada on an ex-quota basis as an exceptional measure for 1983 only.

The Indonesian Department of Trade will endeavour to issue Certificates of Origin, Form K for the product listed in the attached Annex I certifying that the quantity is within the agreed limit. The Canadian Department of External Affairs will issue import permits for each original Certificate of Origin.

The Certificate of Origin, Form K (attached as Annex III) will contain the following information:

- (a) Country of destination
- (b) Country of origin
- (c) Certificate of Origin number
- (d) Importer's name and address
- (e) Exporter's name and address
- (f) Category number and description of product as set out in Annex 1.
- (g) Quantity expressed in units as designated in Annex I
- (h) f.o.b. or c.i.f. value except for non-commercial consignments.

The Indonesian Department of Trade agrees to furnish the Canadian Department of External Affairs through the Canadian Embassy in Jakarta with precise statistical information, on a monthly basis, of all Certificates of Origin issued for trousers, pants, slacks and jeans.

With reference to Article 12(3) of the MFA, this arrangement shall not apply to bona fide handmade clothing of handloomed fabric as defined in Annex II when accompanied on importation by a certificate validated by competent Indonesian authorities. A sample certificate is attached as Annex IV.

The two governments will consult with each other at the request of either government in respect of any problem arising from this arrangement or any other matter relating to trade in textile products between the two countries.

The two governments agree to commence consultations no later than sixty days before the expiry of this arrangement with a view to concluding a long-term arrangement covering the period beyond 1 January 1984.

I have further the honour to propose that this arrangement will become effective subject to confirmation of the quantity of trousers, pants, slacks and jeans of Indonesian origin imported into Canada at the date of notification (18 July) and subsequent to an exchange of notes between the two governments confirming their acceptance of this arrangement and will apply for the calendar-year period commencing 1 January 1983.

Yours sincerely,

P. Sutherland
Senior Director
Special Trade Relations Office

9 August 1983

Mr. Peter H. Sutherland
Senior Director
Special Trade Relations Office
Department of External Affairs
Government of Canada

Dear Mr. Sutherland,

I have the honour to refer to your letter of 9 August 1983 which reads as follows:

Canada Letter

I have the honour to agree that the above arrangement will become effective subsequent to an exchange of notes between the two governments confirming their acceptance of this arrangement and will apply for the calendar year period commencing 1 January 1983.

Yours sincerely,

(signed)

Asyik Ali
Director
Export of Industrial
and Mining Products
Department of Trade
Government of Indonesia

ANNEX I

Definitions and Description of Terms

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 per cent or more in all items unless otherwise indicated.

Description of product categories

Clothing

1. 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 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 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.

2. 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 are manufactured of fabric containing five per cent or more by weight of wool or hair are considered to be woollen garments.

ANNEX II

1. The exemption provided for cottage industry products will apply only to the following products:
 - (a) Tailored collar shirts of a kind traditionally made in the cottage industry, having been cut, sewn, and embroidered if applicable, solely by hand from handloom textile fabrics without the aid of any power machine. Handloom textile fabrics are fabrics which have been woven on looms operated solely by hand or foot and are of a kind traditionally made in the cottage industry.
 - (b) Tailored collar shirts made by hand out of traditional Indonesia handicraft batik fabrics. Handicraft batik is produced by a process which involves the following three operations, carried out by hand, for each of the colours or shades applied to the fabric:
 - (i) Waxing (application of wax by hand to the fabric)
 - (ii) Dyeing/printing (application of colour either by the traditional cottage method of dyeing or handprinting)
 - (iii) Dewaxing (boiling the fabric to remove the wax)
 - (c) Trousers, pants, slacks and jeans of a kind traditionally made in the cottage industry, having been cut, sewn, and embroidered if applicable, solely by hand from handloom textile fabrics without the aid of any power machine. Handloom textile fabrics are fabrics which have been woven on looms operated solely by hand or foot and are of a kind traditionally made in the cottage industry.
 - (d) Trousers, pants, slacks and jeans made by hand out of traditional Indonesia handicraft batik fabrics. Handicraft batik is produced by a process which involves the following three operations, carried out by hand, for each of the colours or shades applied to the fabric:
 - (i) Waxing (application of wax by hand to the fabric)
 - (ii) Dyeing/printing (application of colour either by the traditional cottage method of dyeing or handprinting)
 - (iii) Dewaxing (boiling the fabric to remove the wax)
2. The exemption will apply only in respect of products covered by a certificate issued by the competent Indonesian authorities.
3. Such certificates will indicate the grounds on which the exemption is based and will be accepted by Canadian authorities provided that they are satisfied that the products concerned conform to the conditions set out in this Annex.

ANNEX III

1. Country of origin		2. Country of destination	
CERTIFICATE OF ORIGIN			
FORM K			
1. Place and date of shipment - Month of shipment		1. Supplementary conditions	
13. Mark and number, number and kind of packages - Description of goods			
14. Declaration by the competent authority - Text of certificate			
15. Corrected entry (name, full name, country)			

ANNEX IV
GOVERNMENT OF INDONESIA

1. Exporter (Name, full address)	2. NO.	
3. Importer (Name, full address)	CERTIFICATE in regard to HANDLOOMS TEXTILE HANDICRAFTS, TRADITIONAL INDONESIAN HANDICRAFT BATIK, and TRADITIONAL TEXTILE PRODUCTS OF THE COTTAGE INDUSTRY	
	4. Country of Origin	5. Country of Destination
6. Place and date of shipment-Means of transportation	7. Supplementary details	
8. Marks and numbers-Number and kind of packages - DESCRIPTION OF GOODS	9. Quantity	10. FOB Value

11. Certification by the competent authority:

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

- handloom textile fabrics, containing not more than 5% by weight of man-made fibers, being fabrics woven on looms operated solely by hand or foot and a kind traditionally made in the cottage industry.
- traditional Indonesian Handicraft Batik
- garments or other textile articles, of a kind traditionally made in the cottage industry, having been CUT, SEWN and embroidered, if applicable, solely by hand from handloom textile fabrics as described above without the aid of any machine
- traditional folklore handicraft textile products made by hand in the cottage industry.

12. Competent authority (Name, full address, country)

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