

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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29 March 1985

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Bilateral Agreement between Canada and Mauritius

The Textiles Surveillance Body has received from Canada a notification, under Articles 7 and 8 of the MFA, of a new bilateral agreement concluded with Mauritius, valid for the period 25 May 1984 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 transmitting the notification to participating countries for their information.

* English only/Anglais seulement/Inglés solamente

Short Reasoned Statement to accompany the notification to the Textile Surveillance Body of a Memorandum of Understanding between the Government of Canada and the Government of Mauritius relating to the export from Mauritius of certain textiles and textile products for import into Canada

With reference to Article 7 and 8 of the Arrangement Regarding International Trade in Textiles (hereafter referred to as the MFA), done at Geneva on December 2, 1973, and to the protocol extending the MFA, done at Geneva, December 22, 1981, I have the honour to notify the Textile Surveillance Body that a restraint arrangement has been concluded between the Government of Canada and the Government of Mauritius regarding certain textiles and textile products for import into Canada. This bilateral textile arrangement became effective May 25, 1984 and is in effect until December 31, 1986. The arrangement takes into account circumstances facing the Canadian sweater market and the position of Mauritius as an emerging supplier. This arrangement covers a product which falls within the scope of the MFA.

Although Mauritius is not an MFA member, the arrangement provides for restraint levels consistent with MFA provisions, as well as an annual growth rate of 6 percent, and a carry-over/borrow forward of 11 percent, and a sublimit for borrow-forward of 6 percent.

The Government of Canada believes this arrangement to be in conformity with the provisions of the MFA and its Protocol of Extension and, as such, in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

Accept, Sir, the renewed assurance of my highest consideration.

No. 140

The Embassy of Canada presents its compliments to the High Commission of Mauritius to Canada and has the honour to convey the following message.

Canadian authorities wish to refer to the "Memorandum of Understanding between the Government of Canada and the Government of Mauritius relating to the export from Mauritius of certain textiles and textile products for import into Canada", which was signed by representatives of our two Governments in Port Louis on May 18, 1984. Pursuant to paragraph 25 of the Memorandum of Understanding, Canadian authorities wish to propose that this Note, together with the Mauritian reply confirming acceptance by the Government of Mauritius, give effect to the Memorandum of Understanding as an arrangement between our two Governments.

The Embassy of Canada avails itself of this opportunity to renew to the High Commission of Mauritius to Canada the assurances of its highest consideration.

Washington, D. C., June 11, 1984

The High Commission of Mauritius to Canada presents its compliments to the Embassy of Canada and with reference to the Canadian Embassy's Note (No. 140) of June 11, 1984, has the honour to state the following.

Mauritian authorities agree that the present Note together with the Canadian Note (No. 140) referred to above constitute an acceptance by the Government of Mauritius of the "Memorandum of Understanding between the Government of Canada and the Government of Mauritius relating to the export from Mauritius of certain textiles and textile products for import into Canada" as signed by representatives of our two Governments in Port Louis on May 18, 1984 and confirm that the Memorandum of Understanding be put into effect as an arrangement between our two Governments.

The High Commission of Mauritius to Canada avails itself of this opportunity to renew to the Embassy of Canada the assurances of its highest consideration.

Washington, D.C.

June 14, 1984

MEMORANDUM OF UNDERSTANDING
BETWEEN THE GOVERNMENT OF CANADA
AND THE GOVERNMENT OF MAURITIUS
RELATING TO THE EXPORT FROM MAURITIUS OF
CERTAIN TEXTILES AND TEXTILE PRODUCTS
FOR THE IMPORT INTO CANADA

INTRODUCTION

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and Mauritius regarding the export of certain textiles and textile products from Mauritius for import into Canada.

RESTRAINT PERIODS

2. These arrangements will apply for the period commencing on 25 May 1984 and ending on 31 December 1986.

RESTRAINT LEVELS

3. Except as provided for in paragraphs 12 to 13 below, the Government of Mauritius will restrain its exports to Canada of the textiles and textile products described in Annex I for the period commencing 25 May 1984 to 31 December 1984 to 202,000 pieces.

4. For the two calendar year periods commencing 1 January 1985 and ending on 31 December 1986, the Government of Mauritius will restrain its exports to Canada of the textile products described in Annex I to 417,000 pieces for 1985 and 477,000 pieces in 1986.

COVERAGE

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

ADMINISTRATION

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

7. The Government of Canada will admit imports of the textiles and textile products described in Annex I and subject to the specific quantitative limits set out in paragraphs 3 and 4, provided such imports are covered by an original copy of an "Export Permit" containing the information as provided in the specimen licence in Annex II, endorsed and issued by the proper Mauritian authority to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in paragraphs 3 and 4.

8. The export licences issued by the Government of Mauritius in respect of products subject to restraint levels as specified in paragraphs 3 and 4 of this arrangement will contain the following information:

- (a) country of destination;
- (b) country of origin;
- (c) licence 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 I of the Memorandum of Understanding;
- (g) quantity expressed in units;
- (h) f.o.b. or c.i.f. value except for non-commercial consignments.

9. Export permits when approved by the Government of Mauritius in accordance with paragraph 8 will have been debited against the restraint levels set out in paragraphs 3 and 4 for the year in question.

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

11. The Government of Mauritius will endeavour to ensure that exports of all textiles and textile products which are listed in 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.

12. If, on the basis of export data provided by the Government of Mauritius, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of the textile products listed in Annex I, other than that attributable to normal seasonal factors, it may request consultations in accordance with the provisions of paragraphs 20 and 21 with a view to remedying this situation.

CARRYOVER/CARRY FORWARD

13. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in paragraphs 3 and 4 which are not used during the restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period up to a maximum of 11 per cent of the restraint level for the period of shortfall.

14. Any restraint level may be increased by an amount advanced from the corresponding restraint level for the following restraint period up to a maximum of 6 per cent of the restraint level for the year in question.

EXCHANGE OF STATISTICS

15. Both governments will exchange such other statistical data relating to exports of textiles and textile products not subject to these arrangements as may reasonable be required.

16. The Government of Mauritius 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 as specified in paragraphs 3 and 4.

17. When submitting the monthly statistics mentioned in paragraph 15, the Government of Mauritius 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 units;
- (d) notification of any utilization of carryover or carry forward provisions and the quantities involved as provided for in paragraphs 13 and 14 above.

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

18. The Government of Canada will provide the Government of Mauritius with monthly statistics relating to import permits issued for imports originating in Mauritius of the textiles and textile products listed in Annex I, along lines similar to the statistics to be provided by the Government of Mauritius pursuant to paragraph 16 above. In addition, the Government of Canada will provide the Government of Mauritius with monthly statistics of total imports and imports from other significant suppliers in respect of textiles and textile products categorized in Annex I.

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

CONSULTATIONS

20. 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.

21. Any consultations held under these provisions will be approached by both governments in a spirit of co-operation and with a desire to reconcile the differences between them.

REVISIONS

22. Either government may at any time propose revisions to the terms of these arrangements. In the event of such proposal, consultations will be held in accordance with the provisions of paragraphs 20 and 21.

TERMINATION

23. 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

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

FINAL PROVISIONS

25. This Memorandum of Understanding will become effective on 25 May 1984 subsequent to an exchange of notes between the two governments confirming their acceptance of these arrangements.

Campbell Stuart
Director General of Special
Trade Relations Bureau
Department of External Affairs
Government of Canada

S. Sunassee
Secretary for Foreign Trade
Ministry of Trade and Shipping
Government of Mauritius

18 May 1984

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 to 6X.
2. 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.
3. Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.
4. "Wholly or mainly" is 50 per cent or more in all items unless otherwise indicated.

Description of product categories

1. 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.