

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1055*

30 April 1985

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement
between Canada and Sri Lanka

The Textiles Surveillance Body has received a notification from Canada concerning a modification to its bilateral agreement with Sri Lanka, concluded under Article 4 of the MFA. Restraints were introduced on underwear and on blouses and T-shirts from 1 July 1984.¹

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.

¹The original bilateral agreement is contained in COM.TEX/SB/1054

²See COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglês solamente

CANADA/SRI LANKA TEXTILE NEGOTIATIONS
AGREED RECORD OF DISCUSSIONS

1. Delegations representing the Government of the Democratic Socialist Republic of Sri Lanka and the Government of Canada met on August 6 and 7, 1984 in Colombo to discuss the export of underwear and of blouses, shirts, T-shirts and sweatshirts from Sri Lanka to Canada in accordance with the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles.
2. During these discussions it was agreed that Sri Lankan authorities will begin to restrain, effective July 1, 1984, Sri Lankan exports to Canada of underwear, as described in item 9 of Appendix I attached, through the issuance of "Export Licences" endorsed and issued by the proper Sri Lankan authority. It was also agreed that during the period July 01 to December 31 1984, exports of underwear shall be restrained to the level of 250,000 units. The provision for swing will be 7 percent and the provision for carry-forward will be 6%. The conversion factor will be 0.5 square metres per unit.
3. It was further agreed that exports from Sri Lanka to Canada of underwear shall be restrained for the period 1985 to 1986. The two delegations further agreed that the 1985 restraint level governing the export of this product will be 530,000 units and that the restraint level for 1986 will be accorded a further growth rate of 6 percent. The provision for swing will be 7 percent and the provision for carryover/carry-forward will be 11 percent, of which carry-forward will not be more than 6 percent. The combined use of swing, carryover and carry-forward will not exceed 15 percent. The conversion factor will be 0.5 square metres per unit.
4. It was also agreed that Sri Lankan authorities will begin to restrain, effective July 01, 1984, exports from Sri Lanka to Canada of blouses and shirts as described in Item 4a of Appendix I attached, and of T-shirts and sweatshirts as described in Item 4b of the Appendix, through the issuance of "Export Licences" endorsed and issued by the proper Sri Lankan authority. It was agreed that during the period July 01 to December 31, 1984, exports of these combined items shall be restrained to the level of 325,000 units. The provision for swing will be 7 percent and the provision for carry-forward will be 6%. The conversion factor will be 1.5 square metres per unit.
5. The two delegations agreed that individual restraint levels will be established in 1985 for blouses and shirts and for T-shirts and sweat shirts at levels which in total do not exceed 636,000 units. The individual restraint levels for each of these two items shall be no less than 40 percent and

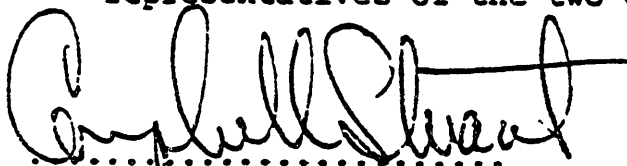
no more than 60 percent of the total. The exact percentages, to be in effect for the balance of the arrangement, will be elected by the Government of the Democratic Socialist Republic of Sri Lanka no later than December 31, 1984. For 1986, the levels elected by Sri Lanka for 1985 will each be advanced by a growth factor of 6 percent. For each of these items, the provision for swing will be 7 percent and the provision for carryover/carryforward will be 11 percent, of which carryforward will not be more than 6 percent. The combined use of swing, carryover and carryforward for each item will not exceed 15 percent. The conversion factor for blouses and shirts will be 1.6 square meters per unit and for T-shirts and sweatshirts the conversion factor will be 1.2 square metres per unit.

6. The Canadian side brought to the attention of the Sri Lankan delegation the level of imports into Canada of Sri Lankan winter outerwear and of Canada's intention to request consultations on this item. In this regard, the Canadian side suggested that the Sri Lankan side might wish to discuss the matter with a view to exploring the possibility of reaching a mutually acceptable restraint level for this item during the current negotiations. After further discussion, the Sri Lankan side indicated that it preferred to await a formal request for consultations by Canada and for receipt of detailed statistics prior to engaging in consultations on this item.
7. The Sri Lankan side reiterated the request made by Minister Athulathmudali to the High Commissioner for Canada that a quantity of 46,288 units of pants, inadvertently prepared for export from Sri Lanka to Canada, be permitted entry into Canada in 1984 and be deducted from the 1985 restraint level for pants. The Canadian side agreed to this request while emphasizing that this agreement should in no way be considered a precedent for the future. The additional quantity of 46,288 units, which includes 2,026 units of pants already imported into Canada above the 1984 level, will render an adjusted 1985 restraint level of 217,758 units.
8. It was agreed that the Memorandum of Understanding between the Government of Canada and the Government of the Socialist Republic of Sri Lanka for textiles and textile products will be amended to provide for the licensing of all textiles and textile products subject to restraint levels, originating in Sri Lanka for export to Canada, and will remain in effect unless terminated pursuant to paragraph 30 of the Memorandum of Understanding.
9. It was agreed that the export licences issued by the proper Sri Lankan authority in respect to the products subject to restraint levels 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 the attached Appendix,
 - (7) Quantity expressed in the units appropriate to the category,
 - (8) F.O.B. or C.I.F. value except for non-commercial consignments,
 - (9) Indication of whether the textiles or textile products are subject to quantitative limits, and
 - (10) Certification by the Sri Lankan Authority that the quantities for textiles or textile products subject to quantitative limits have been debited against the agreed restraint level for exports to Canada.
10. In the event that the Government of Canada believes that imports from Sri Lanka classified in any category or sub-category not covered by specific limits are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, it was agreed that the Government of Canada may request consultations with the Sri Lankan Government with a view to easing or avoiding such market disruption. The Government of Canada will provide the Government of Sri Lanka at the time of the request with available data which are indicative of the market situation and in the opinion of the Government of Canada show :
1. The existence of market disruption, or the threat thereof, and
 2. The role of exports from Sri Lanka in that disruption.
11. The Government of Sri Lanka agrees to consult with the Government of Canada within 30 days of receipt of the request for consultations. Both governments agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of such request, unless this period is extended by mutual agreement.
12. During that 90-day period, the Government of Sri Lanka agrees to hold its exports to Canada in the category or sub-category concerned to a level no greater than 35 percent of the amount entered, as recorded by Special Trade Relations Bureau import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.
13. If no mutually satisfactory solution is reached during these consultations, the Government of Canada may establish a specific limit for the duration of this agreement in

accordance with paragraph 14 below for shipments in the category or sub-category concerned exported on and after the date on which the request for consultations was made. This limit will not be less than the amount of imports, as recorded by Special Trade Relations Bureau import statistics, which are entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent.

14. If a specific limit is established under paragraph 13 in the course of a calendar year, it will be prorated to correspond to the time period between the date of the request for consultations and the end of the calendar year in which the request is made. Any flexibility available during this period will be calculated on this prorated limit. Provisions for swing, carry-over and carry-forward will not be less than the levels established in the MFA (i.e. carry-over and carry-forward not less than 10 percent of which carry-forward is not less than 5 percent, and 5 percent for swing). Carry-over will not be available in the calendar year during which the request for consultation is made. For the second and each succeeding calendar year for which this arrangement applies, specific limits established will be increased by no less than 6 percent annual growth.
15. To accord with the product listing in the attached Appendix, the items in Annex I of the Memorandum of Understanding will be renumbered according to the numbering system in the Appendix to this Agreed Record of Discussions.
16. Both Governments undertake to submit to the other monthly statistics relating to both the restrained and unrestrained products covered by the Memorandum of Understanding and the Agreed Record of Discussions subsequently signed by representatives of the two Governments.



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CAMPBELL STUART
DIRECTOR GENERAL
SPECIAL TRADE RELATIONS BUREAU
DEPARTMENT OF EXTERNAL AFFAIRS
GOVERNMENT OF CANADA



.....
W.L.P. DE MEL
SECRETARY
MINISTRY OF TRADE & SHIPPING
GOVERNMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

APPENDIX 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 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

CLOTHING

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 or 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 coordinated 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

- A. 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 five percent of more by weight of wool or hair are considered to be woolen garments.

- B. 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.
- C. 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 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.

4. Shirts, Blouses, T-shirts, Sweatshirts

- A. 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, sweatshirts and sweaters.
- B. Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see description for Item 3 above.
- C. T-shirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which may have collarless front openings or no front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.
- D. Sweatshirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirt and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

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 coordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such coordinating or matching accessories will be considered a set and counted as one unit.

6. Sleepwear and Bathrobes
 - A. Pyjamas and sleepwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.
 - B. Bathrobes, dressing gowns and housecoats, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

7. Dresses and Skirts
 - A. Dresses, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extended above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).
 - B. Skirts, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.

8. Suits, Coordinates and Outerwear Sets
 - A. Coordinates or matching sets and blazers, men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof packed, shipped and sold as a set and not covered by other definitions in this annex.
 - B. Suits, coordinates, or matching sets, and blazers, women's and girls', childrens and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Coordinates include: coat or jacket and dress sets, blouses and pant or skirt sets, shirt and skirt or pants sets, jacket and pant or skirt sets, coat and pant or skirt sets.

- C. Miscellaneous Garments, Children's and infants' garments not meeting any of the descriptions relating to children's and infants' wear contained elsewhere in this annex, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.
- D. Athletic sets or suits, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or coordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition in this annex including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross-country ski suits; (subject to the description in Item 1).
- E. Leisure wear, coordinates or sets not defined by any definitions in this annex. These may include shortsets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and loungewear, nes.

9. Underwear

Underwear, wholly, or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

10. Swimwear

Swimwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or coordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this annex as individual garments. Coordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and coordinates in Item 8.

11. Foundation Garments

Foundation garments, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: Brassieres, girdles, corselettes, and panty girdles.

12. Coats, Jackets and Rainwear

- A. 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.
- B. 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.
- C. Professional and shop coats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.
- D. 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).

13. Fine Suits

Fine suits, sportscoats and 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 blazers 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 coordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.

TEXTILES

14. A. Work Gloves, both finished and partially manufactured, that are wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof whether or not impregnated or coated including such gloves manufactured partly of leather.
- B. Work Glove Liners, liners or shells wholly of textile fabrics which are wholly or mainly of cotton, man-made fibres or blends thereof, neither impregnated or coated and without any other non-textile components, for incorporation in work gloves.
15. Hosiery, is knitted footwear for adults, children and infants. Excluded are men's and boys' woollen hosiery (over 50% of wool by weight) and ladies seamless or full fashioned full length hosiery and knee highs produced on machines of 400 needles or above and made from yarn of 30 denier or finer, and panty-hose.
16. Handbags, made of fabrics whether uncoated, coated or bonded or man-made fibres or blends of fibres, with a body area, excluding handles, between 258 to 1226 square centimetres, in the manufacture of which leather and plastic materials may be used as trim and finish but not a major component of the shell.
17. Household Textiles
- A. Bedsheets, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof including flannelette sheets.
- B. Pillowcases, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof.
- C. Bedding, other than bedsheets, and pillowcases, wholly or mainly by weight of cotton, man-made fibres or blends thereof.
- D. Cotton terry towels, washcloths and sets containing 50 percent or more by weight of cotton. Cotton terry towels, washcloths and sets are of fabrics woven on a terry loom using single or piled cotton (or blends thereof) yarns with loop pile on one or both sides covering the entire surface on either plain or patterned weave, whether greige, bleached, dyed or printed, including tea, hand, beach and bath towels and bath sheets, barmops and towel blanks.

- E. Towels, other than cotton terry towels, wholly or mainly by weight of cotton, man-made fabrics or blends thereof.

18. Yarns

- A. Cotton Yarn, comprises all yarns consisting of 100 percent cotton fibres either combed or carded, in a state ready for further processing.
- B. Acrylic Yarn, includes all types of yarns containing 50 percent or more by weight of acrylic fibres.
- C. Polyester Yarn, comprises all yarns consisting of 100 percent polyester fibres or filaments or where polyester fibres in combination represent either the chief value or 50% or more by weight.
- D. Polyester/Cotton Yarn, comprises all yarns consisting of blended polyester and cotton fibres in which the combination of polyester and cotton fibres represent either the chief value or 50% or more by weight.
- E. Rayon Yarn, spun or filament, where the total of rayon fibres in combination represent either the chief value or 50% or more by weight.
- F. Nylon Yarn, spun or filament, where the total of the nylon fibres in combination represent either the chief value or 50% or more by weight.
- G. Mixed Fibre Yarns, spun or filament, containing 50% or more by weight of man-made fibre, nes.

19. Fabrics

- A. Polyester Fabrics, are woven fabrics in which the warp is composed of filament flat or textured polyester yarn.
- B. Polyester/Cotton Broadwoven Fabric, are fabrics made from blends of cotton and polyester fibres, where polyester fibres represent 50 percent or more by weight.
- C. Polyester Fabrics, nes.

- D. Worsted Fabrics, are woven fabrics having 17% or more by weight of wool in which at least the warp is made from worsted spun yarn.
- E. Wool Blend Fabrics, nes.
- F. Nylon Fabrics, are fabrics in which the nylon fibre accounts for 50 percent or more by weight or thread count or where the nylon fibres in combination with other fibres represents the chief value.
- G. Nylon Fabric, nes.
- H. Cotton Fabric, are woven fabrics wholly or mainly by weight of cotton and include the following:
 - i. Duck and allied fabrics, including awning fabric, tent cloth and canvas
 - ii. Drill, twill and warp sateen including gabardine, and cord fabric
 - iii. Flannel, napped, bleached, unbleached and coloured including billiard cloth, blanket cloth and flannelette
 - iv. Denim and corduroy
 - v. Pile fabric, n.e.s. including plush fabric, velour, velveteens, velvet and flocked fabrics
 - vi. Print cloth and sheeting
 - vii. Terry cloth
 - viii. Cotton fabric nes
- I. Broadwoven Fabrics, nes which include the following:
 - i. Rayon
 - ii. Rayon/polyester
 - iii. Rayon blend nes
 - iv. Mixed fibre nes
 - v. Broadwoven fabrics nes

20. Miscellaneous Textiles nes, which include the following;
- Vinyl and polyurethane coated fabrics
 - Cordage, rope and twine
21. Leather Coats, leather outdoor jackets, overcoats, topcoats and sportscoats including those made of genuine leather, genuine sheepskin and genuine suede.