

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment of the Bilateral Agreement  
between Canada and Thailand

The Textiles Surveillance Body has received a notification from Canada of a further amendment to its bilateral agreement with Thailand, concluded under Article 4 of the MFA, introducing restraints on underwear and sweaters<sup>1</sup>

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2</sup>, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

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<sup>1</sup>The bilateral agreement and previous amendments are contained in COM.TEX/SB/819, 932, 980 and 1038

<sup>2</sup>See COM.TEX/SB/35, Annex B

\* English only/Anglais seulement/Inglés solamente

AGREED RECORD OF CONSULTATIONS

Delegations representing the Government of Canada and the Government of the Kingdom of Thailand met in Bangkok on 18-20 December 1984 to consider Canada's request for consultations regarding exports from Thailand of underwear and sweaters in accordance with provisions of the Arrangement Regarding International Trade in Textiles and Clothing (i.e. MFA).

It was agreed by both sides, pursuant to Article 4 of the MFA, that the Memorandum of Understanding between the two countries be amended to include restraint provisions governing the export of underwear from Thailand to Canada for the two calendar year periods commencing on 1 January 1985 and ending 31 December 1986. In this regard, the two sides agreed that the restraint level for calendar year 1985 will be 1,000,000 units and that this will be increased by 6 per cent to form the restraint level for calendar year 1986. It was further agreed that this category shall be accorded swing of 7 per cent, carryover and borrow-forward of 11 per cent of which borrow-forward shall not be more than 6 per cent, and a conversion factor of 0.5 square metres per unit.

It was further agreed by both sides, pursuant to Article 4 of the MFA that the Memorandum of Understanding between the two countries be amended to include restraint provisions governing the export of sweaters from Thailand to Canada for the period 1 November 1984 to 31 December 1984 and for the two calendar year periods commencing on 1 January 1985 and ending on 31 December 1986. In this regard the two sides agreed that the restraint level for 1 November 1984 to 31 December 1984 will be 129,000 units, that the restraint level for calendar year 1985 will be 820,000 units and that the 1985 restraint level will be increased by 6 per cent to form the restraint level for calendar year 1986. It was further agreed that this category shall be accorded swing of 7 per cent, carryover and borrow-forward of 11 per cent of which borrow-forward shall not be more than 6 per cent, and a conversion factor of 1.2 square metres per unit, with the exception that the carryover from 1 November to 31 December 1984 to the 1985 calendar year is not to exceed 26,000 units. In addition, it was agreed that Thai authorities will administer the restraints for underwear and sweater shipments to Canada, effective 1 January 1985 through the issuance of "Export Certificates" endorsed and issued by the proper Thai authority. For purposes of classification, underwear and sweater, as defined in the attached annex, will be included as items number 9 and 10 respectively of the Memorandum of Understanding.

The Canadian side indicated that, for its part, agreement to the above understandings with respect to both underwear and sweaters be on an ad referendum basis subject to approval by Canadian Ministers. The Thai delegation also indicated that, for its part, the above understandings with respect to sweaters should be on an ad referendum basis subject to final approval by the Government of the Kingdom of Thailand. Accordingly, both sides indicated that such arrangement would be finalized through an exchange of notes between the two governments.

Tom MacDonald  
Leader  
Canadian Delegation

Oranuj Osatananda  
Leader  
Thai Delegation

Bangkok, 20 December 1984

ANNEX I

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.

Sweaters, pullovers and cardigans

Sweaters, pullovers and 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.

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of consultations signed by representatives of Canada and Thailand in Bangkok on 20 December 1984 concerning exports of sweaters and underwear from Thailand to Canada. Pursuant to the provisions of the final paragraph of the agreed record, Canadian authorities wish to propose that this Note, together with the reply from Thai authorities confirming acceptance by their government, give effect to the arrangement outlined in the agreed record and thereby constitute an amendment to Annex I of the MOU between Canada and Thailand governing trade in textiles and clothing items.

The Canadian Embassy avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

5 March 1985

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The Ministry of Foreign Affairs presents its compliments to the Canadian Embassy and, with reference to the Embassy's note number 015 dated 5 March 1985 concerning the agreed record of consultation concluded between the two governments on 20 December 1984, has the honour to confirm on behalf of the Royal Thai Government that the agreed record of consultation is acceptable and therefore constitute an amendment to Annex I of the Memorandum of Understanding between Canada and Thailand governing trade in textiles and clothing items.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Canadian Embassy the assurances of its highest consideration.

22 April 1985