

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 Malaysia

The Textiles Surveillance Body has received a notification from Canada of a further amendment to its bilateral agreement with Malaysia, concluded under Article 4 of the MFA. The parties agreed to restraints on T-shirts and sweatshirts, and on men's<sup>1</sup> and boys', children's and infants' shirts (other than tailored-collar).

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 modifications are contained in COM.TEX/SB/840, 1040 and 1100

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

\* English only/Anglais seulement/Inglés solamente

CANADA/MALAYSIA TEXTILE CONSULTATIONS

AGREED RECORD OF DISCUSSIONS

1. Delegations representing the Government of Canada and the Government of Malaysia met in Kuala Lumpur on 16-18 August 1984 to consider Canada's request for consultations regarding exports from Malaysia of T-shirts and sweatshirts to Canada in accordance with the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles.
2. During the discussions, the two delegations agreed that the Malaysian authorities will begin to restrain, effective 1 September 1984 through to 31 December 1986, exports from Malaysia to Canada of T-shirts and sweatshirts through the issuance of "Export Licences" as described in the Memorandum of Understanding (MOU) between the Government of Canada and the Government of Malaysia relating to the export from Malaysia of certain textiles and textile products for import into Canada and, in the Agreed Record of Discussions signed in Kuala Lumpur on 16 March 1984. It was further agreed that in accordance with the above-mentioned Agreed Record of Discussions, T-shirts and sweatshirts are classified as Item No.9.
3. It was agreed that during the period 1 September to 31 December 1984 exports of T-shirts and sweatshirts from Malaysia to Canada shall be subject to a restraint level of 350,000 units and that on a one-time only basis, an additional 500,000 units will be made available ex-quota for 1984 shipments of T-shirts and sweatshirts covered by irrevocable letters of credit. It was also agreed that, for the period 1 September to 31 December 1984 only, special carry forward will be allowed of up to 25 per cent of the 1985 restraint level and, if required, an additional carry forward of up to 25 per cent of the 1986 restraint level will be allowed provided that the full 1985 special carry forward capability is utilized before the 1986 special carry forward provision is exercised. The conversion factor for T-shirts and sweatshirts will be 1.2 square metres per unit.
4. It was agreed that the restraint level for 1985 is 1,113,000 units and that the restraint level for 1986 will be accorded a further 6 per cent growth factor yielding a level of 1,179,780 units. The provision for swing will be 7 per cent and the provision for carryover/carry forward will be 11(6) per cent, of which carry forward will not be more than 6 per cent. The combined use of swing, carryover and carry forward will not exceed 15 per cent.
5. The two sides agreed to restrain Malaysia's exports to Canada of shirts for men's, boys', children's and infants', other than with tailored-collars. It was further agreed that Item No.2 of the Memorandum of Understanding (MOU) will be revised to include the description of Item No.8 of the Agreed Record and that the 1984 restraint level of the revised Item No.2 is 944,000 units. Existing growth and flexibility provisions for Item No.2 will remain in effect and the conversion factor shall be 1.6 square metres per unit.

6. The provisions of paragraphs 2 to 5 of this Agreed Record of Discussions will become effective 1 September 1984 subsequent to an exchange of notes between the two governments confirming their acceptance of these provisions.

Kuala Lumpur, 18 August 1984

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

Chong Ngian Yet  
Deputy Director II  
International Trade Division  
Ministry of Trade and Industry  
Government of Malaysia

CANADIAN NOTE

The Canadian High Commission presents its compliments to the Ministry of Foreign Affairs, and wishes to refer to the agreed record of discussions signed by representatives of Canada and Malaysia in Kuala Lumpur on 18 August 1984 concerning exports from Malaysia to Canada of T-shirts and sweatshirts and of shirts other than with tailored-collars. Pursuant to paragraph 6 of the agreed record of discussions, Canadian authorities wish to propose that this note, together with the Malaysian reply confirming acceptance by the Government of Malaysia, give effect to the provisions of the agreed record of discussions.

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

Kuala Lumpur, Malaysia

10 December 1984

MALAYSIAN NOTE

The Ministry of Foreign Affairs, Malaysia presents its compliments to the Canadian High Commission and has the honour to refer to the latter's Note No.100 dated 10 December 1984 which reads as follows:

CANADIAN NOTE

The Ministry of Foreign Affairs, Malaysia has the honour to confirm that the proposal in the above note is acceptable to the Government of Malaysia and that the above note and this reply shall give effect to the provisions of the agreed record of discussions between our two governments.

The Ministry of Foreign Affairs, Malaysia avails itself of this opportunity to renew to the Canadian High Commission the assurances of its highest consideration.

Ministry of Foreign Affairs  
Wisma Putra  
Kuala Lumpur

10 January 1985