

# GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1308\*

7 October 1987

## TARIFFS AND TRADE

Special Distribution

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4:4

#### Bilateral Agreement between Canada and Uruguay

The Textiles Surveillance Body received a notification from Canada of a bilateral agreement concluded with Uruguay for the period 1 January 1987 to 31 December 1991.<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.<sup>3</sup>

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<sup>1</sup> The previous agreement between the parties is contained in COM.TEX/SB/930.

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

<sup>3</sup> For the TSB's observations on this agreement see COM.TEX/SB/1312.

\* English only/Anglais seulement/Inglés solamente

**Memorandum of Understanding between  
the Government of Canada and the Government of Uruguay  
relating to the export from Uruguay of certain  
textiles and textile products for import into Canada**

**Introduction**

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and Uruguay regarding the export of certain textiles and textile products from Uruguay for import into Canada.
2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the MFA") and in particular to Article 4 thereof, and to the Protocol extending the said Arrangement.

**Restraint Periods**

3. These arrangements will apply for five (5) years commencing on January 1, 1987 and ending on December 31 1991.

**Restraint Levels**

4. Except as provided for in paragraphs 14 to 17, the Government of Uruguay will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing January 1, 1987 to the limits specified therein.
5. For the four calendar year periods commencing January 1, 1988 and ending on December 31 1991, the Government of Uruguay will restrain its exports to Canada of the textile products described in Annex I to the limits specified therein for each year.

**Coverage**

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA.
7. For the purpose of classifying textiles and textile products in the appropriate category, the definition and notes set out in Annex II will apply.

Administration

8. These arrangements will be implemented on the basis of the export control system operated by the Government of Uruguay.
9. The Government of Canada will admit imports of the textiles and textile products described in Annex II and subject to a specific quantitative limit in Annex I, provided such imports are covered by an original copy of an "Export Licence" endorsed and issued by the proper Uruguayan authority to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.
10. The export licences issued by the Government of Uruguay in respect of products subject to restraint levels as specified in Annex I of this arrangement 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. Item number and description of product as set out in Annex I of the MOU
  7. Quantity expressed in the units as designated in Annex I of the MOU
  8. F.O.B. or C.I.F. value except for non-commercial consignments
  9. Certification by the Government of Uruguay that the quantity has been debited against the agreed restraint level for export to Canada
  10. Quota year
11. In the event any quantity covered by an export licence is not shipped, the Government of Uruguay will notify the Government of Canada of such quantity which may be credited by the Government of Uruguay to the appropriate restraint level.
12. The Government of Uruguay will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels as per 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.

13. If, on the basis of export data provided by the Government of Uruguay, the Government of Canada ascertains that there is a sharp and substantial increase in the the concentration of exports of textiles or textile products, other than that attributable to normal seasonal factors, it may request consultations in accordance with the provisions of paragraphs 25 and 26 with a view to remedying this situation.

#### Carry-Over/Carry-Forward

14. Portions of the restraint limit which remain unused from the final year of the preceding bilateral arrangement may, after notification, be carried over and added to the restraint level for the restraint period commencing 1 January 1987. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I of this MOU.
15. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during a restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period. The restraint level for any such following restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.
16. Any restraint level may be increased within the lower percentage limit set out in column (F) of Annex I by an amount advanced from the corresponding restraint level for the following restraint period. The restraint level for any such following restraint period will be reduced by an amount equal to the amount so advanced.
17. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

#### Exchange of Statistics

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

19. The Government of Uruguay will provide the Government of Canada with monthly statistics relating to exports of the textiles and textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period as per Annex I.
20. When submitting the monthly statistics mentioned in paragraph 19, the Government of Uruguay 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 the units designated in Annex I.
  - d) Notification of any utilization of carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 14 to 17 above.

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

21. The Government of Canada will provide the Government of Uruguay with monthly statistics relating to import permits issued for imports originating in Uruguay of textiles and textile products listed in Annex II, along lines similar to the statistics to be provided by the Government of Uruguay pursuant to paragraph 19 above. In addition, the Government of Canada will provide the Government of Uruguay with monthly statistics of total imports and imports from other significant suppliers in respect of textiles and textile products categorized in Annex I.
22. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

#### Equity

23. Should either Government consider, as a result of these arrangements, that it is placed in an inequitable position compared with any third party, that Government may request the other to consult as provided in paragraphs 25 and 26 with a view to implementing appropriate remedial measures.

### Re-Exports

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

### Consultations

25. 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.
26. Any consultations held under these provisions will be approached by both Governments in a spirit of cooperation and with a desire to reconcile the differences between them.

### MFA Rights

27. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to these arrangements.

Revisions and Termination

28. Either Government may at any time propose revisions to the terms of these arrangements having regard to the MFA and to the Protocol extending it.
29. 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

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

Transitional Arrangements


31. Any difficulties which may arise as a consequence of the transition to this arrangement will be brought immediately to the attention of the one Government by the other Government and efforts will be made by both Governments, through consultations or other means, to resolve such difficulties to their mutual satisfaction.

Final Provisions

32. This Memorandum of Understanding will become effective on January 1, 1987 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

For the Government of Canada

For the Government of Uruguay





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ANNEX I

RESTRAINT LEVELS

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
ITEM NO.	SHORT DESCRIPTION	RESTRAINT LEVEL (Kg)	GROWTH	SWING	CARRY-OVER/ CARRY- FORWARD	COMBINED FLEXIBILITY (E) & (F)	CONVERSION FACTOR (M <sup>2</sup> /UNIT)
1.	Worsted Fabric	(1987) 192,553 (1988) 204,107 (1989) 216,353 (1990) 229,335 (1991) 243,095	(68)	N.A.	108/(58)	N.A.	N.A.



ANNEX II

DEFINITIONS AND DESCRIPTIONS  
OF TERMS USED IN ANNEX I

Description of Product Categories

1. Worsted Fabric

Worsted Fabrics are woven fabrics having 178 or more by weight of wool and in which at least the warp is made from worsted spun yarn.

CANADIAN EMBASSY



AMBASSADE DU CANADA

NOTA N° 44/87

La Embajada de Canadá presenta sus atentos saludos al Ministerio de Relaciones Exteriores de la República Oriental del Uruguay y tiene el honor de referirse al Memorandum de Entendimiento inicialado por representantes de Canadá y del Uruguay en Ottawa el 5 de Febrero pasado relativo a la exportación desde el Uruguay de ciertos textiles y productos textiles para importación en Canadá. El Memorandum de Entendimiento fue acordado dentro del contexto del arreglo relacionado con el intercambio internacional de textiles ("Multi-Fiber Arrangement") y en particular del artículo 4 del mismo, así como del protocolo extendiendo el arreglo, habiéndose otorgado consideración al párrafo 14 de este protocolo.

De acuerdo al párrafo 32 del Memorandum de Entendimiento, las autoridades canadienses desean confirmar la aceptación de las disposiciones que contiene el Memorandum y proponen que esta Nota, junto con la respuesta de las autoridades uruguayas confirmando la aceptación por parte de su gobierno den efecto al arreglo en el Memorandum de Entendimiento.

Al Ministerio de Relaciones Exteriores  
Montevideo, República Oriental del Uruguay

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La Embajada de Canadá se vale de la ocasión para renovar al Ministerio de Relaciones Exteriores de la República Oriental del Uruguay las seguridades de su más alta y distinguida consideración.

Buenos Aires, 30 de Abril de 1987

*Ministerio de Relaciones Exteriores*

El Ministerio de Relaciones Exteriores presenta sus más atentos saludos a la Embajada de Canadá y tiene el honor de hacer referencia a su Nota N° 44/87 de fecha 30 de abril de 1987, relativa al Memorandum de Entendimiento inicialado por representantes del Uruguay y de Canadá en Ottawa el 5 de febrero de 1987, sobre las exportaciones de ciertos textiles y productos textiles uruguayos al mercado canadiense.

De acuerdo al artículo 32 del Memorandum de entendimiento, las autoridades uruguayas aceptan que vuestra nota de referencia junto con la presente, constituyan un Acuerdo que pone en funcionamiento las disposiciones del referido documento.

El Ministerio de Relaciones Exteriores hace propicia la oportunidad para reiterar a la Embajada de Canadá las seguridades de su más alta consideración.



Montevideo, 2 de junio de 1987.