

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1344*

22 January 1988

Special Distribution

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and amendment of the bilateral agreement between Canada and Brazil

The Textiles Surveillance Body received a notification from Canada of an extension and modification of its agreement with Brazil. The agreement was extended for the twelve-month period ending 31 December 1987.¹

The TSB, pursuant to its procedures regarding notifications made under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The bilateral agreement and previous modifications are contained in COM.TEX/SB/931, 1136, 1191 and 1192.

²See COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

Canada-Brazil Textile and Clothing Consultations
Agreed Record of Discussions

Delegations representing the Government of Canada and the Government of the Federative Republic of Brazil met on March 18-20, in Brasilia, to discuss the future of existing bilateral arrangements which govern trade in certain textile and clothing products between Brazil and Canada in accordance with the provisions of the Arrangement Regarding International Trade in Textiles (MFA), and in particular Article 4 thereof.

While the consultations covered a wide range of issues related to these arrangements, it was agreed that the existing arrangement should be extended to December 31, 1987. To this end, this agreed record of discussion will be considered as Annex VII to the Memorandum of Understanding between the Government of Canada and the Government of the Federative Republic of Brazil relating to the Export from Brazil of Acrylic Yarn for Import into Canada, and will extend the duration of that Memorandum and its subsequent Annexes to December 31, 1987.

The Brazilian authorities will continue to restrain the export to Canada of the following textile and clothing products so as to ensure that such exports do not exceed its respective levels for the period January 1, 1987 and ending December 31, 1987, as stated below:

T-shirts, sweatshirts - 1,900,000 units

Cotton terry towels,
washcloths and sets - 265,000 kg, which not more than
578,000 kg to be cotton terry
towels, washcloths and sets other
than beach towels, bath cloths and
beach blankets, in accordance with
Appendix I of Annex IV of the
Memorandum of Understanding

Sportswear - 828,000 units

In addition, Brazilian authorities have agreed to restrain the export to Canada of bedsheets and pillowcases to the following levels for the period December 1, 1986 and ending December 31, 1987.

Bedsheets - 1,200,000 units

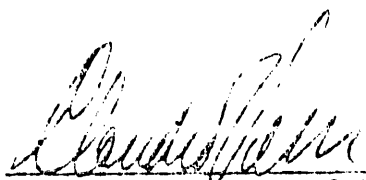
Pillowcases - 1,200,000 units

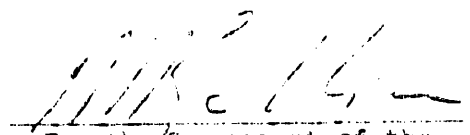
It was agreed that the sportswear category and the T-shirts and sweatshirts category shall each be accorded a swing provision of up to 7% and that the conversion factors for the use of this swing provision shall be 3.5 square metres per unit of sportswear and 1.5 square metres per unit of sweatshirts and T-shirts. Following notification to the Canadian authorities, the restraint level for either item may be exceeded by the percentage identified above, provided that an equivalent amount, calculated on the basis of the conversion factors, is deducted from the restraint level for the other item.

It was further agreed that the terry towel category, the bedsheet category and the pillowcase category shall each be accorded a swing provision of up to 5% and that the conversion factors for the use of the swing provision shall be 1.8 meters squared per kilogram for the terry towels category, 0.5 kg per unit for the bedsheet category and 0.2 kg per unit for the pillowcase category. Subject to the limitations set out above and following notifications to the Canadian authorities, the restraint level of any of these three items may be exceeded by the percentage identified above provided that an equivalent amount, calculated on the basis of the conversion factors, is deducted from the restraint level of the other item.

It was further agreed that no swing is permitted between the textile products (terry towels, bedsheets, pillowcases) categories and the clothing products (T-shirt/sweatshirt, sportswear) categories.

The Canadian and the Brazilian Delegations noted their signatures of this Agreed Record were on an ad referendum basis subject to the approval of both the Canadian and Brazilian Governments and to confirmation by means of an exchange of diplomatic notes indicating acceptance.


For the Government of Canada

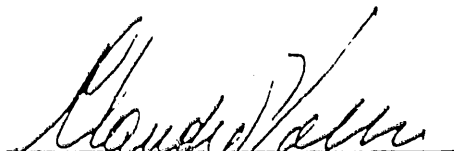
Brasilia, 20th March, 1987

For the Government of the
Federative Republic of Brazil


With regard to the Agreed Record of Discussion on Canada-Brazil Textile and Clothing Consultations signed on March 20th, 1987, this is to confirm the understanding that the Brazilian authorities (CACEX) agree to provide documentary evidence to the Canadian authorities confirming the exporter name, license number, quantity and value, for the shipments of bedsheets and pillowcases exported from Brazil to Canada during the period beginning December 1, 1986 and ending March 31, 1987.

The Canadian authorities, upon verification of this data, will adjust the restraint levels by subtracting these agreed quantities from the agreed restraint levels. The level of unutilized quotas will be confirmed in writing to the Brazilian authorities.

In case of disagreement, or discovery of inequity, both sides agree to consult promptly and or exchange information with a view to resolving any differences.


Brasilia, March 20th, 1987

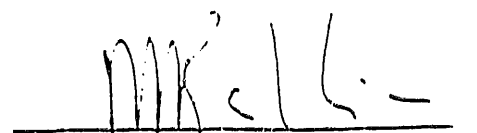

For the Government of Canada


For the Government of the
Federative Republic of Brazil

The two delegations agreed to exclude from the restrained products the item acrylic yarn, whose reference in the second paragraph in Annex VII is just intended to preserve the structure of all textile and clothing agreements reached between Brazil and Canada.

Brasilia, March 20, 1987


For the Government of Canada


For the Government of the
Federative Republic of Brazil