

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

COM.TEX/SB/1383*
20 April 1988
Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between Canada and Turkey

The Textiles Surveillance Body received a notification from Canada of a bilateral agreement concluded with Turkey for the period 1 January 1987 to 31 December 1990.¹

The TSB, pursuant to its² procedures regarding bilateral agreements notified under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

¹The previous bilateral agreement is contained in COM.TEX/SB/1193.

²See COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

Memorandum of Understanding between the Government of Canada and the Government of the Republic of Turkey relating to the export from the Republic of Turkey 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 of the Republic of Turkey regarding the export of certain textile products from the Republic of Turkey for import into Canada.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles and to the Protocol extending the said Arrangement (hereinafter referred to as "the MFA") and in particular to Article 4 thereof.

Restraint Periods

3. These arrangements will apply for the periods commencing on January 1, 1987 and ending on December 31, 1990; of which the first restraint period will, except as otherwise indicated in Annex I, commence on January 1, 1987 and end on December 31, 1987 and the three (3) subsequent restraint periods will be for the calendar years 1988, 1989 and 1990.

Restraint Levels

4. Except as provided for in paragraphs 12 to 17 below, the Government of the Republic of Turkey will restrain its exports to Canada of the products described in Annex I for the first period as defined in paragraph 3 to the limits specified in column (C) therein.

5. Except as provided for in paragraphs 12 to 17 below, for the three calendar year periods commencing January 1, 1988 and ending on December 31, 1990, the Government of the Republic of Turkey will restrain its exports to Canada of the products described in Annex I to the limits specified in column (C) therein advanced on an annual basis by the growth rate specified in column (D).

Coverage

6. For the purpose of classifying textiles and textile products in the appropriate category, the definitions and notes set out in Annex II will apply.

Administration

7. These arrangements will be implemented on the basis of the export control system operated by the Government of the Republic of Turkey.

8. The Government of Canada will admit imports of the textiles and textile products which are described in Annex II and are subject to a specific quantitative limit in Annex I, provided such imports are covered by an original copy of a Turkish "Export Information Document" (EID) certified and issued by the proper authority, including a statement to the effect that the imports covered by the EID have been debited to the applicable quantitative limit (restraint) as set out in Annex I.

9. For the purpose of implementing these arrangements, the date of export from the Republic of Turkey will be used to determine within which restraint period any textiles or textile products will be counted.

10. The Export Information Documents issued by the Government of the Republic of Turkey in respect of products covered by Annex I 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 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,
9. Certification by the proper authority (paragraph 8)
10. Restraint Period (year).

11. In the event any quantity covered by an EID is not shipped, or any part of it is returned, regardless of the reason, the Government of the Republic of Turkey will notify the Government of Canada of such quantities which will be credited by the Government of the Republic of Turkey to the appropriate restraint level.

Swing

12. Subject to the specific limitations set out in Annex I, and following notification to the Canadian authorities, any restraint level may be exceeded by the percentage shown in column (E) provided that an equivalent amount, through application of the conversion factors shown in column (H), is deducted from any other restraint level in the same group. When any restraint level is exceeded by the application of swing, the Government of Turkey will so indicate in subsequent quarterly statistical reports.

Carry-Over/Carry-Forward

13. Following notification to the Canadian authorities 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 the latter restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

14. Following notification to Canadian authorities of the quantities involved, 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.

15. No carry-over shall be available for application in the first restraint period. No carry-forward shall be available for application in the final restraint period.

16. 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.

17. Further to paragraphs 12 to 16 above, where applicable, the restraint levels in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.

Exchange of Statistics

18. The Government of the Republic of Turkey will provide the Government of Canada with quarterly statistics relating to exports of the 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.

19. When submitting the quarterly statistics mentioned in paragraph 18 the Government of the Republic of Turkey 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. Indication of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 12 to 17 above.

This information will be provided as soon as possible following the end of each calendar quarter.

20. The Government of Canada will provide the Government of the Republic of Turkey with monthly statistics relating to import permits issued for imports originating in the Republic of Turkey of the textiles and textile products listed in Annex I.

21. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

Equity

22. 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 paragraph 24 with a view to implementing appropriate remedial measures.

Re-Exports

23. The Government of Canada will, so far as possible, inform the Government of the Republic of Turkey when imports into Canada of textiles and textile products subject to restraint under Annex I are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of the Republic of Turkey to quantitative limits, the Government of the Republic of Turkey may then credit the amount involved to the appropriate quantitative limits.

Consultations

24. The two parties agree to consult on any matter arising from the implementation or operation of this agreement or on any matter germane thereto. Any request for consultations will be notified in writing to the other Government.

25. Both sides will make every effort to meet within 30 days following the request.

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.

MPA Rights

27. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to specific quantitative limits in these arrangements. For textiles and textile products covered by these arrangements, it is understood that either Government may have recourse to any or all of the provisions of the MFA, save that the Government of Canada waives its rights under Article 3 of the MFA with respect to restrained products covered by these arrangements as long as this Memorandum of Understanding remains in effect.

Revision 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 these arrangements 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 letters between the two Governments confirming their acceptance of these arrangements.

For the Government of Canada

For the Government of the
Republic of Turkey

M. Caplan, Head of Delegation

D. Erman, Head of Delegation

Geneva, Switzerland
May 20, 1987

ANNEX I - RESTRAINT LEVELS

(A) CATEGORY NO.	(B) SHORT DESCRIPTION	(C) RESTRAINT LEVEL	(D) CUMULATIVE GROWTH	(E) SAVING	(F) CARRY-OVER/ CARRY-FORWARD	(G) COMBINED FLEXIBILITY (E) + (F)	(H) CONVERSION FACTOR (K2/UNIT)
Group A (CLOTHING)							
1.	Trousers, shorts, overalls and coveralls MEN&CJ	1,050,000 (650,137 May 20- December 31/ 1987)	68	78	11/68	168	1.6
1B.	of which trousers, pants, slacks, and jeans MEN&CJ, except wool M&CJ	305,000 (188,049 May 20- December 31 1987)	68	78	11/68	168	1.6
2.	Shirts, tailored collar MB (including sizes 4-6X)	1,050,000 (650,137 May 20- December 31, 1987)	68	78	11/68	168	1.7
3.	Underwear MEN&CJ	2,700,000 (1,671,781 May 20- December 31, 1987)	68	78	11/68	168	1.0
Group B (TEXTILE PRODUCTS)							
4.	Refractories	2,800,000	68	78	11/68	168	5.2
5.	Phillipses	2,352,000	68	78	11/68	168	1.25

GENERAL NOTES:
 - No ending between Groups A and B
 - Restraint limits specify units unless otherwise indicated.
 - The first restraint period for Group A products is May 20 to December 31, 1987 as noted in Column C above. The numbers in brackets in Column C above represent the first period limit.

Annex II
Definitions and Description of Terms

General Notes

1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men (M), boys (B), women (W), girls (G), children and infants (C&I). Children's and infants' garments include all garments sized 0 - 6X.
2. All descriptions include partially manufactured products. Partially manufactured garments include cut-to-shape fabric pieces for garments on which there has been any processing beyond cutting to shape and knit-to-shape pieces for garments, whether or not there has been any processing beyond the knitting to shape.
3. Garments of indeterminate gender including unisex garments, are to be counted as of male gender.
4. Unless otherwise indicated, products covered by restraints under these arrangements are those which are wholly or mainly by weight of cotton, wool, man-made fibres or blends thereof. Wholly or mainly means 50 percent or more.

Description of Product Categories

GROUP A-CLOTHING

1.

Trousers, Shorts, Overalls and Coveralls

Trousers, pants, slacks and jeans 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 5 per cent or more by weight of wool or hair are considered to be woolen garments.

Overalls and coveralls. 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.

Outershorts. Shorts are garments similar to pants but not extending to the knees.

2.

Shirts, Tailored Collar

Shirts with tailored collars, men's and boys; 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.

3.

Underwear

Underwear. Included are slips and bloomers.

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

GROUP B - TEXTILE PRODUCTS

4. Bedsheets, woven, including flannelette sheets.

5. Pillowcases, woven.

Agreed Record

In regard to the Memorandum of Understanding between the Government of the Republic of Turkey and the Government of Canada in respect of exports from Turkey of certain textiles and textile products to Canada which was concluded in Geneva on May 20, 1987, the Turkish delegation indicated the desire of the Government of the Republic of Turkey to submit a proposal, at a future date, regarding a provision for outward processing traffic in respect of products subject to the Memorandum. The Canadian delegation noted this desire.

M. Caplan
Head of Canadian Delegation

D. Erman
Head of Turkish Delegation

Geneva, Switzerland
May 20, 1987

Agreed Record

In regard to the Memorandum of Understanding (MOU) in respect of exports from Turkey of certain textiles and textile products to Canada concluded in Geneva on May 20, 1987, and, in particular to the administrative provisions contained therein, the Turkish delegation agreed to provide Canadian authorities, as soon as possible, with a sample of the Export Information Document (EID) referred to in paragraphs 8-10 along with samples of the authorized certification stamps and signatures to appear thereon.

The Turkish delegation also indicated that the responsible Turkish authorities will endeavour to issue the Export Information Document for all shipments subject to the MOU as of May 21, 1987. Canadian authorities will advise the Turkish authorities of any shipments which arrive in Canada and which are entered without an EID in the transitional period between May 21, 1987 and June 1, 1987. Turkish authorities will advise Canadian authorities of the date from which all shipments will be accompanied by EID's and all shipments thereafter will not be allowed entry by Canadian authorities without the EID or authorization from the Turkish authority.

M. Caplan
Head of Canadian Delegation

D. Erman
Head of Turkish Delegation

Geneva, Switzerland
May 20, 1987