

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

COM.TEX/SB/1414\*  
7 October 1988  
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 India

The Textiles Surveillance Body received a notification from Canada of a bilateral agreement concluded with India 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 transmitting the text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup>The previous bilateral agreement is contained in COM.TEX/SB/844.

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

<sup>3</sup>For the TSB's observations on this notification see COM.TEX/SB/1418.

\* English only/Anglais seulement/Inglés solamente

Memorandum of Understanding Between the Government of  
Canada and the Government of the Republic of India  
Relating to the Export from India of Certain Textiles and  
Textile Products for Import into Canada.

INTRODUCTION

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1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and of India regarding the export of certain textiles and textile products from India 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

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3. These arrangements will apply for five calendar year periods commencing on January 1, 1987 and ending on December 31, 1991; of which the first restraint period will commence on January 1, 1987 and end on December 31, 1987 and the four (4) subsequent restraint periods will be for the calendar years 1988, 1989, 1990 and 1991.

Restraint Levels and Growth Rates

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4. Except as provided for in paragraphs 15 to 19 below, the Government of India will restrain its exports to Canada of the textiles and textile 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 15 to 19 below, for the four calendar year periods commencing January 1, 1988 and ending on December 31, 1991, the Government of India will restrain its exports to Canada of the textiles and textile 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**

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

7. With reference to Article 12(3) of the MFA, the limitations set out in this arrangement will not apply to handloom fabrics of the cottage industry, hand-made clothing and textile products made of such handloom fabric as defined in Annex III, and traditional folklore handicraft textile products known as "India items" as defined in Annex IV, when accompanied on importation by a certificate validated by the competent Indian authorities. A sample certificate is contained in Annex V.

**Administration**

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8. These arrangements will be implemented on the basis of the export control system operated by the Government of India.

9. 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 or group quantitative limit in Annex I, provided such imports are covered by an original copy of an Indian "Export Certificate" endorsed and issued by the proper Indian authority, including a statement to the effect that the imports covered by the licence have been debited to the applicable quantitative limit (restraint) as set out in Annex I.

10. The export licences issued by the Government of India in respect of products covered by Annex I will contain the following information:

1. Country of destination;
2. Country of origin;
3. Certificate 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;
9. Certification by the proper authority (paragraph 9);
10. Restraint Period (year).

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

12. For the purpose of implementing these arrangements, the date of export from India (i.e. consignment to the carrier) will be used to determine within which restraint period any textiles or textile products will be counted.

13. The Government of India will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels in 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.

14. If, on the basis of Canadian import data, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textiles or textile products, other than that attributable to normal seasonal factors and normal channels of trade, it may request consultations in accordance with the provisions of paragraph 27 with a view to reaching a mutually acceptable conclusion.

Swing

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15. Subject to the specific limitations set out in Annex I, and following notification to the Government of Canada 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. When any restraint level is exceeded by the application of swing, the Government of India will so indicate in subsequent monthly statistical reports.

**Carry-Over/Carry-Forward**  
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16. 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 the latter restraint period will be increased within the carry-over percentage limit set out in column (F) of Annex I.

17. Following notification to the Government of Canada of the quantities involved, any restraint level may be increased within the carry-forward 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.

18. 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.

19. Further to paragraphs 15 to 18 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**  
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20. Both Governments will exchange such other statistical data relating to the exports of textiles and textile products not subject to these arrangements as may reasonably be required.

21. The Government of India 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.

22. When submitting the monthly statistics mentioned in paragraph 21, the Government of India undertakes to include the following information:

- a. Item number and description of goods as set out in Annex I.
- b. Original and adjusted restraint level for the restraint period for textiles or textile products included in Annex I,
- 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 15 to 19 for textiles or textile products included in Annex I.

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

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

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

#### Equity

25. Should either Government conclude 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 27 and 28 with a view to implementing appropriate remedial measures.

#### Re-Exports

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

## Consultations

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27. 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.

28. 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.

29. Exports of textiles and textile products from India to Canada in categories listed in Annex II to this MOU and not subject to specific limits are subject to the consultation mechanism set forth below:

- (a) In the event that, in relation to exports from India, in any category or categories not subject to specific limits under this MOU a situation of market disruption or threat thereof has arisen, the Government of Canada may request consultations

with the Government of India with a view to ameliorating or avoiding such market disruption. The statistics used shall be those recorded by Canada, in particular, by Canadian import permit statistics when available.

- (b) Any request for consultations made by the Government of Canada shall be accompanied by the latest available and relevant specific factual information which, in the view of the Government of Canada, demonstrates the existence of a situation of market disruption or the threat thereof and the real and actual role of exports from India in that disruption.
- (c) The Government of India shall respond promptly to the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of the request for consultations.
- (d) During the 90 day consultation period, if imports from India in the category or categories in question would, in relation to market disruption, give rise to damage difficult to repair, the Government of India agrees, if so requested by the Government of Canada and without prejudice to the outcome of the consultations, to hold its exports to Canada in the category or categories subject to these consultations to a level no greater than 35 percent of the amount entered from India, as reported in Canadian import statistics during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made. This amount will be adjusted to exclude trade in items which are exempt from the provisions of this MOU.
- (e) During the consultations the two Governments agree that they shall also take into account the following factors:
  - (i) the factors listed in paragraph III of "Annex A" of the MFA; and



- (ii) the provision of the MFA, in particular those of Articles 4 and 6, and the provisions of paragraphs 13(d) of the July 31, 1986 Protocol of Extension.
- (f) In the event that consultations do not result in a mutually satisfactory solution within 90 days of the receipt of the request for consultations, the Government of Canada may request the Government of India to limit its further exports of the products in the category or categories in question to such a level that exports from the date of receipt of the request for consultations until the end of the MOU year do not exceed a level prorated as set out in sub-paragraph (g) below. The annual base level shall not be less than the amount entered from India, as reported in Canadian import statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent. This will exclude trade in items which are exempt from the provisions of this MOU. The Government of India agrees that it will honor such a request.
- (g) Pursuant to sub-paragraph (f) above, if the Government of Canada requests the Government of India to restrain its exports during an MOU year, the level at which the Government of India may be asked to restrain its exports shall be prorated to correspond to the number of months between the receipt of the request for consultations and the end of that MOU year.
- (h) Pursuant to sub-paragraphs (f) and (g) above, the Government of Canada may establish a Specific Limit for the category or categories in question which shall not be less than the level provided for therein.
- (i) Swing of 7% will be available in the MOU year in which the Specific Limit is established and in each succeeding MOU year.
  - (ii) Any Specific Limit established under the provisions of this sub-paragraph will be eligible for carry-over of up to 10% and carry-forward of up to 5%, with a

combined use of carry-over and carry-forward not to exceed 10%. The combined use of swing, carry over and carry forward would not exceed 15%.

(iii) For the MOU year following that in which the request for consultations is made, and for each succeeding MOU year, the annual base level described in sub-paragraph (f) shall be increased by six percent.

### 30. Additional Trade Measures:

The Government of Canada undertakes to avoid as far as possible introduction of changes (such as changes in practice, rules, procedures, categorisation of products including those changes relating to the Harmonised System) in the implementation or interpretation of this MOU, or of the MFA, which have the effect of upsetting the balance of rights and obligations between India and Canada, or which affect the economic content of this MOU or which affect the ability of India to use or benefit fully from the MOU or which disrupt trade. Where such changes, however, become necessary, the Government of Canada agrees to comply with the provisions of paragraph 18 of the Protocol of Extension of July 31, 1986.

#### Extension

31. These arrangements may be extended by mutual consent to apply for a sixth year commencing on 1 January 1992 to 31 December 1992 subject to any modifications which either side may propose in the light of any successor arrangement to the MFA as extended by the Protocol of July 31, 1986.

#### MFA Rights

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32. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to 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 products subject to specific quantitative limits as per Annex I as long as this MOU remains in effect.

Revisions and Termination  
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33. 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.

34. 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  
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35. The Annexes to these arrangements will be considered an integral part of it.

Transitional Arrangements  
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36. 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  
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37. 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.

New Delhi, December 9, 1986

For the Government of India

For the Government of Canada

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ANNEX I - RESTRAINT LEVELS

(A) ITEM NO.	(B) SHORT DESCRIPTION	(C) RESTRAINT LEVEL	(D) GROWTH	(E) SWING	(F) CARRY-OVER/ CARRY-FORWARD	(G) COMBINED FLEXIBILITY (E) & (F)	(H) CONVERSION FACTOR (M2/UNIT)
1.	Shirts with Tailored Collar, MB(3)	1,600,000	6%	7%	10%(5%)	15%	1.8
	GROUP A - CLOTHING(SQ.M) (Item Nos.2,3,4,5)	12,339,116	6%	5%	10%(5%)	15%	-
2.	Shirts, blouses, Shirts Other, T-shirts and Sweatshirts, MBWGCI (4)	WITHIN GROUP LIMIT	-	-	-	-	1.4
3.	Trousers, Shorts, Overalls, Coveralls MBWGCI(2)	556,800	6%	7%	10%(5%)	15%	1.6
4.	Dresses, Skirts, Suits, coordinates and outerwear sets MBWGCI(7,8)	WITHIN GROUP LIMIT	-	-	-	-	2.7
5.	Jackets MBWGCI (EX 12)	375,000	6%	7%	10%(5%)	15%	3.0
	GROUP B - TEXTILES						
7.	Worsted Fabric(SQ.M) (EX 19)	825,000	4.5%	5%	10%(5%)	15%	4.0M2/KG

Annex II

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Definitions and Description of Terms  
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General Notes  
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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. Unless otherwise indicated, swing is permitted from adult garments to childrens' and infants' garments at a 3 to 5 ratio.
3. 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.
4. Garments of indeterminate gender including unisex garments, are to be counted as of male gender.
5. 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  
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Clothing  
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1. Winter Outerwear Garments  
Winter Outerwear Garments (commonly referred to as snowsuits, snowmobile suits, ski-suits, ski-pants, and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre filling, etc. but not plain acetate or viscose

lining. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).

Note: A unit comprises garments which have been designed to be sold as a set, e.g. matching or coordinated ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.

2. 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.

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.

3. 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.

4. Shirts, Blouses, T-Shirts, Sweatershirts

Blouses and Shirts, women's and girls', children's and infants', knitted or woven, being garments which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweatshirts and sweaters.

Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see also the description for Shirts, Tailored Collar, above.

T-shirts: T-shirts are knitted garments which may have collarless front openings or no front opening covering the upper part of the body of construction 19 or more vertical stitches per inch.

Sweatshirts, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirt and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

5. Sweaters, Pullovers and Cardigans

Sweaters, pullovers, cardigans, (including knitted ponchos), being knitted or crocheted garments covering the upper part of the body and which may be of any length of construction, less than 19 vertical stitches per inch. Included are such items with coordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such coordinating or matching accessories will be considered a set and counted as one unit.

6. Sleepwear and Bathrobes

Pyjamas and sleepwear, being garments normally worn for sleeping.

Bathrobes, dressing gowns and housecoats, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

Sportswear (Parts 7 and 8)

7. Dresses and Skirts

Dresses, women's and girls', children's and infants'. Dresses are one-piece garments extended above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants'. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes (divided skirts).

8. Suits, Coordinates, Athletic and Leisure Sets

Suits and Coordinates are garments comprising two or three matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Excluded are pieces which are Fine Suits, Winter Outerwear, Underwear, Sleepwear, Swimwear, Foundation Garments, Hainwear, Shirts Tailored-Collar.

Coordinates or matching sets, men's and boys', children's and infant's.

Suits, coordinates, or matching sets, and blazers, women's and girls', childrens and infants'.

Miscellaneous Garments, Children's and infants' garments not meeting any of the descriptions relating to children's and infants' wear contained elsewhere in this Annex, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, and blanket sleepers where the legs of the garments extend to completely encase the feet.

Athletic Sets. Suits normally worn for participation in athletic activities and not covered by any other definition in this Annex including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross-country ski suits (subject to the description in Item 1).

Leisurewear. Coordinates not defined by any other definitions in this Annex. These may include shortsets, beachwear sets and cabana sets.

9. Underwear

Underwear. Included are slips and bloomers.

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



10. Swimwear

Swimwear, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or coordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this Annex as individual garments. Coordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and coordinates.

11. Foundation Garments

Foundation garments. Included are: Brassieres, girdles, corselettes, and panty girdles.

12. Coats, Jackets and Rainwear

Jackets. Jackets are outerwear garments covering the upper part of the body not extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this Annex.

Overcoats and topcoats, being outerwear garments extending to the knee or below excluding rainwear.

Professional and shop coats. Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.

Rainwear. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

13. Fine Suits

Fine suits, sportscoats and blazers, men's and boys'.

Note: The suit-jacket, sportscoat or blazers may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.

Note: A unit is either a jacket, sportscoat or a suit. A suit is a two-or-three piece garment consisting of matching or coordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.

TEXTILES

14. Work\_Gloves, both finished and partially manufactured, that are wholly or mainly of textile fabrics, whether or not impregnated or coated including such gloves manufactured partly of leather
- Work\_Glove\_Liners, liners or shells wholly of textile fabrics which are neither impregnated or coated and without any other non-textile components, for incorporation in work gloves.
17. Household\_Textiles
- Cotton\_terry\_towels\_washcloths\_and\_sets containing 50 per cent or more by weight of cotton. Cotton terry towels, washcloths and sets are of fabrics woven on a terry loom using single or plied cotton (or blends thereof) yarns with loop pile on one or both sides covering the entire surface on either plain or patterned weave, whether greige, bleached, dyed or printed, including tea, hand, beach and bath towels and bath sheets, barmops and towel blanks.
19. Fabrics
- Worsted\_Fabrics, are woven fabrics having 17% or more by weight of wool in which at least the warp is made from worsted spun yarn.

ANNEX III

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1. The exemption provided for in paragraph 7 of the Memorandum of Understanding in respect of cottage industry products will apply only to the following products:

- a) Handloom textile fabrics, being fabrics woven on looms operated solely by hand or foot and made in the cottage industry of India.
- b) Garments or other textile products, made in the cottage industry of India having been hand-made from handloom textile fabrics as described above.
- c) Traditional folklore handicraft textile products of India as described in Annex IV.

2. The exemption will apply only in respect of products covered by a certificate issued by the competent Indian authorities conforming to the specimen in Annex V. Such certificates will indicate the grounds on which exemption is based.

ANNEX IV

AGREED LIST OF INDIA ITEMS I.E. TRADITIONAL FOLKLORE

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HANDICRAFT TEXTILE PRODUCTS OF INDIA  
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India items are traditional folklore handicraft textile products uniquely and historically Indian, made in the cottage industry. They cover the products enumerated below (clothes and clothing accessories, decorative furnishing) and such other items as may be agreed upon from time to time.

I. Clothes and Clothing Accessories  
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All the garments and accessories listed below are uniquely and historically Indian traditional folklore textile products on account of their similarity in shape and design with those of clothes and accessories traditionally worn in India.

The products listed below must have all of the following characteristics:

- they are produced in cottage industry units
- they do not include zip fasteners
- they are ornamented in the characteristic Indian folk styles, using one of the following methods: \*\*
  - hand painting, hand printing, handicraft batik or handicraft tie and dye (kalamkari)
  - embroidery by hand (zari)
  - applique' work of sequins, glass or wooden beads, shells, mirrors or ornamental motifs of textile or other materials by hand
  - extra-weft ornamentation of cotton, silk or art silk, metal thread (zari).

\*\* The requirement for ornamentation does not apply to Churidar Pyjama, Salwar and Garrara.

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No.	Name	Description
1.	Kurta	A loose, almost straight-cut shirt or tunic-like garment, reaching to the hips, mid-thighs, knees or ankles with quarter, half or full-length narrow or loose sleeves, with or without buttons (not plain)
2.	Pherron	A short or full-length, extremely loose-fitting dress with long, loose sleeves, without buttons, embroidered, ornamented or printed.
3.	Chola	A full-length, loose-fitting dress-like garment, with sleeves, mainly for indoor wear.
4.	Churidar Pyjama	Trouser, loose at waist (with drawstring or hooks) tapering to narrow fit at the ankle.
5.	Salwar	Loose-fitting trousers, legs either straight or baggy with extra fullness at the thighs.
6.	Gararra	Loose-fitting trousers with frills or flaring below the knee.
7.	Tamba	Loose-fitting trousers with typical Indian hand ornamentation.
8.	Lungi	A long cylindrical garment worn as a wrap around the lower half of the body.
9.	Angharka	A full-length, light-weight coat-like garment closing in front with a decorative cord or ribbon, with sleeves.

No.	Name	Description
10.	Bagal Bandini	A knee-length or full-length jacket or coat-like garment closing at the side with strings, with half sleeves or without sleeves.
11.	Aba	An over-garment, close fit at the upper part with a Ghagra type skirt touching the ankles.
12.	Durka	A full-length cape-like garment, covering the wearer's head and body, with aperture for eyes covered with gauze or lace.
13.	Jawahar Jacket	A loose-fitting jacket or waistcoat worn over a kurta, with or without buttons.
14.	Choli	A short bodice with or without sleeves crocheted or woven.
15.	Chagra Lahnga	An ankle-length, very wide skirt with drawstring or hooks at waist.
16.	Pavadai	A set made of a full- or ankle-length skirt and a bodice.
17.	Dupatta	A very light woven scarf about 120 cm x 80 cm worn with kurta and churidar.
18.	Ohdani	A cloth about 2 m x 1 m with much ornamentation.
19.	Patka	A long stole, non-printed, ornamented with art work.
20.	Culu Band	Neckband with traditional art work.
21.	Kamarband	Decorated waistband and textile belt.

No.	Name	Description
22.	Bazuband	Decorative arm-band.
23.	Mattarati	Decorative forehead band.
24.	Safa	Headwear made up of traditional embroidery work.
25.	Jama	A coat, close-fitting above the wrist, long sleeved and with a fully gathered skirt. The coat has a sloping cross over neckline fastened near the armpit but no out turned collar.
II.	<u>Decorative Furnishings</u>	
26.	Thailies	Totebags, purses, pouch bags and similar accessories to traditional Indian dresses.
27.	Purichatta	Flat, highly decorative umbrella with applique work.
28.	Toran	A textile article, traditionally used to decorate door posts, embroidered or with applique' work in folk motifs.
29.	Tombai	Cylindrical hanging with applique' work of hand-printed, hand-painted or hand-embroidered fabrics, traditionally hung from ceilings or in doorways.
30.	Shamiana	Canopy or awning with applique' work of squares or triangles in contrasting colours, used as ceiling decoration.
31.	Kalamkari	Wall hangings with mythological scenes depicted by hand-painting or hand-printing.
32.	Temple Hangings	Hand-painted or hand-printed hangings with traditional mythological or religious motifs.
33.	Chakla	Embroidered wall-hangings, with or without mirror work, depicting folk motifs.

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No.	Name	Description
34.	Batik Wall Hangings	Wall hangings of cotton, with designs created by the traditional handicraft batik process (hand-waxing, dyeing and boiling being repeated for each colour).
35.	Chahdani Posh	A decorative cover for a teapot or coffee-pot.
36.	Takiagilaf	A cushion cover decorated with Indian motifs.
37.	Pulkhari	Decorative embroidered cloth with close darning stitch employed with strands of untwisted silk to make the flower-like embroideries.
38.	Goddiposh	Decorative version of the bedspread, sometimes quilted.
39.	Hand-knotted carpets	Having woollen or cotton warp and weft and a woollen knotted pile, of which each knot or loop is made by hand and joins two warp threads. After each row of knots is completed, a weft thread is passed through the warp. The pile is subsequently shorn by hand to give the carpet the desired thickness. The traditional patterns used are common to India and neighbouring regions of south and central Asia, and usually consist of stylized floral, animal and geometrical motifs, in either a single design or repeated several times within a border. Carpets with traditional pictorial designs (e.g. court, hunting, polo, jungle scenes etc.), modern designs with Indian motifs from ancient monuments and murals, and carpets in a single colour, without pattern, are also produced by hand in India.



No.	Name	Description
40.	Hand-woven carpets	Of the Kelem, Schumak and Karamanie_types.
41.	Gabba	Floor-coverings produced by hand-embroidery or by applique' work on a base consisting of woven wool, felt, or jute, with or without a cotton backing.
42.	Namdas	A floor covering with felted woolen surface with or without traditional embroideries in various shapes and sizes.

ANNEX V

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SPECIMEN OF HANDLOOM CERTIFICATE

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(To be supplied by the Government of India.)

DRAFT TEXT OF                    EXCHANGE OF LETTERS

With reference to the exchange of letters of today's date bringing into effect the Memorandum of Understanding between the Government of Canada and the Government of India relating to the export from India of certain textiles and textile products for import into Canada, initialled in New Delhi on December 9, 1986, I would like to confirm the following understandings regarding trade in handloom products:

1. Without prejudice to the interpretation placed on Article 12(3) of the Arrangement Regarding International Trade in Textiles by either the Government of India or the Government of Canada, it is agreed that the restraint level set under column C for Item 1 - Tailor Collared shirts in Annex 1 shall be inclusive of the corresponding handloom categories for the period of the current MOU. Either Government may request consultations in respect of trade covering any of the handloom clothing products as described in paragraph 1(b) of Annex III corresponding to items 2 to 5 in Annex 1 of the MOU, whenever it considers such consultations desirable.
2. The Government of Canada may request consultations on the issue if, in its view, a sharp and substantial increase in imports of any of the above products into the Canadian market are causing or threatening to cause serious disruption to the Canadian market, with a view to finding a mutually acceptable solution.
3. The request for such consultations will be accompanied by relevant factual data and information. Consultations will begin within 30 days of the request for such consultations. Both Governments will enter into consultations with a view to reaching a mutually acceptable solution within thirty days of the date on which actual consultations commence. Such a solution will take fully into account the importance of this trade to the social and economic development of India.
4. Until such time as the consultations at (2) above have resulted in a mutually agreed solution and without prejudice to the outcome of the consultations, if in the opinion of the Government of Canada, circumstances exist where imports of any such handloom clothing products as described at (1) above from India into Canada are causing or threatening to cause serious market disruption, the Government of Canada may request the Government of India

to limit the exports of such products. The Government of India agrees to honour such a request. The Government of Canada undertakes not to seek a limitation on exports of any such products until imports in the calendar year of the request, or the previous year, during the term of the Memorandum of Understanding have reached at least a level of 110% of such imports during the preceeding calendar year. In addition, any interim limitation sought by the Government of Canada will on an annual basis not be below this level.

I would be grateful for your confirmation of these understanding.

April 9, 1987

The Ministry of Textiles, Government of India presents its compliments to the Canadian High Commission in New Delhi and has the honour to refer to their Note No. 6577 of April 8, 1987 conveying the acceptance of Canadian authorities of the provisions contained in the MOU initialled by representatives of Canada and India in New Delhi on December 9, 1986 relating to export of certain textiles and textile products from India to Canada.

The acceptance of the MOU by the Government of India has already been conveyed to the Canadian authorities by the High Commission of India in Ottawa through diplomatic Note No. OTT/EC/226/11/85 dated December 29, 1986 (copy attached).

The Ministry of Textiles avails itself of this opportunity to renew to the Canadian High Commission in New Delhi the assurances of its highest consideration.

High Commission of Canada,  
New Delhi.

New Delhi, May 12, 1988

Ministry of Textiles presents its compliments to the Canadian High Commission and has the honour to refer the High Commission's Note Verbale No. 4551, dated 25th April, 1988 the contents of which read as follows :-

"The Canadian High Commission presents its compliments to the Department of Textiles, Ministry of Commerce, Government of India and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of Republic of India relating to the export from India of certain textiles and textile products for import into Canada concluded in New Delhi on 09 December, 1986 and to the "Draft text of confidential exchange of letters" initialled at the same time.

Canadian officials wish to propose that the "Draft text of confidential exchange of letters" be declassified and be appended to the Memorandum of Understanding in the forthcoming Canadian submission to the Textile Surveillance Body (TSB). No change to the text of the letter would be made.

Canadian authorities wish to note that the "Draft Text" document indicates that the restraint level for Item 1 -- Tailored Collar Shirts -- in the Memorandum of Understanding shall be inclusive of the corresponding handloom categories. We would also note that in the course of the consultations of December 1986 the restraint level for Item I was increased by over one million units to take account of the coverage of handloom shirts.

Canadian officials have observed that arrangements between India and other importing countries have been submitted to the TSB with notification of coverage of certain handloom products.

Canadian authorities propose that the "Draft Text" which is currently classified "Secret" and entitled "Confidential" be declassified by deletion of these words.

Canadian authorities therefore seek the concurrence of the Government of India to declassification and propose that this note and the corresponding reply note from the Government of India indicating its concurrence give effect to this.

The Canadian High Commission avails itself of this opportunity to renew to the Department of Textiles, Ministry of Commerce, the assurances of its highest consideration."

Ministry of Textiles is pleased to confirm acceptance of the proposal of the Canadian High Commission contained in the above Note Verbale.

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