

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment of the Bilateral Agreement
between Canada and China

The Textiles Surveillance Body received a notification from Canada of an amendment of its bilateral agreement with China. Restraints on fine suits, sports coats and blazers were agreed for the period 1 January 1988 to 31 December 1991.¹

These² TSB pursuant to its procedures regarding notifications made under Article 4, has examined the relevant documentation and is transmitting the text of the notification to participating countries for their information.

¹The bilateral agreement between the parties is contained in COM.TEX/SB/1390.

²See COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

Canadian letter

20 September 1988

Canada/China Textile Restraint Agreement:
Memorandum of Understanding (MOU)

Further to the meetings held in Ottawa, Canada from 19 July to 21 July 1988 between Canadian and Chinese officials, the Government of Canada confirms its acceptance of the provisions in the Agreed Record of 21 July 1988 concerning the export to Canada of fine suits, sportscoats and blazers originating in the People's Republic of China. In accordance with the final paragraph of the Agreed Record, it is proposed that this letter, together with the reply from the Chinese authorities confirming acceptance by their Government, give effect to this Agreement.

We look forward to receiving your letter at your earliest convenience Mr. Li.

Should you have any questions, please do not hesitate to contact our office.

Your co-operation is greatly appreciated.

David Horley
Counsellor (Commercial)

Chinese letter

Ministry of Foreign Economic Relations and Trade
of the People's Republic of China

4 October 1988

I have the honour to refer to your letter of 20 September 1988 concerning China's exports to Canada of fine suits, sportscoats and blazers. I wish to confirm our acceptance of the provisions in the Agreed Record of 21 July 1988, relating to this matter. Therefore, your letter and this letter of confirmation shall give effect to this Agreement.

Li Guodong
Deputy Director
Foreign Trade Administration
MOFERT

AGREED RECORD

1. Discussions were held 19-21 July 1988, in Ottawa between representatives of the Government of Canada and the Government of the People's Republic of China relating to the administration of the bilateral textile and clothing arrangement between the two countries (MOU) and with respect to the export to Canada of men's and boys' fine suits, sportscoats and blazers from China.
2. During the administration discussions, both sides acknowledged the need for improvements in the Export Licence Reporting System established pursuant to the Agreed Record of the discussions held in China, 5-9 October 1987:
 - (a) The two sides agreed to begin direct data transfer as early as possible through the use of electronic communication between the Shanghai Foreign Economic Relations and Trade Commission and STRB. This electronic link would be established upon successful testing of the Canada/China network.
 - (b) Both sides discussed the matter of Chinese shipments to Canada of clothing and textile products in excess of the amounts allowed under the bilateral Memorandum of Understanding. The Canadian side noted that for the 1987 quota year the Chinese authorities had made considerable progress in reducing this problem. However, it was stressed by the Canadian side that it was no longer in a position to accommodate overshipments in the future.
3. With respect to the negotiations on men's and boys' fine suits, sportscoats and blazers, it was agreed that, having regard to Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), exports from China to Canada of these products shall be subject to restraint effective from 1 January 1988 and for the term of the MOU ending on 31 December 1991.
4. It was further agreed that during the period 1 January 1988 to 31 December 1988, total exports of fine suits, sportscoats and blazers shall not exceed 108,000 units, and that the provisions for annual growth, swing, carryover and carry forward and conversion factor indicated in Columns (C) through (G) of the attached Appendix will apply. The products covered are those which are identified as Item 11 of the MOU and are defined in paragraph 11 of Annex II of the MOU constructed wholly or mainly (i.e. 50 per cent or more) by weight of cotton, wool, man-made fibres, and blends thereof.
5. This Agreed Record of Discussions and Appendix shall be considered as an Annex to the MOU and forms an integral part of the MOU.

6. The two delegations noted that the agreement on restraint of shipments of fine suits, sportcoats and blazers was on an ad referendum basis subject to confirmation by their Governments through an exchange of letters indicating acceptance.

Ottawa, 21 July 1988

For the Government of
Canada

For the Government of
the People's Republic
of China

Appendix

RESTRAINT LEVELS

(A) ITEM NO.	(B) PRODUCT DESCRIPTION	(C) GROWTH	(D) SWING	(E) CARRY-OVER BORROW FORWARD	(F) COMBINED FLEX D AND E	(G) CONVERSION FACTOR M ² /UNIT
11	Fine Suits, Sportscoats and Blazers	6%	5%	10%/5%	12%	3.8