

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1504*

15 December 1989

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Modification of the Bilateral Agreement between Canada and Bangladesh

The Textiles Surveillance Body received a notification from Canada of a further modification of its agreement with Bangladesh. An extraordinary carryover was agreed allowing Bangladesh to carry over the entire unused 1988 quota levels into the 1989 agreement year.¹

The TSB pursuant to its procedures regarding notifications received 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 a previous modification are contained in COM.TEX/SB/1381 and 1442.

²See COM.TEX/SB/35, Annex B

* English only/Anglais seulement/Inglés solamente

Department of External Affairs

26 August 1989

The Department of External Affairs presents its compliments to the High Commission of the People's Republic of Bangladesh and has the honour to acknowledge the receipt of the High Commission's Note No. COM-123/88 of 21 December 1988, requesting extraordinary carryover of the entire portion of the unused 1988 restraint levels into 1989.

The Department of External Affairs recognizes the disastrous causes of the low utilization of restraint levels in 1988, and is pleased to inform Bangladesh authorities that permission has been received to accede to the request for the extraordinary carryover on a one-time only basis.

The Department of External Affairs avails itself of this opportunity to renew to the High Commission of the People's Republic of Bangladesh the assurances of its highest consideration.

Ottawa, 24 August 1989

No.COM-123/88

21 December 1988

Dear Mr. Gosselin,

As you may be aware, Bangladesh was struck by two natural calamities of seemingly unimaginable magnitude during the last three months. In September, an unprecedented flood in its recent history devastated the country engulfing three-fourths of its land mass and destroying ten million homesteads and four million tons of foodgrains. Hundreds of industrial units were submerged and remained under water for days sustaining in the process damage in their machineries, raw materials and finished products. At the height of the flood and also when water started receding, virtually the entire industrial work force of the country left their posts and rushed home for reconstruction and rebuilding forcing innumerable mills and factories, including many garment manufacturing units to close down for various lengths of time. Consequent loss in the production of these units was quite appalling. A severe cyclone barely three months after the crippling flood further accentuated the woes of our people and added to the miseries of the garment factories.

Textile export from Bangladesh starting from a humble base now occupies a vital position in the country's economy. There are about 450 garment factories at present employing nearly 200,000 workers, mostly women from rural Bangladesh. These factories manufacture and export thirty-five categories of garments according to quota allotted to them. The emergence of an export oriented textile and apparel industry in Bangladesh is considered a major step in the overall industrialization process. It has acted as a powerful new momentum to our development efforts and helped mitigate the poverty of our people. Unfortunately, the loss in production due to the catastrophic flood and cyclone will result in the inability of these factories to meet their 1988 quota obligations to various countries including Canada. As a matter of fact, I am quite certain they will lag far behind their quota in respect of six categories of garment exports to Canada. The consequences will be disastrous for these factories and the people they employ and will be bound to adversely affect the country's development efforts. Something must be done to save them and to help put Bangladesh's economy back on its normal track.

If the unutilized portion of the quota in six categories can be carried over and added to the respective categories of 1989 quota then the factories would be able to mobilize all their resources, work overtime and recover the loss sustained in the current year. By helping save its garment industry, Canada will have helped Bangladesh, in yet another way, alleviate the suffering of its people. May I therefore request you to kindly agree to carry over the entire unutilized quantities of Bangladesh's quota in six categories to 1989 without affecting next year's quota. The concession would be deemed a new dimension in the multi-dimensional support Canada has been extending to Bangladesh since its inception.

Yours sincerely,

(signed) (A.N.M. Nuruzzaman)