

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1843\*  
22 July 1993

Special Distribution

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 4

#### Amendment of the bilateral agreement between Canada and Hong Kong

The Textiles Surveillance Body received a notification from Canada of an amendment of its agreement with Hong Kong for the period 1 January 1993 to 31 December 1993.<sup>1</sup>

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

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<sup>1</sup>The bilateral agreement and extension are contained in COM.TEX/SB/1409 and 1732.

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

\*English only/Anglais seulement/Inglés solamente

Canada-Hong Kong Textile and Clothing Consultations

Agreed Record of Discussions

1. Representatives of the Government of Canada and the Government of Hong Kong met on 21 to 23 October 1992, in Ottawa, to conclude discussions on the effects of a new categorisation system for textiles and textile products based on the Harmonized Commodity Description and Coding System on the Memorandum of Understanding between the Government of Canada and the Government of Hong Kong relating to the export from Hong Kong of certain textiles and textile products into Canada (the MOU), 1987-1991, as extended to 31 December 1993. Canada will introduce the new categorisation system from 1 January 1993.
2. During the consultations agreement has been reached on the following:
  - I. Paragraph 3 of the MOU shall be amended as follows:

"3. For the purpose of classifying textiles and textile products in the appropriate category, the definitions and notes set out in Part A of Annex II will apply in the six calendar year period commencing 1 January 1987 and ending on 31 December 1992; and the category structure set out in Part B of Annex II will apply with effect from 1 January 1993, except where agreed to the contrary by both Governments or as may be amended in future by mutual consent."
  - II. Paragraph 4 of the MOU shall be amended to read as follows:

"4. These arrangements will apply for seven calendar years commencing on 1 January 1987 and ending on 31 December 1993."
  - III. Paragraph 6 of the MOU shall be amended to read as follows:

6(a). For the five calendar year period commencing 1 January 1988 and ending on 31 December 1992, the Government of Hong Kong will restrain its exports to Canada of the textiles and textile products listed in Part A of Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column (D).

6(b). For the calendar year 1993, the Government of Hong Kong will restrain its exports to Canada of the textiles and textile products listed in Part B of Annex I to the limits specified therein."
  - IV. The title that appeared before paragraph 13 of the MOU shall be amended to read as "Swing and Reversion".
  - V. Paragraph 13 of the MOU shall be amended to read as follows:

13(a). Subject to the specific limitations set out in Part A and Part B of Annex I, any restraint limit may be exceeded by the percentage shown in column (E) provided that an equivalent amount is

deducted from any other restraint limit. With regard to swing from Group II (textiles) to Group I (garments), the total deduction from the restraint limits of the textiles items may not exceed 1% of the total of the restraint limits of the garment items. When any restraint limit is exceeded by the application of swing, the Government of Hong Kong will so indicate in subsequent monthly returns.

13(b). Notwithstanding paragraph 13(a), the following special swings will be provided for from 1 January 1993:

- (i) swing of 2% into Item 1a from Item 1b;
- (ii) swing of 2% into Item 1b from Item 3/4a;
- (iii) swing of 1% into Item 7/8a from Item 6;
- (iv) swing of 308,971 pieces (NMB) from item 7/8 into Item 7/8a;
- (v) swing of 308,971 pieces (NMB) from Item 7/8 into Item 11, on a 1:1 basis without reference to conversion factors;
- (vi) swing of 20% into Item 7/8b from Item 3/4a;
- (vii) swing of 20% into Item 14 on a 1:1 basis from other categories provided that this swing is in respect of exports of baby garments of the same kind as those in the Item from which the swing originates; and
- (viii) the provisions set out in (i) to (vii) herein are not subject to the provisions set out in paragraph 19 or the percentages indicated in column (G) of Part B of Annex I.

13(c). Notwithstanding paragraph 19, the following "reversion" arrangements will apply as from 1993. In respect of 1993, the relevant quantities are set out below:

(a) Hong Kong will be allowed to revert back to Item 3/4a up to 83,450 units that will be provided, on the basis of 1 top unit and 1 bottom unit, from the following categories. The top units will be provided by Items 1b, 3b, 3/4a, 7/8, 7/8a, and 11. The bottom units will be provided from Items 4b, 5 and 5a.

(b) Hong Kong will be allowed to revert back from Item 14 up to 575,157 units on a 1:1 basis, without reference to conversion factors, into the following items, up to the limits specified below:

-	into Item 2,	up to	3,573 pieces
-	into Item 5,	up to	49,901 pieces
-	into Item 11,	up to	2,584 pieces
-	into Item 4b	up to	14,592 pieces
-	into Item 3/4a,	up to	269,461 pieces

-	into Item 9,	up to	80,944 pieces
-	into Item 12,	up to	61,083 pieces
-	into Item 1a,	up to	23 pieces
-	into Item 1b,	up to	3,334 pieces
-	into Item 7/8,	up to	89,662 pieces"

VI. The special swings and reversion arrangements provided in paragraphs 13(b) and 13(c) will be reviewed after 2 years with a view to consider whether or not the restraint levels for the affected categories could be stabilised.

VII. Paragraph 19 of the MOU shall be amended to read as follows:

"19. Further to paragraphs 13(a) and 18 above, where applicable, the restraint limits in column (C) of Annex I may not be increased by the combined use of swing, carryover and carry forward by more than the percentages indicated in column (G) of Annex I. Notwithstanding this, the use of special swing and other provisions set out in paragraphs 13(b) and 13(c) will not be taken into account when determining the maximum permissible level in combined use of swing, carryover and carry forward."

VIII. Appendix I of this Agreed Record will be Part B of Annex I to the MOU. The current Annex I will be Part A of Annex I to the MOU.

IX. Appendix II of this Agreed Record will be Part B of Annex II to the MOU. The current Annex II will be Part A of Annex II to the MOU.

X. Review

Pursuant to the introduction of the new categorisation system based on the Harmonized Commodity Description and Coding System by Canada effective from 1 January 1993, the Government of Hong Kong and the Government of Canada agree to hold consultations, upon request by either Government, at any time after 1 January 1993 to review the arrangement of the new categorisation system.

For the Government of Hong Kong

(Signed)  
Mr. Clement C.H. Mak  
Leader of the Hong Kong  
Delegation

For the Government of Canada

(Signed)  
Mr. Jean Saint-Jacques  
Leader of the Canadian  
Delegation

Ottawa, Canada, 23 October 1992

Appendix I

ANNEX I - RESTRAINT LEVELS

Hong Kong

GROUP I

(A) Agreement Item No.	(B) Product Coverage		(C) 1993 Restraint Level (NMB)	(D) Growth	(E) Swing	(F) Carryover/ Carry Forward	(G) Combined Flexibility (E) & (F)	(H) Conversion Factor (m <sup>2</sup> /unit)
	Category	Short Description						
1a (Note 1)	1.1 1.3	Coats; Rainwear	201,917	0.85%	5%	10% (5%)	12%	3.8
1b	1.2*	Jackets	777,523	0.85%	5%	8% (5%)	10%	3.0
2 (Note 1)	2.0	Winter outerwear	454,464	0.75%	5%	10% (5%)	11%	2.9
3/4a	3.2* 4.1* 4.2*	Ensembles, MBC; Suits and ensembles, WGC; Jackets and blazers, WGC	1,229,628	1.40%	5%	10% (5%)	11%	2.7
3b (Note 2)	3.1 3.3	Suits, MB; Jackets and blazers, MB	96,370	0.85%	5%	10% (5%)	12%	3.8
4b	4.3* 4.4*	Dresses; Skirts	1,947,669	1.3%	5%	10% (5%)	11%	2.7
5	5.0*	Trousers, overalls and shorts	6,680,175	0.75%	5%	8% (5%)	10%	1.6
5a	5.1* 5.2*	- of which: Trousers, MB; Trousers, WG	5,371,893	0.75%	5%	8% (5%)	10%	1.6
6 (Note 3)	6.0*	Tailored collar shirts, MBC	3,081,531	0.75%	5%	8% (5%)	10%	1.8
7/8	7.0*  8.0*	Woven shirts, blouses and similar articles; Athletic wear, (k/c) shirts, blouses and similar articles, T-shirts and sweatshirts	14,301,505	1.3%	5%	10% (5%)	11%	1.5
7/8a	7.1* 7.2*	- of which: Woven shirts and similar articles, MB; Woven blouses and similar articles, WG;	9,756,462	1.3%	5%	10% (5%)	11%	1.5
(Note 4)	8.1*	k/c Shirts, blouses and similar articles, MBWG						
7/8b	8.4*	- of which: Athletic wear	93,395	1.3%	5%	10% (5%)	11%	1.5

(A) Agreement Item No.	(B) Product Coverage		(C) 1993 Restraint Level (NMB)	(D) Growth	(E) Swing	(F) Carryover/ Carry Forward	(G) Combined Flexibility (E) & (F)	(H) Conversion Factor (m <sup>2</sup> /unit)
9	9.0*	Underwear	8,712,430	1.5%	5%	10% (5%)	11%	0.8
10a	10.1*	Sleepwear, MBWG	404,026	1.5%	5%	10% (5%)	12%	2.8
10b (Note 5)	10.2*	Bathrobes, MBWG	-	-	-	-	-	3.3
10c (Note 5)	10.3*	Sleepwear and bathrobes, C	-	-	-	-	-	1.3
11	11.0*	Sweaters	8,773,473	0.75%	5%	10% (5%)	11%	1.2
11a	11.1*	- of which: Sweaters, MB	1,451,840	0.75%	5%	10% (5%)	11%	1.2
12	12.0	Swimwear	1,129,897	1.5%	5%	10% (5%)	12%	1.3
13	13.0	Foundation garments (NMB)	1,126,773	1.4%	5%	10% (5%)	12%	0.3
14 (Note 5) (Note 6)	14.0	Babies' garments	759,088	1.35%	5%	10% (5%)	12%	0.7

\*Includes silk and other vegetable fibres

- Note 1: Excludes HS codes for linings of Sub-category 1.1 and Category 2.0 of headings 61.17 and 62.17.  
Note 2: Excludes HS codes for children of Sub-categories 3.1 and 3.3.  
Note 3: Excludes HS codes for children of Category 6.0 of less than size 4.  
Note 4: Excludes HS codes for children of Sub-category 8.1.  
Note 5: Export authorization for Sub-categories 10.2, 10.3 and 14.6 and bathrobes of Sub-category 14.9.  
Note 6: Excludes tailored collar shirts of Sub-category 14.3.

Appendix I

ANNEX I - RESTRAINT LEVELS

HONG KONG

GROUP II

(A) Agreement	(B) Product Coverage		(C) 1993 Restraint	(D)	(E)	(F) Carryover/ Carry Forward	(G) Combined Flexibility (E) & (F)	(H) Conversion Factor
No.	Category	Short Description	Level (unit)	Growth	Swing			(m <sup>2</sup> /unit)
30b (Note 7)	32.1	Cotton fabric, unbleached (MTK);	35,009,910	6.0%	5%	10% (5%)	11%	1.0
	32.2	Cotton fabric, finished (MTK);						
	36	Poly/cotton fabric (MTK)						
32a (Note 7)	32.3	Denim Fabric (MTK)	6,769,402	6.0%	5%	10% (5%)	11%	1.0
41a (Note 8)	41.1	Bed sheets (NMB)	591,453	6.0%	5%	10% (5%)	12%	5.2
42a	42.1	Toilet and kitchen linen, cotton terry, woven (KGM)	285,603	6.0%	5%	10% (5%)	12%	2.8
44a (Note 8)	44.1	Work gloves (PAR)	20,203,620	6.0%	5%	10% (5%)	12%	0.24

Note 7: Excludes headings of Chapter 59.

Note 8: Products of cotton and of man-made fibres.

APPENDIX II

PREAMBLE

Annex II

Hong Kong

1. Unless otherwise indicated, gender means garments for men (M), boys (B) (sizes 8 to 18), women (W), girls (G) (sizes 7 to 16), children (C) (sizes 2 to 6X) and babies, of a body height not exceeding 86 cm (sizes 0 to 25 months).
2. A partially manufactured textile article shall be taken to include an article unfinished or incomplete (including cut or shaped fabric for making such articles), provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include the article presented unassembled or disassembled.
3. Garments of indeterminate gender, including unisex garments are to be counted as of female gender.
4. Garments made up of different components will be classified according to the component which gives the article its essential character.
5. Unless otherwise indicated, textile garments not meeting the criteria of suits, ensembles, ski suits, track suits, etc., though packed and shipped as a set, are to be classified in the appropriate component items even if put up for retail sale as coordinates.
6. Unless otherwise indicated in Appendix I to the Agreed Record, products covered by restraints under this arrangement in Group I and in Group II are those which predominate by weight of silk, wool, cotton, other vegetable fibres or man-made fibres. Excluded are products of Group I containing more than 85 per cent by weight of vegetable fibres, other than cotton, or more than 70 per cent by weight of silk fibres.
7. The Harmonized Commodity Description and Coding System (the HS) to which reference is made in this Annex refers to the "Harmonized Commodity Description and Coding System" adopted by the Customs Co-operation Council under the International Convention on the Harmonized Commodity Description and Coding System, done at Brussels on 14 June 1983 as amended by the Protocol of Amendment adopted on 24 June 1986 and to the Explanatory Notes to the Harmonized System including all subsequent amendments approved by the Customs Co-operation Council on or before 31 May 1992.
8. Unless otherwise indicated, swing is permitted from adults garments to children's and babies' garments at a 3 to 5 ratio.



Appendix II

ANNEX II - CLOTHING CATEGORIES

Hong Kong

Group I

Short Description	Category	Sub Category	Long Description	Units
Coats, jackets, & rainwear	1		<ul style="list-style-type: none"> <li>- Overcoats, raincoats, car-coats, capes, cloaks and similar articles <u>MBWGC, k/c &amp; woven</u>;</li> <li>- anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles - <u>MBWGC, k/c</u>;</li> <li>- anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>;</li> <li>- garments made up of fabrics of headings 59.03 (plastic), 59.06 (rubber) or 59.07 (other), containing 50% or more by weight of textile material - <u>MBWGC, k/c &amp; woven</u>;</li> <li>- lining of thermal characteristics suited for garments of sub-category 1.3 <u>MBWGC, k/c &amp; woven</u>;</li> </ul>	NMB
- Coats		1.1	<ul style="list-style-type: none"> <li>- Overcoats, car-coats, capes &amp; cloaks other than rainwear - <u>MBWGC, k/c &amp; woven</u>;</li> <li>- lining of thermal characteristics suited for garments of sub-category 1.3 <u>MBWGC, k/c &amp; woven</u>;</li> </ul>	
- Jackets		1.2	<ul style="list-style-type: none"> <li>- Anoraks (including ski-jackets), wind-cheaters and wind-jackets - <u>MBWGC, k/c</u>;</li> <li>- anoraks (including ski-jackets); wind-cheaters and wind-jackets other than those lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>.</li> </ul>	
- Rainwear		1.3	<ul style="list-style-type: none"> <li>- Raincoats and rainwear - <u>MBWGC, k/c &amp; woven</u>;</li> <li>- garments made up of fabrics of headings 50.03 (plastic), 59.06 (rubber) or 59.07 (other), containing 50% or more by weight of textile material - <u>MBWGC, k/c &amp; woven</u>.</li> </ul>	
Winter outerwear	2		<ul style="list-style-type: none"> <li>- Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>;</li> <li>- bib and brace overalls (e.g., ski-overalls), lined and designed to protect the wear against the cold - <u>MBWGC, woven</u>;</li> <li>- trousers and bresches (e.g., ski-pants), lined and designed to protect the wearer against the cold - <u>MBWGC, woven</u>;</li> <li>- ski-suits - <u>MBWGC, woven</u>;</li> <li>- snowsuits, snowmobile suits and similar articles - <u>MBWGC, woven</u>;</li> <li>- lining of thermal characteristics suited for garments of sub-category 1.2 - <u>MBWGC, k/c &amp; woven</u>;</li> </ul>	NMB
- Winter outerwear, MBWG		2.1	- Men's boys', women's girls'.	
- Winter outerwear, C		2.2	- Children's.	

Short Description	Category	Sub Category	Long Description	Units
Male casual & fine wear	3		Suits, ensembles, jackets, blazers - <u>MBC, k/c &amp; woven</u>	NMB
- Fine suits, MEC		3.1	- Suits - <u>MBC k/c &amp; woven.</u>	
- Ensembles, MBC		3.2	- Ensembles - <u>MBC k/c &amp; woven.</u>	
- Jackets & blazers, MBC		3.3	- Jackets and blazers - <u>MBC k/c &amp; woven.</u>	
Female casual and fine wear	4		- Suits, ensembles, jackets, blazers, dresses, skirts, divided-skirts, <u>WGC k/c &amp; woven:</u>	NMB
- Suits & ensembles, WGC		4.1	- Suits and ensembles - <u>WGC, k/c &amp; woven.</u>	
- Jackets & blazers, WGC		4.2	- Jackets and blazers - <u>WGC, k/c &amp; woven.</u>	
- Dresses (Note 1)		4.3	- Dresses - <u>WGC, k/c &amp; woven.</u>	
- Skirts		4.4	- Skirts and divided skirts - <u>WGC, k/c &amp; woven.</u>	
Trousers, overalls & shorts	5		- Trousers, bib and brace overalls, breeches, shorts, <u>MBWGC, k/c &amp; woven;</u> - coveralls - <u>MBWGC, k/c &amp; woven</u>	NMB
- Trousers, MB		5.1	- Trousers and breeches - <u>MB, k/c &amp; woven.</u>	
- Trousers, WG		5.2	- Trousers and breeches - <u>WG, k/c &amp; woven.</u>	
- Trousers, C		5.3	- Trousers and breeches - <u>C, k/c &amp; woven.</u>	
- Overalls & coveralls		5.4	- Bib and brace overalls - <u>MBWGC, k/c &amp; woven.</u> - coveralls - <u>MBWGC k/c &amp; woven</u>	
- Shorts		5.5	- Shorts - <u>MBWGC, k/c &amp; woven.</u>	
Tailored collar shirts, MBC	6		Shirts, (with tailored collar) - <u>MBC, k/c &amp; woven.</u>	NMB
Woven shirts, blouses & similar articles	7		- Shirts, blouses, shirt-blouses - <u>MBWGC, woven;</u> - other singlets and vests (other than of the underwear type) - <u>MBWGC, woven;</u> - and other similar articles - <u>MBWGC, woven;</u>	NMB
- Woven shirts & similar articles, MB		7.1	- Men's & boys': - shirts - <u>woven;</u> - other singlets and vests (other than of the underwear type) - <u>woven;</u> - and other similar articles - <u>woven.</u>	
- Woven blouses & similar articles, WG		7.2	- Women's & girls: - shirts, blouses, shirt-blouses - <u>woven;</u> - other singlets and vests (other than of the underwear type) - <u>woven;</u> - and other similar articles - <u>woven.</u>	
- Woven shirts, blouses & similar articles, C		7.3	- Children's: - shirts, blouses, shirt-blouses - <u>woven;</u> - other singlets and vests (other than of the underwear type) - <u>woven;</u> - and other similar articles - <u>woven.</u>	

Note 1: Includes Series WGC, woven.

Short Description	Category	Sub Category	Long Description	Units
Athletic wear, k/c shirts, blouses & similar articles, T-shirts & sweatshirts	8		<ul style="list-style-type: none"> <li>- Shirts, blouses, shirt-blouses - <u>MBWGC, k/c</u>;</li> <li>- other singlets and vests (other than of the underwear type) - <u>MBWG, k/c</u>;</li> <li>- and other similar articles - <u>MBWGC, k/c</u>;</li> <li>- T-shirts (other than of the underwear type) - <u>MBWGC, k/c</u>;</li> <li>- brushed and fleeced pullovers (sweatshirts) - <u>MBWGC, k/c</u>;</li> <li>- ski suits, <u>MBWGC, k/c</u>;</li> <li>- track suits and other athletic wear - <u>MBWGC, k/c &amp; woven</u>;</li> </ul>	NMB
- k/c shirts, blouses & similar articles		8.1	<ul style="list-style-type: none"> <li>- Shirts, blouses, shirt-blouses - <u>MBWGC, k/c</u>;</li> <li>- other singlets and vests (other than of the underwear type) - <u>MBWGC, k/c</u>;</li> <li>- and other similar articles - <u>MBWGC, k/c</u>;</li> </ul>	
- T-shirts		8.2	<ul style="list-style-type: none"> <li>- T-shirts (other than of the underwear type) - <u>MBWGC, k/c</u>.</li> </ul>	
- Sweatshirts		8.3	<ul style="list-style-type: none"> <li>- Brushed or fleeced pullovers (sweatshirts) - <u>MBWGC, k/c</u>.</li> </ul>	
- Athletic wear		8.4	<ul style="list-style-type: none"> <li>- ski suits - <u>MBWGC, k/c</u>.</li> <li>- track suits and other athletic wear - <u>MBWGC, k/c &amp; woven</u></li> </ul>	
Underwear	9		<ul style="list-style-type: none"> <li>- Underpants, briefs, panties, slips, petticoats and similar articles - <u>MBWGC, k/c &amp; woven</u>;</li> <li>- T-shirts (of the underwear type) - <u>MBWGC, k/c</u>;</li> <li>- singlets and other vests (of the underwear type) - <u>MBWGC, k/c &amp; woven</u></li> </ul>	NMB
- Underwear, MB		9.1	- Men's & boys'.	
- Underwear, WG		9.2	- Women's & girls'.	
- Underwear, C		9.3	- Children's.	
Sleepwear & bathrobes	10		Nightshirts, pyjamas, nightdresses, négligés, bathrobes, dressing gowns and similar articles - <u>MBWGC, k/c &amp; woven</u> :	NMB
- Sleepwear, MBWG		10.1	<ul style="list-style-type: none"> <li>- Nightshirts, pyjamas and nightdresses - <u>MBWG, k/c &amp; woven</u>.</li> </ul>	
- Bathrobes, MBWG		10.2	<ul style="list-style-type: none"> <li>- Bathrobes, dressing gowns &amp; négligés - <u>MBWG, k/c &amp; woven</u>.</li> </ul>	
- Sleepwear & bathrobes, C		10.3	<ul style="list-style-type: none"> <li>- Children's.</li> </ul>	
Sweaters	11		Jerseys, pullovers, cardigans, waist-coats and similar articles, <u>MBWGC, k/c</u> :	NMB
- Sweaters, MB		11.1	- Men's & boys'.	
- Sweaters, WG		11.2	- Women's & girls'.	
- Sweaters, C		11.3	- Children's.	

Short Description	Category	Sub Category	Long Description	Units
Swimwear	12		Swimwear - <u>MBWGC</u> , <u>k/c &amp; woven</u> .	NMB
Foundation garments	13		Brassières, girdles, panty-girdles and corsets, whether or not knitted or crocheted.	NMB
Babies' garments	14		Babies' garments:	NMB
- Coats, jackets & rainwear		14.1	- Coats, snowsuits, jackets and similar articles.	
- Trousers, overalls & shorts		14.2	- Trousers, brooches, bib and brace overalls, coveralls and shorts.	
- Shirts, blouses & similar articles (Note 2)		14.3	- Shirts, blouses and similar articles.	
- T-shirts & sweatshirts		14.4	- T-shirts and sweatshirts.	
- Dresses and skirts		14.5	- Dresses and skirts.	
- Sleepwear		14.6	- Sleepwear.	
- Underclothing		14.7	- Underclothing.	
- Sweaters		14.8	- Jerseys, pullovers, cardigans and sweaters.	
- Other garments (Note 3)		14.9	- Other garments not elsewhere specified.	
Smocks & shop coats (Note 4)	16		Smocks and similar professional or shop coats - <u>MBWGC</u> , <u>woven</u> .	NMB
Other garments (Note 4)	17		- Garments made up of fabrics of Heading No. 56.02 (felt) or 56.03 (nonwoven): whether or not impregnated, coated, covered or laminated - <u>MBWGC &amp; babies</u> ; - other garments not elsewhere specified - <u>MBWGC</u> , <u>k/c &amp; woven</u> .	NMB

Note 2: Excludes tailored collar shirts of sub-category 14.3.

Note 3: Garments of categories 1 to 12 that are not specified elsewhere in Category 14.

Note 4: Categories 16 and 17 are not restrained from Hong Kong but remain subject to paragraph 44 and 45 of the MOU.

Appendix IIANNEX II - TEXTILE CATEGORIESHong KongGroup II

Short Description	Category	Sub Category	Long Description	Units
Cotton fabric	32		Woven fabrics of cotton; woven pile, chenille and terry towelling fabrics and gauze of cotton; denim fabrics of cotton, weighing more than 200 g/m <sup>2</sup> of such fibres; and similar fabrics, impregnated, coated, covered or laminated:	KGM
- Cotton fabric, unbleached		32.1	- Woven fabrics of cotton, unbleached; woven pile, chenille and terry towelling fabrics of cotton, unbleached and gauze of cotton.	
- Cotton fabric, finished		32.2	- Woven fabrics of cotton, finished; woven pile, chenille and terry towelling fabrics of cotton, finished; and fabrics of Category 32.1 and 32.2, impregnated, coated, covered or laminated.	
- Denim fabric		32.3	- Denim fabrics of cotton, weighing more than 200g/m <sup>2</sup> of such fibres; and similar fabrics, impregnated, coated, covered or laminated.	
Poly/cotton fabric	36		Woven fabrics of cotton, containing less than 85% by weight, mixed mainly or solely with polyester staple fibres; woven fabrics of polyester staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton; and similar fabrics, impregnated, coated, covered or laminated:	KGM
- Poly/cotton fabric, unbleached		36.1	- Unbleached.	
- Poly/cotton fabric, finished		36.2	- Finished; and fabrics of Category 36, impregnated, coated, covered or laminated.	
- Bed sheets (Note 5)		41.1	- Bed sheets.	NMB
- Toilet & kitchen linen, cotton terry, woven		42.1	- Toilet linen and kitchen linen, woven, of terry towelling, of cotton.	KGM
- Work gloves (Note 5)		44.1	- Work gloves	PAR

Note 5: Products of cotton and of man-made fibres.

DIPLOMATIC NOTE FROM THE CANADIAN COMMISSION, HONG KONG

24 DECEMBER 1992

"The Commission for Canada presents its compliments to the Trade Department of Hong Kong and has the honour to refer to the Agreed record of Discussions of 23 October 1992, in Ottawa, Canada, regarding the HS conversion of the Memorandum of Understanding between the Government of Hong Kong and the Government of Canada relating to the export from Hong Kong of certain textiles and textile products for import into Canada ("the MOU").

The Canadian Authorities propose that the new paragraph 13(B)(II) of the MOU, as set out in Paragraph 2.V of the Agreed Record be amended to read as follows: "swing of 2% into Item 3/4A from item 1B".

The Canadian Authorities also wish to clarify that the restraint level in respect of Item 14 set out in Appendix I to the Agreed Record is expressed in adult units; shipment of babies' garments will be covered by Item 14 units on a three-for-five basis.

The Canadian Authorities further propose that this Note, together with the reply from the Hong Kong Authorities confirming their acceptance of the amendment to the MOU as set out in the Agreed Record of 23 October 1992, respecting the HS conversion of the MOU, and as amended and clarified by this Note, shall constitute an amendment to the MOU which shall take effect from 1 January, 1993...".

**TRADE DEPARTMENT  
HONG KONG GOVERNMENT**

**Director-General of Trade**

**Ref.: CR EIC 191/3/8/1**

1. The Trade Department of the Government of Hong Kong presents its compliments to the Commission for Canada and has the honour to refer to the Arrangement Regarding International Trade in Textiles (MFA), done at Geneva on 20 December 1973, as extended by the Protocol adopted on 31 July 1986 and maintained in force by the Protocol of 31 July 1991, and the Commission's Note XBTD3083 of 24 December 1992 proposing an amendment to the Memorandum of Understanding between the Government of Hong Kong and the Government of Canada relating to the export from Hong Kong of certain textiles and textile products for import into Canada dated 17 January 1987 as extended to 31 December 1993 (the MOU). The Trade Department further refers to the Agreed Record of Discussions signed in Ottawa on 23 October 1992 (the Agreed Record).

2. The Trade Department has the honour to confirm that the amendment proposed by the Government of Canada as set out in the Agreed Record and amended/clarified by the Commission's Note XBTD3083 of 24 December 1992 is acceptable to the Government of Hong Kong, and that the Commission's Note together with this reply constitute an amendment to the MOU effective from 1 January 1993.

3. The Trade Department avails itself of this opportunity to renew to the Commission for Canada the assurances of its highest consideration.

Trade Department, Hong Kong  
19 January 1993