

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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23 July 1993

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 7 and 8

Measures by Canada on imports of clothing products from Lebanon

The Textiles Surveillance Body received a notification from Canada of restraints introduced on imports of clothing products from Lebanon with effect from 1 April 1993.

This notification, made in accordance with a request made by the Textiles Committee that measures taken against imports from non-participants be notified, is being forwarded to participating countries for their information.

*English only/Anglais seulement/Inglés solamente
93-1202

DIPLOMATIC NOTE FROM THE CANADIAN EMBASSY, AMMAN

"... the Canadian Authorities wish to refer to the policy of the Government of Canada respecting imports of textiles and clothing. Canada maintains special measures to protect its textiles and clothing industries from market disruption caused by imports. The objective of this policy is to ensure that import growth is kept at a pace that is commensurate with an orderly rate of adjustment that will enable the Canadian industry to adjust to international competition.

This policy has been implemented through bilateral and unilateral restraints on imports from 34 sources. Restraints on imports of textiles and clothing normally take the form of bilateral agreements negotiated in the framework of the Multi-Fibre Arrangement (MFA), which has been concluded under the auspices of the GATT. Negotiations take account of a number of factors, including historical trade performance.

Imports of clothing from Lebanon have reached the point where Canada would be seeking to negotiate restraints. This action, moreover, is consistent with Canada's equity obligations under the MFA, which require that non-members not be treated more favourably than MFA signatories. In order to ensure timely action, Canada will be implementing import restrictions on imports of all clothing from Lebanon. This note provides background information on the level of imports of clothing from Lebanon, the situation of the Canadian industry, and outlines the action being taken by Canada.

In 1992, clothing imports from Lebanon reached 376,000 units. Moreover, imports of blouses (CAT 7/8) in 1992 from Lebanon exceeded restraints in place with five other non-MFA non-GATT suppliers - Swaziland, Oman, Qatar, Cambodia and Laos.

Imports from Lebanon and other low-cost suppliers have had an increasingly harmful effect on the Canadian textiles and clothing industry as a whole. From 1982 to 1989, employment in clothing fell by 18 per cent from 104,000 to 85,000 employees. The textiles sector suffered a 24 per cent drop in employment over that period, from 58,900 to 44,500 workers. These two industries account for 9 per cent of manufacturing employment in Canada. Whereas the textile industry tends to be concentrated in small towns (where it is the dominant employer), the clothing industry is located in major urban areas. The clothing industry is the largest industrial employer in the City of Montreal and one of the largest in the Province of Quebec. The Province of Quebec alone accounts for over half of the Canadian production of textiles and for over 60 per cent of Canadian apparel production. The other major centres of apparel production are Toronto and Winnipeg. The apparel industry employs a large number of new immigrant workers, many of whom are women, from African, Asian and other countries. Many of these workers do not have the necessary skills to allow them to be retrained for other employment.

The purpose of this restraint action is not to rollback the level of imports from Lebanon, but rather to prevent import surges. As indicated in Annex I to this Note, the annual restraint level for imports of all clothing will be established at an annual level of 400,000 units which reflects the 1992 import level from Lebanon. The restraints will be effective initially for the period 1 April to 31 December 1993. The prorated quota level will be 300,000 units, which is three/quarters of the annual level of 400,000 units. Quota shares will be allocated by the Canadian Authorities to Canadian importers and will reflect importers' historical performance in importing clothing from Lebanon. Imports will be debited from quota shares on the basis of the date of importation. A portion up to 25 per cent of the quota will be made available for allocation on a pro rata basis to importers without historical performance that have entered into outstanding irrevocable commitments for imports from Lebanon prior to 22 March 1993.

The Canadian Authorities remain available for consultations on any matter relating to this action, including the issue of quota allocation for 1994 and subsequent years..."

ANNEX I

- All clothing: 400,000 units per annum, pro rated to 300,000 units for the period 1 April 1993 to 31 December 1993 with the following annual sub-limits (the pro rated sub-limits for the period 1 April - 31 December 1993 being indicated in brackets):

<u>ITEM</u>	<u>CATEGORY</u>	<u>SHORT DESCRIPTION</u>	<u>QUOTA (UNITS)</u>
1	1.0	Coats, jackets and rainwear	10,000 (7,500)
2	2.0	Winter outerwear	10,000 (7,500)
3/4			10,000 (7,500)
	3.0	Male casual and fine wear	
	4.0	Female casual and fine wear	
5	5.0	Trousers, overalls and shorts	10,000 (7,500)
6	6.0	Tailored collar shirts, MBC	10,000 (7,500)
7/8A			380,000 (285,000)
	7.0	Woven shirts, blouses and similar articles	
	8.1	Knitted collar shirts, blouses and similar articles	
	8.2	T-shirts	
	8.3	Sweatshirts	
8B	8.4	Athletic wear	10,000 (7,500)
9	9.0	Underwear	10,000 (7,500)
10	10.0	Sleepwear	10,000 (7,500)
11	11.0	Sweaters	10,000 (7,500)
12	12.0	Swimwear	10,000 (7,500)
14	14.0	Babies' Garments	10,000 (7,500)