

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1861*
10 August 1993

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and modification of the agreement between Canada and the Dominican Republic

The Textiles Surveillance Body received a notification from Canada of an extension and modification of its agreement¹ with the Dominican Republic for the period 1 January to 31 December 1993.

The TSB, pursuant to its procedures regarding notifications concluded 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 extension are contained in COM.TEX/SB/1608 and 1731.

²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Inglés solamente
93-1396

DIPLOMATIC NOTE FROM THE CANADIAN EMBASSY, SANTO DOMINGO

2 NOVEMBER 1992

"... and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of the Dominican Republic relating to the export from the Dominican Republic of certain textiles and textiles products for import into Canada (MOU).

In light of the continued delay in the completion of the Uruguay Round of Multilateral Trade Negotiations, it is clear that the MTN results on textiles and clothing will not be implemented on January 1, 1993, as was expected last year when the MOU was extended until December 31, 1992. To date, the Textiles Committee of the GATT has not taken a decision on the extension of the Arrangement Regarding International Trade in Textiles (MFA) beyond its expiry date of December 31, 1992. It is likely that a decision in this respect will not be made until much later in 1992.

Under these circumstances, there is already considerable uncertainty among producers, exporters and importers in Canada and in the Dominican Republic with respect to the rules which will govern our bilateral trade in clothing in 1993. Orders have already been placed for delivery in 1993. Manufacturers in Canada and in the Dominican Republic will soon have to purchase products to meet their 1993 delivery commitments. Canadian importers also have committed themselves to meet increasingly stringent deadlines for delivery to their Canadian customers. In the absence of the extension of the MOU, Canadian authorities are not in a position at this time to counsel Canadian importers on whether the current import regime would continue into 1993.

Canadian authorities remain committed to maintaining an effective import control policy for the textile and clothing industries in order to moderate growth in low-cost imports and to provide the Canadian industry with a climate that is conducive to an orderly adjustment process. The current bilateral textile agreement between the Dominican Republic and Canada has served to ensure secure terms of access for exports of fine suits from the Dominican Republic.

The Canadian Authorities propose that the MOU be extended until December 31, 1993 or if the authorities of the Dominican Republic are agreeable, to December 31 1994. This extension would apply to all terms and conditions of the MOU, including growth rate and flexibility provisions. It would also be without prejudice to any changes that may be required to be implemented as a result of a successful conclusion of the Uruguay Round. Therefore, in the event that the MTN results are implemented in 1994, the second year of this extension would be superseded by the restraint structure contained in the MTN agreement.

If the Authorities of the Dominican Republic are in agreement with the proposed extension of the MOU, the Canadian Authorities propose further that the attached documents entitled "Annex I - Restraint Levels - Dominican Republic - Group I", "Annex II - Preamble - Dominican Republic",

and "Annex II - Clothing Categories - Dominican Republic", which represent the conversion of the structure of restraints on imports of clothing into Canada from the Dominican Republic to one based on the Harmonized System, replace the Annexes I and II appended to the MOU, effective January 1, 1993.

The Canadian Authorities would appreciate an early response to these proposals, preferably by November 15, 1992. In the event that the Authorities of the Dominican Republic are in agreement with these proposals, the Canadian Authorities would propose that this Note, along with the reply from the Authorities of the Dominican Republic, constitute an Agreement extending the MOU based on the HS until the date on which we mutually agree ..."

DOMINICAN REPUBLIC

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
	Category	Short Description						
3a (Note I)	3.1	Suits, MB;	145,331	6%	N/A	11% (6%)	15%	N/A
	3.3	Jackets & blazers, MB						

ANNEX II - PREAMBLE

DOMINICAN REPUBLIC

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 24 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. Unless otherwise indicated, products covered by restraints under this arrangement in Group I are those which predominate by weight of wool, cotton, or man-made fibres.

ANNEX II- CLOTHING CATEGORIES

DOMINICAN REPUBLIC

GROUP I

Short Description	Sub- Category/Category	Long Description	Units
- Fine suits MB	3.1	- Suits MB, k/c and woven	NMB
- Jackets and blazers, MB	3.3	- Jackets and blazers MB, k/c and woven	

WE HAVE TODAY RECEIVED DIP NOTE NO. SUB-ECO 24731 DATED 10 NOVEMBER 1992
QUOTE THE SECRETARIAT OF STATE FOR FOREIGN AFFAIRS ADVISES RECEIPT OF YOUR
NOTE NO. 034/92 OF 02 NOVEMBER 1992 REFERRING TO THE EXTENSION OF THE
MEMORANDUM OF UNDERSTANDING PREVAILING BETWEEN THE GOVERNMENT OF THE
DOMINICAN REPUBLIC AND THE GOVERNMENT OF CANADA AND IN REPLY TO SAME, WOULD
LIKE TO INFORM YOU THAT THE DOMINICAN GOVERNMENT IS IN DISPOSITION TO
EXTEND THE BILATERAL TEXTILE AGREEMENT UP TO 31 DECEMBER 1993, FOR WHICH
YOUR NOTE AND THE PRESENT NOTE CONSTITUTES THE ACCEPTANCE OF THE EXTENSION
OF AGREEMENT.