GENERAL AGREEMENT

ON TARIFFS AND TRADE

RESTRICTED
COM.TEX/SB/1914*
18 August 1994
Special Distribution

(94-1604)

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension of the bilateral agreement between Canada and India

The Textiles Surveillance Body received a notification from Canada of two extensions with amendments of its agreement with India. The first extension covered the period 1 January to 31 December 1993 and the second extension has been agreed for the period 1 January to 31 December 1994, with the possibility of a further twelve-month extension.

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, amendments and a previous extension are contained in COM.TEX/SB/1414, 1683, 1751 and 1809.

²See COM.TEX/SB/35, Annex B.

^{*}English only/Anglais seulement/Inglés solamente

AGREED RECORD OF DISCUSSIONS

- 1. Delegation of the Government of Canada and of the Government of the Republic of India met on 30 November and 1-2 December 1992 in New Delhi to discuss: (a) the extension, beyond 31 December 1992, of the Memorandum of Understanding between the Government of Canada and the Government of the Republic of India relating to the Exports from India of Certain Textiles and Textile Products for Import into Canada (the "MOU"); and (b) the conversion of the MOU to an arrangement based on the Harmonized System (the HS) to take effect on 1 January 1993.
- 2. The two delegations agreed to an extension of the MOU for a period of one year, beyond 1 January 1993 and that this MOU would be converted to HS terminology and categorization. Annex I, attached hereto, thus constitutes the framework of the MOU, within which the annual restraint levels, growth rates and flexibility provisions are set out. For the purpose of classifying textiles and textile products in the appropriate HS category, the definitions and notes set out in Annex II, attached, will apply with effect from 1 January 1993.
- 3. The extension of the MOU is without prejudice to any change which may be made to the Arrangement Regarding International Trade in Textiles from 1 January 1993. Both sides reserve the possibility of requesting consultations to review the MOU in the event of such changes in the arrangement.
- 4. This agreement will cease to have effect from the date the Uruguay Round transition arrangement for integration of the textile sector into the GATT comes into force.

Done at New Delhi on 2 December 1992.

(S. Narayanan)
Leader,
Delegation of the
Government of India

(Tom MacDonald)
Leader,
Delegation of the
Government of Canada

India

(A) Agreement	Prod	(B) Product coverage	(C)	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Item No.	Category	Short description	Restraint level (NMB)				(E) & (F)	(m²/unit)
٧		Clothing (MTK)	22,706,103	6%	7%	11% (6%)	17%	
9	6.0	Tailored collar shirts	2,502,269*	6%	7%	11% (6%)	17%	1.7%
la	1.2	Jackets	\$07,954	6%	7%	11% (6%)	% <i>L</i> 1	3.0
38	3.2	Ensembles, MBC	•					2.7
*	4.0	Female casual & fine wear	•					2.7
\$	5.0	Trousers, overalls & shorts	*506'86 <i>L</i>	6%	7%	(%9) %11	17%	1.6
7	7.0	Woven shirts, blouses & similar articles	•					1.3
œ	8.0	Athletic wear, (k/c) shirts, blouses & similar T-Shirts & sweatshirts	•					1.3
*Within group	Within group limit, Agreement Item No. A.	em No. A.						
Restraint on w	Restraint on winter outerwear:							
(A)	Prod	(B) Product coverage	(C) 1993	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Agreement Item No.	Category	Short description	Restraint level (NMB)				(E) & (E)	(m²/unit)
2	2.0	Winter outerwear	569,250	889	7.8	11% (6%)	17%	3.5

Restraint on winter outerwear includes MBWGCI, under HS proposal, category 2.0 excludes babies' winter outerwear. Note

India

Agreement (A)	Prod	(B) Product coverage	(C)	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Item No.	Category	Short description	Restraint level (NMB)				(E) & (F)	(m²/unit)
31a	31.1	Combed wool fabric (MTK)	1,074,365	4.5%	8%	11% (6%)	17%	4.0m²/KGM.
412	41.1	Bed sheets (unit)	824,309	89	7%	11% (6%)	%41	5.2m²/unit
324	32.3	Denim fabrics (KG)	1,630,000	29	78	11% (6%)	17%	2.0m ² /KGM

ANNEX II - PREAMBLE

<u>India</u>

- 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. Unless otherwise indicated, swing is permitted from adult garments to children's and babies' garments at a 3 to 5 ratio.
- 3. 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.
- 4. Garments of indeterminate gender, including unisex garments, are to be counted as of female gender.
- 5. Unless otherwise indicated, products covered by restraints under this arrangement in Group I and in Group II are those which predominate by weight of wool, cotton, or man-made fibres.

ANNEX II - CLOTHING CATEGORIES

<u>India</u>

Short description	Category	Subcategory	Long description	Units
Coats, jackets & rainwear	1		. Overcoats, raincoats, car-coats, capes, cloaks and similar articles - MBWGC, k/c & woven; anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles - MBWGC, k/c; anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those lined and designed to protect the wearer against the cold - MBWGC, woven; 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 - MBWGC, k/c & woven; lining of thermal characteristics suited for garments of subcategory 1.3 - MBWGC, k/c & woven:	NMB
- Coats		1.1	Overcoats, car-coats, capes & cloaks, other than rainwear - MBWGC, k/c & woven; . lining of thermal characteristics suited for garments of subcategory 1.3 - MBWGC, K/c & woven.	
- Jackets		1.2	Anoraks (including ski-jackets), wind-cheaters and wind-jackets - MBWGC, k/c; - anoraks (including ski-jackets), wind-cheaters and wind-jackets, other than those linked and designed to protect the wearer against the cold - MBWGC, woven.	
- Rainwear		1.3	Raincoats and rainwear - MBWGC, k/c & woven; 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 - MBWGC, k/c & woven.	

Short description	Category	Subcategory	Long description	Units
- Winter outerwear, MBWG - Winter outerwear, C	2	2.1 2.2	. Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, lined and designed to protect the wearer against the cold - MBWGC, woven; bib and brace overalls (e.g. ski overalls), lined and designed to protect the wearer against the cold - MBWGC, woven; trousers and breeches (e.g., ski pants), lined and designed to protect the wearer against the cold - MBWGC, woven; ski suits - MBWGC, woven; snow suits, snowmobile suits and similar articles - MBWGC, woven; lining of thermal characteristics suited for garments of subcategory 1.2 - MBWGC, k/c & woven; Men's, boys', women's and girls'.	NMB
Male casual & fine wear - Fine suits, MBC - Ensembles, MBC - Jackets & blazers,	3	3.1 3.2 3.3	Suits, ensembles, jackets, blazers - MBC, k/c & woven: - Suits - MBC, k/c & woven Ensembles - MBC, k/c & woven.	NMB
MBC Female casual & fine wear	4		- Jackets and blazers - MBC, k/c /k woven. Suits, ensembles, jackets, blazers, dresses,	NMB
- Suits & ensembles, WGC - Jackets & blazers, WGC - Dresses		4.1 4.2 4.3	skirts, divided-skirts - WGC, k/c & woven: - Suits and ensembles - WGC, k/c & woven. - Jackets and blazers - WGC, k/c & woven. - Dresses - WGC, k/c & woven. - Skirts and divided skirts - WGC, k/c & woven.	
- Skirts Trousers, overalls & shorts	5	4.4	. Trousers, bib and brace overalls, breeches, shorts - MBWGC, k/c & woven; coveralls - MBWGC, k/c & woven:	NMB
- Trousers, MB - Trousers, WG - Trousers, C - Overalls & coveralls - Shorts		5.1 5.2 3.3 5.4 5.5	- Trousers and breeches - MB, k/c & woven Trousers and breeches - WG, k/c & woven - Trousers and breeches - C, k/c & woven Bib and brace overalls- MBWGC, k/c & woven coveralls- MBWGC, k/c & woven Shorts - MBWGC, k/c & woven.	
Tailored collar shirts, MBC	6		Shirts (with tailored collar) - MBC, k/c & woven.	NMB

Short description	Category	Subcategory	Long description	Units
Woven shirts, blouses & similar articles - Woven shirts & similar articles, MB	7	7.1	Shirts, blouses, shirt-blouses - MBWGC, woven; other singlets and vests (other than of the underwear type) - MBWGC, woven; and other similar articles - MBWGC, woven: Men's & boys': shirts - woven: other singlets and vests (other than of the underwear type) - woven; and other similar articles - woven.	NMB
- Woven blouses & similar articles, WG		7.2	- Women's & girls': - shirts, blouses, shirts - woven; - other singlets and vests (other than of the underwear type) - woven; - and other similar articles - woven.	
- Woven shirts, blouses & similar articles, C		7.3	- Children's: shirts, blouses, shirtblouses - woven; other singlets and vests (other than of the underwear type) - woven; and other similar articles - woven.	
Athletic wear, k/c shirts, blouses & similar articles, T-shirts & sweatshirts	8		Shirts, blouses, shirt-blouses - MBWGC, k/c; other singlets and vests (other than of the underwear type) - MBWGC, k/c; and other similar articles- MBWGC, k/c; T-shirts (other than of the underwear type) - MBWGC, k/c; brushed and fleeced pullovers (sweatshirts) - MBWGC, k/c; ski suits - MBWGC, k/c; track suits and other athletic wear - MBWGC, k/c & woven:	NMB
- k/c shirts, blouses & similar articles		8.1	- Shirts, blouses, shirt-blouses - MBWGC, k/c; - other singlets and vests (other than of the underwear type) - MBWGC, k/c; - and other similar articles - MBWGC, k/c. - T-shirts (other than of the underwear type) - MBWGC, k/c.	
- T-shirts		8.2	 Brushed or fleeced pullovers (sweatshirts) - MBWGC, k/c. 	
- Sweatshirts		8.3	- Ski suits - MBWGC, k/c; - track suits and other athletic wear -	

Short description	Category	Subcategory	Long description	Units
- Underwear, MB - Underwear, WG - Underwear, C	9	9.1 9.2 9.3	. Underpants, briefs, panties, slips, petticoats and similar articles - MBWGC, k/c & woven; . T-shirts (of the underwear type) - MBWGC, k/c; . singlets and other vests (of the underwear type) - MBWGC, k/c & woven. - Men's & boy's Women's & girls' Children's.	NMB
Sleepwear & bathrobes - Sleepwear, MBWG - Bathrobes, MBWG - Sleepwear & bathrobes, C	10	10.1 10.2 10.3	Nightshirts, pyjamas, nightdresses, negliges, bathrobes, dressing gowns and similar articles - MBWGC, k/c & woven: - Nightshirts, pyjamas and nightdresses - MBWG, k/c & woven. - Bathrobes, dressing gowns & negliges - MBWG, k/c & woven: - Children's.	NMB
- Sweaters, MB - Sweaters, WG	11	11.1	Jerseys, pullovers, cardigans, waist-coats and similar articles - MBWGC, k/c: - Men's & boys'. - Women's & girls'.	NMB
- Sweaters, C		11.3	- Children's.	
Swimwear Foundation garments	12		Swimwear - MBWGC, k/c & woven. Brassieres, girdles, panty-girdles and corselettes, whether or not knitted or crocheted.	NMB
Babies' garments - Coats, jackets & rainwear - Trousers, overalls & shorts - Shirts, blouses & similar articles - T-shirts & sweatshirts - Dresses & skirts - Sleepwear - Underclothing - Sweaters - Other garments	14	14.1 14.2 14.3 14.4 14.5 14.6 14.7 14.8 14.9	Babies' garments: - Coats, snowsuits, jackets and similar articles Trousers, breeches, bib and brace overalls, coveralls and shorts Shirts, blouses and similar articles T-shirts and sweatshirts Dresses and skirts Sleepwear Underclothing Jerseys, pullovers, cardigans and sweaters Other garments not elsewhere specified.	NMB
Smocks & shop coats Other garments	16		Smocks and similar professional or shop coats - MBWGC, woven. Carments made up of fabrics of Heading No.56.02 (felt) or 56.03 (nonwovens), whether or not impregnated, coated, covered or laminated - MBWGC & babies; other garments not elsewhere specified - MBWGC, k/c & woven.	NMB NMB

ANNEX II - TEXTILE CATEGORIES

India

	Short description	Category	Subcategory	Long description	Units
•	Combed wool fabric		31.1	 Woven fabrics of cond wool or fine animal hair; other woven fabrics, mixed mainly or solely with combed wool or fine animal hair; gauze of combed wool; and similar fabrics, impregnated, coated, covered or laminated. 	мтк
•	Denim fabric		32.3	 Denim fabrics of cotton, weighing more than 200 g/m² of such fibres; and similar fabrics, impregnated, coated, covered or laminated. 	KGM
	Bed sheets		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
Wo	rk gloves & liners	44		Work gloves and work glove liners:	PAR
•	Work gloves Work glove liners		44.1 44.2	- Work gloves Work glove liners.	

ANNEX II - TEXTILE CATEGORIES

<u>India</u>

	Short description	Category	Subcategory	Long description	Units
•	Combed wool fabric		31.1	 Woven fabrics of combed wool or fine animal hair; other woven fabrics, mixed mainly or solely with combed wool or fine animal hair; gauze of combed wool; and similar fabrics, impregnated, coated, covered or laminated. 	МТК
-	Bed sheets		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 & liners	44		Work gloves and work glove liners:	PAR
-	Work gloves Work glove liners		44.1 44.2	- Work gloves Work glove liners.	
•	Denim fabric		32.3	Denim fabrics of cotton, weighing more than 200 gr/m² of such fibres; and similar fabrics, impregnated, coated, covered or laminated.	KG

AGREED RECORD OF DISCUSSIONS

- 1. Delegations of the Government of Canada and of the Government of India met on 28 and 31 January 1994 in Ottawa to discuss: (a) the extension, beyond 31 January 1994, of the Memorandum of Understanding between the Government of Canada and the Government of India relating to the Exports from India of Certain Textile and Textile Products for Import into Canada (the "MOU"); and (b) the request by Canada for consultations under paragraphs 29-33 of the MOU concerning exports of underwear from India.
- 2. (a) The two delegations agreed to an extension of the MOU. The term of this agreement will be the period from 1 January 1994 through 31 December 1994.
 - (b) Should the Uruguay Round transition arrangement for integration of the textile sector into the GATT not come into force by 1 January 1995, this agreement will be extended for a second year commencing on 1 January 1995. However, any such extension of this bilateral agreement shall be brought into conformity with any successor to the current Protocol of Extension to the MFA if changes are made therein. This extension applies to all terms and conditions contained in the MOU.
- 3. The two delegations were unable to agree on a restraint level regarding the call on underwear by Canada. In view of the outcome of these discussions, the interim restraint for the MOU year 1994 is established at 3,072,349 units, in accordance with paragraph 29 (h) of the MOU. For this category, swing of 7 per cent, carryover of 11 per cent, carryforward of 6 per cent and combined flexibility of 18 per cent will be available. The conversion factor will be 0.5 square metres per unit.
- 4. The two delegations agreed that effective 1 January 1994, Annex I to this Agreed Record will replace Annex I of the MOU.

Done at Ottawa on 31 January 1994.

(S. Narayanan)
Leader,
Delegation of the
Government of India

(Michael Fine)
Leader,
Delegation of the
Government of Canada

India

(A) Agreement	Prod	(B) Product coverage	(C) 1994	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Item No.	Category	Short description	Restraint level (NMB)				(E) & (F)	(m'/unit)
٧		Clothing (MTK)	26,661,756	%9	7%	11% (6%)	18%	,
la	1.2	Jackets	\$49,200*	%9	7%	11% (6%)	18%	3.0
2	2.0	Winter outerwear	603,405*	%9	7%	11% (6%)	18%	3.5
3a	3.2	Ensembles, MBC	•					2.7
4	4.0	Female casual & fine wear	*					2.7
S	5.0	Trousers, overalls & shorts	836,776*	%9	7%	11% (6%)	18%	1.6
9	6.0	Tailored collar shirts	2,705,453*	%9	7%	11% (6%)	18%	1.7
7	7.0	Woven shirts, blouses & similar articles	*					1.3
83	8.1, 8.3, 8.4	Athletic wear, (k/c) shirts, blouses & similar T-Shirts & sweatshirts	*					£1
		T-Shirts					•	
8b	8.2		*				-	1.0

*Within group limit, Agreement Item No. A.

India

(A) Agreement	Prod	(B) Product coverage	(C) 1994	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor	
Item No.	Category	Short description	Restraint level (NMB)				(E) & (F)	(m²/unit)	
31a	31.1	Combed wool fabric (MTK)	1,151,604	%9	%9	11% (6%)	18%	4.0m²/KGM	
41a	41.1	Bed sheets (NMB)	891,243	6%	7%	11% (6%)	18%	6.25m²/NMB	
32a	32.3	Denim fabrics (KG)	1,814,190	88	7%	11% (6%)	18%	2.0m ² /KGM	

External Affairs and International Trade Canada

No. EPT0244

The Department of Foreign Affairs and International Trade Canada presents its compliments to the Indian High Commission and wishes to refer to the Agreed Record of 31 January 1994 relating to the arrangement regarding International Trade in Textiles (MFA) and the 1994 interim restraint on underwear.

During continuing talks regarding our call on underwear, an agreement was reached on a restraint level of 5,000,000 units for category 9.0 for the MOU year 1994. For this category, growth of 6 per cent, swing of 7 per cent, carryover of 11 per cent, carryforward of 6 per cent and combined flexibility of 18 per cent will be available. The conversion factor will be 0.5 square metres per unit. This subcategory will be added to Annex I of the current MOU as Agreement Item No. 9. This Agreement Item is not included in Group A.

The Canadian Authorities propose that this note together with the reply from the Indian Authorities confirming their acceptance of the revised Annex I shall constitute an amendment to the MOU which shall be effective 1 January 1994.

The Department of Foreign Affairs and International Trade Canada avails itself of the opportunity to renew to the Indian High Commission the assurances of its highest consideration.

Ottawa, 18 February 1994

India

(A) Agreement	Prod	(B) Product coverage	(C) 1994	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Item No.	Category	Short description	Restraint levei (NMB)				(E) & (F)	(m²/unit)
А		Clothing (MTK)	26,661,756	%9	% <i>L</i>	11% (6%)	18%	-
la	1.2	Jackets	\$49,200*	6%	7%	11% (6%)	18%	3.0
2	2.0	Winter outerwear	603,405*	6%	7%	11% (6%)	13%	3.5
3a	3.2	Ensembles, MBC	*					2.7
4	4.0	Female casual & fine wear	*					2.7
5	5.0	Trousers, overalls & shorts	863,776*	6%	% <i>L</i>	11% (6%)	18%	1.6
9	6.0	Tailored collar shirts	2,705,453*	6%	7%	11% (6%)	18%	1.7
7	7.0	Woven shirts, blouses & similar articles	*					1.3
8a	8.1, 8.3, 8.4	Athletic wear, (k/c) shirts, blouses & similar articles, T-Shirts & sweatshirts	•			,		1.3
8b	8.2	. T-Shirts	*					1.0
6	9.0	Underwear (MBWGC)	5,000,000	%9	%L	11% (6%)	18%	0.5

*Within group limit, Agreement Item No. A.

India

(A) Agreement	Prod	(B) Product coverage	(C) 1994	(D) Growth	(E) Swing	(F) Carryover/carry forward	(G) Combined flexibility	(H) Conversion factor
Item No.	Category	Short description	Restraint level (NMB)				(E) & (F)	(m²/unit)
31a	31.1	Combed wool fabric (MTK)	1,161,604	%9	%9	11% (6%)	18%	4.0m²/KGM
41a	41.1	Bed sheets (NMB)	891,243	6%	7%	11% (6%)	18%	6.25m²/NMB
32a	32.3	Denim fabrics (KG)	1,814,190	%9	7%	11% (6%)	. 18%	2.0m ² /KGM

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High Commission of India 10 Springfield Road Ottawa, Ontario KIM IC9 Canada

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No. OTT/204/1/94 23 February 1994

The High Commission of India presents its compliments to the Department of Foreign Affairs and International Trade Canada and has the honour to refer to the Department's Note No. EPT0244 of 18 February 1994 relating to the arrangements regarding the trade in textiles between India and Canada during 1994.

The High Commission wishes to confirm that the Revised Agreement as conveyed in the Note Verbal of 18 February 1994 cited above is acceptable to the Government of India.

The High Commission of India avails itself of this opportunity to renew to the Department of Foreign Affairs and International Trade the assurances of its highest consideration.

High Commission of India, Ottawa

Department of Foreign Affairs and International Trade Canala, Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario KIG 0A2.