

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

**Extension of the bilateral agreement between
Canada and Turkey**

The Textiles Surveillance Body received a notification from Canada of an extension of its bilateral agreement with Turkey for the period 1 January to 31 December 1994.¹

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 previous extensions are contained in COM.TEX/SB/1383, 1686, 1738 and 1845.

²See COM.TEX/SB/35, Annex B.

*English only/Anglais seulement/Inglés solamente

Canadian Embassy

Note No. 556

The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of the Republic of Turkey relating to the export from Turkey of certain textiles and textile products for import into Canada (MOU).

In light of the continued delay in the completion of the Uruguay Round of Multilateral Trade Negotiations (MTN), it is clear that the MTN results on textiles and clothing will not be implemented on 1 January 1994, as was expected last year when the MOU was extended for one year until 31 December 1993. 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 31 December 1993; it is likely that a decision in this respect will not be made until much later in 1993.

Under these circumstances, Canadian authorities wish to avoid uncertainties among producers, exporters and importers in Canada and Turkey with respect to the rules which will govern our bilateral trade in textiles and clothing in 1994. Orders have already been placed for delivery in 1994. Manufacturers in Canada and in Turkey will soon have to purchase raw materials and components to meet their 1994 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 régime will continue into 1994.

Canadian authorities remain committed to maintaining an effective import control policy for the textile and clothing industries in order to ensure a 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 clothing agreement between Turkey and Canada has served to ensure secure terms of access for textile and clothing exports from Turkey.

The Canadian authorities would propose that the MOU be extended until 31 December 1994, or, if Turkish authorities are agreeable, to 31 December 1995. This extension would apply to all terms and conditions of the MOU, including growth rates 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 or as the result of the extension of the MFA. In the event that the MTN results are implemented in 1995, the second year of this extension, where applicable, would be superseded by the restraint structure contained in the MTN agreement.

If the Turkish authorities are in agreement with the proposed extension of the MOU, the Canadian authorities propose further that this note, along with the reply from the authorities of Turkey, constitute an agreement extending the MOU until the date on which we mutually agree.

The Embassy of Canada avails itself of this opportunity to extend to the Ministry of Foreign Affairs the renewed assurances of its highest consideration.

Ankara, 8 July 1993

**Republic of Turkey
Ministry of Foreign Affairs**

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the Canadian Embassy and with reference to latter's Note No. 556 dated 8 July 1993, concerning the extension of the Memorandum of Understanding (MOU) on Textile and Textile-Products of Trade between Canada and Turkey, has the honour to inform the Embassy that the Turkish Government approves of the extension until 31 December 1994 of the above-mentioned MOU, provided that this extension shall be without prejudice to the rights in the field of textile trade which can be obtained as a result of the conclusion of the Uruguay Round or extension of the Multi-fibre Agreement (MFA), and confirms that this reply, together with the Embassy's above-cited Note, constitute an agreement between Canada and Turkey, extending the MOU until 31 December 1994.

The Ministry of Foreign Affairs of the Republic of Turkey avails itself of this opportunity to renew to the Canadian Embassy the assurances of its highest consideration.

Ankara, 30 July 1993

The Canadian Embassy, Ankara