

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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31 August 1994
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Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification transmitted under Articles 7 and 8

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

The Textiles Surveillance Body received a notification under Article 4 from Canada of an extension of its agreement with Romania for the period 1 January 1994 to 31 December 1995.¹

The TSB decided to transmit the notification to participating countries under Articles 7 and 8, as Romania had not as yet accepted the 1993 Protocol maintaining in force the Arrangement.²

¹The bilateral agreement and previous extensions are contained in COM.TEX/SB/1526, 1736 and 1889.

²For an observation regarding this notification, see COM.TEX/SB/1954.

*English only/Anglais seulement/Inglés solamente

Canadian Note No. 035 of 29 July 1993

Canadian Embassy
Note No. 035

The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of Romania and has the honour to refer to the Memorandum of Understanding between the Government of Canada and the Government of Romania Relating to the Export from Romania of Certain Textiles and Textile Products for Import into Canada (the 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 regrettably not be implemented on 1 January 1994, as was hoped for in 1992 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 in Romania 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 Romania will soon have to produce the items necessary 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 MOU, Canadian authorities are not in a position at this time to counsel Canadian importers on whether the current import régime would continue into 1994.

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 Romania and Canada has served to ensure secure terms of access for textiles and clothing exports from Romania.

The Canadian authorities propose that the MOU be extended until 31 December 1994 or if the authorities of Romania are agreeable, to 31 December 1995. 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 the 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 authorities of Romania 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 Romania, constitute an agreement extending the MOU until the date on which we mutually agree.

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

Romania
Ministry of Commerce
Department of Foreign Trade

The Romanian Ministry of Commerce, Department of Foreign Trade, presents its compliments to the Department of External Affairs and International Trade - Canada and has the honour to confirm the receipt of the Note No.035/29.07.1993 with the following content:

"Note No. 035"

The proposal being accepted by the Romanian authorities, the exchange of these documents constitute now an agreement for the extension of the MOU until 31 December 1995.

The Romanian Ministry of Commerce, Department of Foreign Trade avails itself of this opportunity to renew the Department of External Affairs and International Trade Canada the assurances of its highest consideration.

Bucharest
23 September 1993