GENERAL AGREEMENT

ON TARIFFS AND TRADE

RESTRICTED
COM.TEX/SB/1984*
21 December 1994
Special Distribution

(94-2764)

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Extension and Modification of the Bilateral Agreement between Canada and the Philippines

The Textiles Surveillance Body received a notification from Canada of an extension with modifications of its agreement with the Philippines beyond 1994 until such time as both the Philippines and Canada accede to the World Trade Organization, including the MTN Agreement on Textiles and Clothing.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, amendment, previous extensions and modifications are contained in COM.TEX/SB/1384, 1425, 1735 and 1896.

²See COM.TEX/SB/35, Annex B.

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

Department of Foreign Affairs and International Trade, Canada

P. O. Box 481 Station "A" Ottawa, Ontario KIN 9KS

611-PHI

13 September 1994

EPT1172

Mrs. Maria Roseni M. Alvero Trade Commissioner Consulate General of the Philippines 60 Bloor Street West, Suite 409 Toronto, Ont. M4W 3B8

Dear Mrs. Alvero,

This is to confirm the Canadian proposal regarding the extension beyond the end of 1994 of the Memorandum of Understanding between the Government of Canada and the Government of the Republic of the Philippines relating to the export from the Philippines of certain textiles and textile products for import into Canada (MOU).

The Canadian authorities propose that the attached documents entitled "Annex I - Restraint Levels", "Annex II - Preamble", "Annex II - Apparel Categories" and "Annex II - Textile Categories" replace Annex I and Annex II presently appended to the current MOU, effective 1 January 1995.

We also propose that the 1994 unadjusted restraint level for the current Agreement Item 7/8a be increased by 559,481 units to a new level of 1,275,656 units, which excludes children's wear. The 1994 unadjusted restraint level for Agreement Item 7/8 remains at 1,774,080 units, and the 1994 unadjusted restraint level for Agreement Item 7/8b remains unchanged at 205,654 units. We also propose that the 1994 adjustment to the current Agreement Item 7/8a together with the 1995 Agreement Items 7/8a and 8a and their corresponding unadjusted restraint levels, as proposed in Annex I, attached, be deemed to compensate fully the Philippine concerns for loss of flexibility due to the conversion to the HS in this group of products.

The Canadian authorities propose that this letter and the attached Annexes, along with a confirmation by the Philippine authorities of these proposals, constitute an agreement extending the MOU beyond 1994 until such time as both the Philippines and Canada accede to the World Trade Organization, including the MTN Agreement on Textiles and Clothing, and that the extension of the MOU beyond the end of 1994 apply to all terms and conditions in the current MOU, including growth rates and flexibility provisions.

Yours sincerely,

D. Mc Janet
Deputy Director
Textiles and Clothing Trade Policy
Division

ANNEX I - RESTRAINT LEVELS

PHILIPPINES

Group I

(A)		(B)	(C) 1995 . Restraint	(D)	(E)	(F)		(G) Conversion Factor (M2/Unit)
Agreement Item No	Pro	duct Coverage		Growth	Swing	Carryover/ Carry forward	Combined Flexibility	
	Category	Short Description	Level (NMB)				(E) & (F)	
la	1.1 1.2	Coats Jackets	887,471	6%	7%	11% (6%)	NA	3.2
1b (Note 1) (Note 1)		- of which: Coats, MBWG Jackets, MBWG	746,207	6%	7%	11% (6%)	NA	3.2
2	2.0	Winter outerwear	171,498	6%	7%	11% (6%)	NA	3.2
2 a	2.1	- of which: Winter outerwear, MBWG	157,757	6%	7%	11% (6%)	NA	3.2
3/4	3.0 4.0	Male casual & fine wear Female casual & fine wear	1,427,946	6%	7%	11% (6%)	NA	1.9
3/4a (Note 1) (Note 1)	3.1 3.3	- of which: Suits, MB; Jackets & blazers, MB	66,402	6%	7%	11% (6%)	NA	1.9
3/4b (Note 1) (Note 1)	3.2 4.0	- of which: Ensembles, MB; Female casual & fine wear, WG	867,600	6%	7%	11% (6%)	NA	1.9
5	5.0	Trousers, overalls & shorts	1,444,446	6%	7%	11% (6%)	NA	1.9
(Note 1) (Note 1)	5.1 5.2 5.4 5.5	- of which: Trousers, MB; Trousers, WG; Overalls & coverails, MBWG; Shorts, MBWG	1,190,599	6%	7%	11% (6%)	NA	1.9
6	6.0	Tailored cellar shirts, MBC	493,864	6%	7%	11% (6%)	NA	1.9
7/8a	7.0	Woven shirts, blouses & similar articles;	1,562,532	6%	7%	11% (6%)	NA	1.7
	8.1 8.2 8.3	k/c Shirts, blouses & similar articles; T-shirts; Sweatshirts						
8a	8.4	Athletic wear	217,993	6%	7%	11% (6%)	NA	1.7

Note 1: HS codes for C are excluded.

Group I (cont'd)

(A)	(A) (B)		(C)	(D)	(E)	(F)		(G)
Agreement Item No	Pro	duct Coverage	1995 Restraint	Growth	Swing	Carryover/ Carry forward	Combined Flexibility	Conversion Factor (M2/Unit)
	Category	Short Description	Level (NMB)				(E) & (F)	(ivazi Cint)
9	9.0	Underwear	1,063,982	6%	7%	11%(6%)	NA	0.5
11a	11.1 11.2	Sweaters, MB; Sweaters, WG	1,477,400	5%	7%	10%(5%)	NA	1.2
116	11.3	Sweaters, C	141,175	5%	7%	10%(5%)	NA	1.2
12	12.0	Swimwear	935,503	6%	7%	11%(6%)	NA	1.3
14 (Note 2)	14.0	Babies' garments	7,080,936	8%	7%	11%(6%)	NA	1.0
14a	14.1	- of which:		8%	7%	11%(6%)	NA	1.0

Note 2: Excludes category 14.6

ANNEX II - PREAMBLE

PHILIPPINES

- 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. Garments of indeterminate gender, including unisex garments are to be counted as of female gender.
- 4. 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.
- 5. Baby garments of Category 14 put up in sets for retail sale will be counted as a set. A set comprises two or three matched (ensemble) or coordinated pieces, of the same construction, covering both the upper and lower parts of the body, and packed and shipped and sold as a set.

ANNEX II - APPAREL CATEGORIES

PHILIPPINES

GROUP I

		·		
Short Description	Category	Sub Category	Long Description	Units
Conts, 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 weater 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 1.1 and 1.3 - MBWGC, k/c & woven; 	NMB
- Coats		1.1	 Overcoats, car-coats, capes & cloaks, other than rainwear - <u>MBWGC</u>, <u>k/c & woven</u>; liming of thermal characteristics suited for garments of sub-category 1.1 and 1.3 - <u>MBWGC</u>, <u>k/c & woven</u>. 	
- 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 lined 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. 	
Winter outerwear	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: snowsuits, snowmobile auits and similar articles - MBWGC, woven: lining of thermal characteristics suited for garments of sub-category 1.2 - MBWGC, k/c & woven: 	NMB
- Winner outerwear, MBWG - Winner outerwear, C		2.1	- Men's, boys', women's and girls' Children's.	

Short Description	Category	Sub Category	Long Description	Units
Male casual & fine wear	3		Suits, ensembles, jackets, blazers - MBC, kic & woven:	NMB
- Suits, MBC - Ensembles, MBC - Jackets & blazers, MBC		3.1 3.2 3.3	- Suits - MBC, k/c & woven Ensembles - MBC, k/c & woven Jackets and blazers - MBC, k/c & woven.	
Fernale casual & fine wear	4		- Suits, ensembles, jackets, blazers, dresses, skirts, divided- skirts - <u>WGC</u> , <u>k/c & woven;</u>	NMB
- Suits & ensembles, WGC		4.1	- Suits and ensembles - WGC, k/c & woven.	
- Jackets & biazers, WGC		4.2	- Jackets and blazers - WGC, k/c & woven.	
- Dresses		4.3	- Dresses - WGC, k/c & woven	
- Skirts		4.4	- Skirts and divided skirts - WGC, k/c & woven.	
Trousers, overalis & shorts	5		- Trousers, bib and brace overalls, breeches, shorts - MBWGC, k/c & woven: - coveralls - MBWGC, k/c & woven:	NMB
- Trousers, MB - Trousers, WG - Trousers, C - Overalls &		5.1 5.2 5.3 5.4	- 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 - MBWCC, k/c & woven;	
- Shorts		5.5	- coveralls - <u>MBWGC, k/c & woven</u> . - Shorts - <u>MBWGC, k/c & woven</u> .	
Tailored collar shirts, MBC	6		Shirts (with tailored collar) - MBC, k/c & woven.	NMB
Woven shirts, blouses & similar articles	7		- Shirts, blouses, shirt-blous:s - <u>MBWGC</u> , <u>woven</u> ; - other singlets and vests (eaher than of the underwear type) - <u>MBWGC</u> , <u>woven</u> ; - and other similar articles - <u>MBWGC</u> , <u>woven</u> :	NMB
- Woven shirts & similar articles, MB		7.1	- Men's & boys: - Shirts - woven. - other singlets and vests (other than of the underweartype) - woven; - and other similar articles - woven.	
- Woven blouses & similar articles, WG		7.2	 Women's & girls': shirts, blouses, shirt-blouses - woven; other singlets and vests (other than of the underwear type) - woven; and other similar articles - woven. 	
- Woven shirts, blosses & similar articles, C		7.3	- Children's: - shirts, blouses, shirt-blouses - woven: - other singlets and vests (other than of the underwear type) - woven; - and other similar articles - woven.	

Short Description	Category	Sub Category	Long Description	Units
Athletic wear, k/c shirts, blouses & similar articles, T- shirts & sweatshirts	8		 Shirts, blouses, shirt-blouses, MBWGC, b/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 - <u>MBWGC, k/c</u>; other singlets and vests (other than of the underwear-type) - <u>MBWGC, k/c</u>; and other similar articles - <u>MBWGC, k/c</u>. 	
- T-shirts - Sweatshirts - Athletic wear		8.2 8.3 8.4	T-shirts (other than of the underwear type) - MBWGC, k/c. Brushed or fleeced pullovers (sweatshirts) - MBWGC, k/c. Ski suits - MBWGC, k/c;	
			- track suits and other athletic wear - MBWGC, k/c & woven.	
Underwear	9		 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; 	NMB
- Underwear, MB - Underwear, WG		9.1 9.2	- Men's & boys'. - Women's & girls'.	
- Underwear, C Sicepwear &	10	9.3	- Children's. Nightshirts, pyjamas, nightdresses, negligees, bathrobes, dressing	NMB
bathrobes			gowns & similar articles - MBWGC, k/c & woven:	
- Sleepwear, MBWG - Bathrobes, MBWG		10.1	Nightshirts, pyjamas and nightdresses - MBWG, k/c & woven. Bathrobes, dressing gowns & negligees - MBWG, k/c & woven.	
- Sleepwear & bathrobes, C		10.3	· Children's.	
Sweaters	11	-	Jerseys, pullovers, cardigans, waist-coats, and similar articles - MBWGC, k/c:	NMB
- Sweaters, MB		11.1	- Men's & boys'.	
- Sweaters, WG - Sweaters, C		11.2 11.3	- Women's & girls' Children's.	
Swimwear	12		Swimwear - MBWGC, k/c & woven.	NMB
Foundation garments	13		Brassieres, girdles, panty-girdles and corselettes, whether or not knitted or crocheted.	NMB

Short Description	Category	Sub Category	Long Description	Units
Babies' garments	14		Babies' garments:	NMB
- Coats, jackets &		14.1	- Coats, rainwear, snowsuits, jackets and similar articles.	
- Trousers, overalls & shorts		14.2	 Trousers, breeches, bib and brace overalls, coveralls and shorts. 	
- Shirts, blouses & similar articles		14.3	- Shirts, blouses and similar articles.	
- T-shirts & sweatshirts		14.4	- T-shirts and sweatshirts.	
- Dresses & skirts		14.5	- Dresses and skirts.	ĺ
- Sieepwear	1	14.6	- Sleepwear.	
- Underclothing		14.7	- Underclothing.	ĺ
- Sweaters		14.8	- Jerseys, pullovers, cardigans and sweaters.	1
- Other garments		14.9	- Other garments not elsewhere specified.	
Smocks & shop coats	16		Smocks and similar professional or shop coats - MBWGC, woven.	NMB

ANNEX II - TEXTILE CATEGORIES

PHILIPPINES

Group II

		Sub		
Short Description	Category	Category	Long Description	Units
Cotton yam	21	<u>, , , , , , , , , , , , , , , , , , , </u>	Yarn of cotton (other than sewing thread), whether or not put for retail sale.	KGM
Nylon yarn	22		Yarn of nylon or other polyamide filament (other than sewing thread), whether or not put up for retail sale, including monofilament of less than 67 decitex; yarn of nylon or other polyamide staple fibres (other than sewing thread), whether or not put up for retail sale; textile yarn, and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics, of high tenacity nylon or other polyamides:	KGM
 Nylon filament yarn Nylon staple 		22.1	 Yarn of nylon or other polyamide filament (other than sewing thread), whether or not put up for retail sale, including monofilament of less than 67 decitex; textile yarn, and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics, of high tenacity nylon or other polyamides: Yarn of nylon or other polyamide staple fibres (other than 	
yarn Polyesier yarn	23		Yarn of polyester filaments (other than sewing thread), whether or not put up for retail sale, including polyester monofilament of less than 67 decitex; yarn of polyester staple fibres (other than sewing thread and poly/cotton yarns of category 24), whether or not put up for retail sale; textile yarn, and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics, of high tenacity polyesters:	KGM
 Polyester Polyester staple yarn 		23.1	 Yarn of polyester filaments (other than sewing thread), whether or not put up for retail sale, including polyester monofilament of less than 67 decitex; textile yarn and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with subber or plastics, of high tenacity polyesters: Yarn of polyester staple fibres (other than sewing thread and poly/cotton yarns of category 24), whether or not put up for retail sale. 	
Poly/cotton yarn	24		Yarn of polyester staple fibres (other than sewing thread), mixed mainly or solely with cotton, whether or not put up for retail sale.	KGM
Acrylic staple yaru	25		Yarn of acrylic or modacrylic staple fibres (other than sewing thread), whether or not put up for retail sale.	KGM

Note: Includes other yarns of Chapters 54, 55 and 56

Short Description	Category	Sub Category	Long Description	Units
Artificial yarn	26		Yarn of artificial filament (other than sewing thread), whether or not put up for retail sale, including artificial monofilament of less than 67 decitex; yarns of artificial staple fibres, containing 85% or more by weight of viscose rayon staple fibres, not put up for retail sale; yarn of other artificial staple fibres (other than sewing thread), whether or not put for retail sale; textile yarn and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics, of high tenacity viscose:	KGM
- Viscose yarn		26.1	- High tenacity and textured filament yarn of viscose rayon, not put up for retail sale; filament yarn of viscose rayon single, untwisted or with a twist, multiple or cabled, not put up for retail sale; yarns of artificial staple fibres, containing 85% or more by weight of viscose rayon staple fibres, not put up for retail sale; textile yarn, and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics, of high tenacity viscose.	
- Other artificial filament yarn - Other artificial staple yarn		26.2 26.3	 Other yarns of artificial filament (other than sewing thread), whether or not put up for retail sale. Yarn of other artificial staple fibres (other than sewing thread), whether or not put up for retail sale. 	
Wool & wool blend fabric	31		Woven fabrics of wool or fine animal hair; other woven fabrics, mixed mainly or solely with wool or fine animal hair; woven pile and chenille fabrics of wool or fine animal hair and gauze of wool; and similar fabrics, impregnated, coated, covered or laminated:	KGM
- Combed woc! 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. 	
- Other wool fabric		31.2	 Woven fabrics of carded wool or fine animal hair; other woven fabrics, mixed mainly or solely with carded wool or fine animal hair; woven pile and chenille fabrics of wool or fine animal hair and gauze of wool, other than combed; and similar fabrics, impregnated, coated, covered or laminated. 	
Cotton fabric	32		Woven fabrics of cotton; woven pile, chenille and terry towelling rabrics and gauze of cotton; denim fabrics of cotton, weighing more than 200 g/m2 of such fibres; and similar fabrics, impregnated, coated, covered or laminated:	KGM
 Cotton fabric, unbleached Cotton fabric, finished 		32.1 32.2	 Woven fabrics of cotton, unbleached; woven pile, chenille and terry towelling fabrics of cotton, unbleached and gauze of ofton. Woven fabrics of cotton, finished; woven pile, chenille and terry towelling fabrics of cotton, finished; and fabrics of Category 32.1 and 32.2, impregnated, coated, covered or laminated. 	
- 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.	
Cut corduroy fabric	33		Cut corduroy, woven, of cotton and man-made fibres.	KGM

Short Description	Category	Sub Category	Long Description	Units
Nylon fabric	34		Woven fabrics obtained from high tenacity yarn of nylon or other polyamides; other woven fabrics of nylon or other polyamide filament or staple fibres; and similar fabrics, impregnated, coated, covered or laminated.	KGM
- Nylon fabric, unbleached		34.1	- Unbleached.	
- Nylon fabric, finished		34.2	- Finished; and fabrics of Category 34, impregnated, coated covered or laminated.	
Polyester tilament fabric	35		Woven fabrics obtained from high tenacity yarn of polyesters; other woven fabrics of polyester filaments; other woven fabrics, mixed mainly or solely with polyester filaments; and similar fabrics, impregnated, coated, covered or laminated.	KGM
Poly/cotton fabric	36		Woven fabrics of cotton, containing less than 85% by weight, mixed mainly or solely with polyester staple fibres; woven fabrics of polyester staple fibres, containing less than 85% by weight of such fibres, mixed snainly or solely with cotton; and similar fabrics, impregnated, coated, covered or laminated:	KGM
- Poly/cotton fabric, unbleached		36.1	- Unbleached;	
- Poly/cotton fabric, finished		36.2	- Finished; and fabrics of Category 36, impregnated, coated, covered or laminated.	

Republic of the Philippines
Department of Trade and Industry
Garments and Textile Export Board

26 September 1994

Mr. D. McJanet
Deputy Director
Textiles and Clothing Trade Policy Division
Department of Foreign Affairs and
International Trade
Ottawa, Ontario

Dear Mr. McJanet,

This is to confirm our acceptance of the Canadian proposal regarding the extension beyond the end of 1994 of the Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of Canada relating to the export from the Philippines of certain textiles and textile products for import into Canada (MOU).

We accept the attached documents entitled "ANNEX I - Restraint Levels", "ANNEX II - Preamble", "ANNEX II-Apparel Categories" and "ANNEX II-Textile Categories" replace ANNEX I and ANNEX II presently appended to the current MOU, effective 1 January 1995.

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This letter of acceptance by the Philippine authorities, together with its letter of 13 September 1994 and the attached Annexes, constitute an agreement extending the MOU beyond 1994 until such time that the Philippines and Canada accede to the World Trade Organization, including the MTN Agreement on Textiles and Clothing, and that the extension of the MOU beyond the end of 1994 apply to all terms and conditions in the current MOU, including growth rates and flexibility provisions.

Very truly yours,

(Signed)
Escolastica B. Segovia
Executive Director