

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Textiles Monitoring Body**

Original: English

## AGREEMENT ON TEXTILES AND CLOTHING

### Notification under Article 2.17

#### Canada

#### Administrative Arrangements with Thailand

The Textiles Monitoring Body has received a notification from Canada pursuant to paragraph 17 of Article 2. The TMB is circulating this notification to WTO Members for their information.

The Permanent Mission of Canada  
to the United Nations

1 rue du Pré-de-la-Bichette  
1202 Geneva

13 March 1996

Dear Ambassador Szepesi,

Pursuant to Article 2.17 of the Agreement on Textiles and Clothing, I have the honour to notify the Administrative Arrangements that have been concluded with the following WTO Members: Bangladesh, Brazil, Costa Rica, Cuba, Hong Kong, Hungary, India, Indonesia, Korea, Lesotho, Macau, Malaysia, Mauritius, Pakistan, Philippines, Romania, Slovak Republic, Sri Lanka, Swaziland, Thailand<sup>1</sup> and Uruguay.

Yours sincerely,

(Signed) Jean Saint-Jacques  
Counsellor

Ambassador András Szepesi  
Chairman  
Textiles Monitoring Body  
World Trade Organization  
Centre William Rappard  
154 rue de Lausanne  
1211 Geneva

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<sup>1</sup>This document contains the Administrative Arrangements with Thailand. Arrangements concluded with the other WTO Members mentioned above will be circulated as separate documents.

Memorandum of Understanding Between the Government of Canada and  
the Government of the Kingdom of Thailand Relating to the  
Export from Thailand of Certain Textile Products to Canada

Introduction

1. This Memorandum of Understanding (MOU) sets out the administrative arrangements that have been agreed upon between the Governments of Canada and Thailand, pursuant to Article 2.17 of the MTN Agreement on Textiles and Clothing (ATC) in order to implement the textiles and clothing restraints between Canada and Thailand to be notified pursuant to Article 2.1 of the ATC. These provisions will also apply with respect to any restraint introduced by Canada on imports of textiles and clothing from Thailand pursuant to the provisions of Article 6 of the ATC.

Implementation

2. In accordance with the provisions of Article 4.1 of the ATC, these arrangements shall be implemented on the basis of the export control system operated by the Government of the Kingdom of Thailand. Exports of the textile products included in the restraints notified under Article 2.1 of the ATC shall be covered by an original "Export Certificate" endorsed and issued by the competent authorities of Thailand to the effect that the goods covered by the export certificate have been debited from the applicable quantitative limit.

3. For the purpose of implementing these arrangements, the date of export from Thailand shall be used to determine the restraint period in which any shipments of textile products shall be counted.

4. The Government of the Kingdom of Thailand shall endeavour to ensure that exports to Canada of all restrained textile products are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.

5. Export certificates issued by the Government of the Kingdom of Thailand in respect of restrained textile products shall contain the following information:

- (a) Country of destination;
- (b) country of origin;
- (c) certificate number and quota year;
- (d) importer's name and address;
- (e) exporter's name and address;
- (f) item number and description of product as contained in the notification under Article 2.1 of the ATC;
- (g) quantity expressed in the units designated for each product in the notification under Article 2.1 of the ATC. If more than one set of measures is established, all should be indicated; where the quantity is expressed other than as designated, the equivalent weight, units or square metres should be calculated in accordance with the conversion factors set out in the restraint notified under Article 2.1 of the ATC;

- (h) f.o.b. or c.i.f. value except for non-commercial consignments;
- (i) certification by the competent authorities of Thailand that the quantity has been debited from the agreed restraint limit for exports to Canada.

6. In the event that any quantity covered by an export certificate is not shipped, or any part of it is returned, regardless of the reason, the Government of the Kingdom of Thailand shall notify the Government of Canada of such quantity which may be credited by the Government of the Kingdom of Thailand to the appropriate restraint limit.

7. Except as provided for in paragraphs 8 to 11 below (swing and carryover/carry forward), the Government of the Kingdom of Thailand shall restrain its exports to Canada of the textile products notified pursuant to Article 2.1 of the ATC to the limits notified under Article 2.1 of the ATC, as modified by the provisions of Articles 2.7, 2.8, 2.13 and 2.14 of the ATC. Pursuant to Article 4.1 of the ATC, it is understood that the Government of Canada shall not be obliged to accept shipments in excess of the restraint levels notified under Article 2.1 of the ATC, as modified by the provisions of Articles 2.7, 2.8, 2.13 and 2.14 of the ATC.

#### Swing

8. Subject to the specific limitations contained in the restraint notification under Article 2.1 of the ATC, and following notification to the appropriate Canadian authorities, the Government of the Kingdom of Thailand may exceed the specified annual quantitative limit up to the percentage specified in the restraint notification under Article 2.1 of the ATC, provided that an equivalent amount is deducted from any other restraint level. When any restraint limit is exceeded by the application of swing, the Government of the Kingdom of Thailand shall so indicate in subsequent monthly statistical reports.

9. For the purpose of implementing the swing provisions in paragraph 8, the conversion factors specified in the restraint notification under Article 2.1 of the ATC shall apply.

#### Carryover/carry forward

10. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit which are not used during the annual restraint period may be carried over and added to the corresponding quantitative limit for the following annual restraint period. The restraint limit for any such restraint period shall be increased within the percentage limits specified in the restraint notification under Article 2.1 of the ATC.

11. Following notification to the Government of Canada of the quantities involved, any restraint limit may be increased within the percentage limits specified in the restraint notification under Article 2.1 of the ATC by a quantity advanced from the corresponding restraint limit for the following annual restraint period. The restraint limit for any such following restraint period shall be reduced by a quantity equal to the quantity so advanced.

#### Exchange of statistics

12. The Government of the Kingdom of Thailand shall provide the Government of Canada with monthly statistical reports relating to exports of restrained textile products, licensed for export to Canada and debited from the quantitative limits for each restraint period. These statistics shall include the following information:

- (a) Item number and description;

- (b) original and adjusted restraint limits for the restraint period;
- (c) total quantity issued for the restraint period to date;
- (d) notification of any utilization of swing, carryover or carry forward provisions and the quantities involved as provided for in paragraphs 8 to 11 above.

This information should be provided as soon as possible following the end of each month.

13. The Government of Canada shall provide the Government of the Kingdom of Thailand with monthly statistical reports relating to import permits issued for imports originating in Thailand of textile products listed in Annex I.

14. Both Governments reserve the right to request additional statistics as may be reasonably required, including statistics relating to the export or import of products not contained in the notification, under Article 2.1 of the ATC, of Canada's restraints on imports from Thailand.

#### Re-exports

15. The Government of Canada shall, so far as possible, inform the Government of the Kingdom of Thailand when imports into Canada of restrained textile products are subsequently re-exported from Canada. Where such re-exports have originally been debited by the Government of the Kingdom of Thailand from quantitative limits, the Government of the Kingdom of Thailand may then credit back the quantity involved to the appropriate quantitative limits.

#### Consultations

16. Pursuant to Article 8.4 of the ATC, the Government of the Kingdom of Thailand and the Government of Canada express their willingness to consult, on request, on any matter arising from the implementation or operation of the ATC or of this MOU or on any matter germane thereto.

(Signed) \_\_\_\_\_  
For the Government of Canada

Bangkok  
Date: 31 August 1995

(Signed) \_\_\_\_\_  
For the Government of the  
Kingdom of Thailand

Bangkok  
Date: 31 August 1995

ANNEX I - 1995 RESTRAINT LEVELS (PHASE I)THAILANDGroup I

(A) Agreement item No.	(B) Product coverage		(C) 1995 Restraint level (NMB)	(D) WTO growth	(E) Swing	(F) Carryover/ carry forward	(G) Conversion factor (m <sup>2</sup> /unit)
	Category	Short description					
1a	1.1 1.2	Coats Jackets	1,144,013	6.96%	7%	10% (5%)	3.2
1b		- of which:					
	1.1	Coats	129,507	6.96%	7%	10% (5%)	3.2
2	2.0	Winter outerwear	129,135	6.96%	7%	10% (5%)	3.5
3a	3.2	Ensembles, MBC	277,343	6.96%	7%	10% (5%)	3.5
4	4.0	Female casual and fine wear	1,212,221	6.96%	7%	10% (5%)	3.5
5	5.0	Trousers, overalls and shorts	2,006,935	6.96%	7%	10% (5%)	1.9
6	6.0	Tailored collar shirts, MBC	860,898	6.96%	7%	10% (5%)	2.1
7/8	7.0 8.0	Woven shirts, blouses and similar articles; Athletic wear, k/c shirts, blouses and similar articles, T-shirts and sweatshirts	2,550,951	6.96%	7%	10% (5%)	1.7
7/8a		- of which:					
	7.0 8.1	Woven shirts, blouses and similar articles; k/c shirts, blouses and similar articles	1,291,385	6.96%	7%	10% (5%)	1.7
7/8b		- of which:					
	8.4	Athletic wear (Note 1)	145,263	6.96%	7%	10% (5%)	1.7
9	9.0	Underwear	1,578,419	6.96%	7%	10% (5%)	0.5
10	10.0	Sleepwear and bathrobes	690,132	6.96%	7%	10% (5%)	2.0
11	11.0	Sweaters	1,418,604	6.96%	7%	10% (5%)	1.2
12	12.0	Swimwear	926,443	6.96%	7%	10% (5%)	1.3
14	14.0	Babies' garments	959,269	6.96%	7%	10% (5%)	0.7

Note 1: Special swing of 20% from items 3a and/or 4.

ANNEX I - RESTRAINT LEVELS

THAILAND

Group II

(A) Agreement item No.	(B) Product coverage		(C) 1995 Restraint level (NMB)	(D) WTO Growth	(E) Swing	(F) Carryover/ carry forward	(G) Conversion factor (m <sup>2</sup> /unit)
	Category	Short description					
34	34.0	Nylon fabric (KGM)	142,242	6.96%	7%	10% (5%)	14.5
34A	34.2	- of which  Nylon fabric, finished (KGM)	54,620	6.96%	7%	10% (5%)	14.5
42A	42.1	Toilet and kitchen, linen, cotton terry, woven (KGM)	465,089	6.96%	7%	10% (5%)	2.8
43 (Note 1)	43.0	Hosiery (PAR)	3,984,219	6.96%	7%	10% (5%)	0.05

Note: No swing between products in Group and products in Group II.

Note 1 : Excludes HS codes for MB wool hosiery of category 43.1.