

SECRET

GENERAL AGREEMENT ON TARIFFS AND TRADE

No. 008
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Original: English

Average	1984	1983	1985	
		(000's)		53215-1
ARTICLE XXVIII:5 NEGOTIATIONS				
Schedule V - Canada				
<p>The following communication, dated 22 July 1985, has been received from the Permanent Mission of Canada.</p>				
<p>As a result of the agreement reached in Article XXVIII negotiations in 1962 with the EC of 6, Canada established tariff item 53215-1. During the Tokyo Round of Multilateral Trade Negotiations, Canada agreed to a duty rate of 25 per cent, with the condition that the total duty leviable shall not be in excess of \$1.10 per pound for item 53215-1. (The \$1.10 per pound has been converted to \$2.43 per kilogram in the Canadian tariff.)</p>				
<p>Pursuant to Canada's notification on the invocation of Article XXVIII:5 (TAR/98 of 21 December 1984), Canada intends to modify Schedule V-Canada by amending item 53215-1 to allow for annual adjustments of the "total duty leviable provision". This provision will result in the maintenance of the current three-year average ad valorem duty rate of 11.8 per cent.</p>				
<p>The following tables show the tariff item involved, the modification proposed and the applicable rate. Import statistics for 1982, 1983 and 1984 are included to show supplier position.</p>				

- (a) Current tariff item: 53215-1: Woven fabrics composed wholly or in chief part by weight of yarns of wool or hair and weighing more than 9 ounces to the square yard, N.O.P. (current rate of 25 per cent plus 18.3 cents per kg., to be reduced to 25 per cent by 1 January 1987). The total duty leviable shall not be in excess of \$1.10 per pound.
- (b) Proposed tariff item: 53215-1: Woven fabrics composed wholly or in chief part by weight of yarns of wool or hair and weighing not more than 305 gr./m.², N.O.P. (current rate of 25 per cent plus 18.3 cents per kg., to be reduced to 25 per cent by 1 January 1987). The total duty leviable shall not be in excess of an amount set, effective 1 July of each year, to equate to an ad valorem rate of 11.8 per cent based on import statistics for this item for the most recent three calendar years.

(c) Import statistics

	1982	1983	1984	Average
53215-1		<u>(\$'000)</u>		
EC10	22,084	26,241	39,077	29,134
Spain	1,165	1,019	2,222	1,469
Japan	2,841	2,150	2,775	2,589
India	736	1,868	2,365	1,656
Korea	5,803	6,245	8,418	6,822
Uruguay	4,060	3,212	3,546	3,606
Sub-total	36,689	40,735	58,403	45,276
Total GATT	42,616	48,180	69,601	53,466
		<u>('000 lb.)</u>		
EC10	2,887	3,181	4,119	3,396
Spain	95	84	200	126
Japan	224	155	193	191
India	92	236	343	224
Korea	574	661	845	693
Uruguay	476	371	491	446
Sub-total	4,348	4,688	6,191	5,076
Total GATT	4,987	5,693	7,435	6,038

The balance of imports is scattered among roughly fifteen other suppliers.

Canada is prepared to bind the proposed tariff item in its Schedule V-Canada. Canada is prepared to enter into negotiations or consultations in accordance with the relevant provisions of GATT Article XXVIII.