

KOREAN POSITION

Korea has agreed to a one-year extension of our bilateral agreement. With respect to the transshipment case, Korea agreed to compensation through adjustments to its 1991 polyester fabric quota with Canada.

CANADIAN POSITION

In dealing with Korea on the matter of the extension of the bilateral agreement, Canadian officials made it clear that the extension would consist of a simple roll-over rather than a renegotiation in terms and conditions. Respecting the conversion to the HS, Canada has explained in bilateral consultations that it is intended to be neutral in its effects on restraint levels. A further round of HS consultations to clarify outstanding questions is anticipated over the coming months.