

Product Coverage:

For the purpose of the restraint arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA. For the purpose of classifying textiles and clothing products in the appropriate category, the definitions set out in Annex II will apply.

Handloom, Cottage Industry and Handicraft Products:

Article 12.3 of the MFA provides that restraint arrangements should not apply to handloom fabrics of the cottage industry, hand-made cottage industry products made of such handloom fabrics, and traditional folklore handicraft textile products. The restraint arrangements with Malaysia, Romania, Thailand, Philippines and Macau have specific provisions exempting these products from the restraint arrangements provided that shipments are accompanied on importation by a certificate validated by the competent authority of the exporting country.

Consultation Levels:

The restraint arrangements with the People's Republic of China, Malaysia, Thailand, Philippines, Poland and Bulgaria contain consultation levels in addition to restraint levels. The Governments of these countries will enter into consultations with the Canadian Government, with a view to reaching agreement on an appropriate level of restraint for any textiles or clothing products subject to consultation levels, whenever, in the view of the Canadian Government, conditions in the Canadian market are such that a limitation on further trade in any such products may be necessary to eliminate real risk of market disruption. The Canadian Government will not seek consultations until imports into Canada reach at least the respective consultation levels during any one specific restraint period. Until such time as consultations have resulted in a mutually satisfactory conclusion, the Governments of the exporting countries (except for the People's Republic of China) will limit their exports of the products in question, as specified below:

Malaysia & Thailand - 115% of either the consultation level or the level of actual shipments during the current restraint period, whichever is greater;