

requested, limit exports from the date of Canada's request for consultations to 106% of the consultation level. In the case of the People's Republic of China, the Canadian Government will not seek restraint consultations on products subject to a consultation level until imports into Canada reach at least the level specified, and will not seek restraints at a level less than the level specified.

Group Restraint Levels:

The restraint arrangements with Macau, Maldives, India, and Vietnam contain group restraint levels on clothing in addition to specific restraint levels.

Under the terms of the arrangement with Macau, the Government of Canada may request consultations when exports in any one calendar year of the products covered in a group restraint level but not subject to specific restraint levels have reached at least 15% of the group level. Until such time as a mutually satisfactory conclusion has been reached, the Government of Macau will limit shipments from the date on which Canada requests consultations, in order to ensure that exports of the products in question to Canada do not exceed during that calendar year a level of 106% of the exports during the current year or 15.9% of the group level, whichever is higher.

Canada's arrangement with the Maldives provides that, for items not subject to specific restraint levels, the Government of Canada may request consultations when exports in any 12-month period of the products concerned have reached at least 15% of the group level.

Export Authorization System:

The restraint arrangement with Hong Kong contains a system of export authorizations (EA) in addition to specific restraint levels. The EA system provides a formula whereby specific restraint levels could be introduced should both market conditions in Canada, and the level of Hong Kong shipments, warrant a specific restraint. Hong Kong issues export authorizations on evidence of a firm contract for the supply of goods involved. Upon a request for consultations, the Government of Hong Kong will cease or limit further issuance of EA's for a period of seven working days in Canada, which may be extended pending successful conclusion of consultations. Unless otherwise agreed the Government of Hong Kong will have the right following expiry of the seven-day period and until the completion of negotiations, to resume the issuance of EA's to a level not less than the highest of: