
IMPORT CONTROLS

The Export and Import Permits Act authorizes the Secretary of State for External Affairs to issue import permits to residents of Canada who apply to import goods that are on the Import Control List.

The following commodities are on the Import Control List and are therefore subject to permit requirements and, in some cases, to a quantity restriction: turkey, chicken, broiler hatching eggs and chicks for chicken production, eggs, milk, butter, cheese, ice cream, yoghurt, barley, carbon and specialty steel products, and endangered species. Import sanctions applied to goods of South African origin are also administered under the Export and Import Permits Act.

Since the Act is the primary legislative mechanism to support agricultural supply management programs through border protection [permitted under GATT Article XI 2 (c) (i)], there is frequent interaction with national agricultural marketing agencies, the private sector, other government departments and foreign governments in its administration.

The function of import regulation can often be controversial as there can be significant financial benefits attached to the right to import domestically controlled products.

TEXTILES AND CLOTHING

The principal objective of Canada's clothing import policy is to ensure that import growth does not jeopardize domestic industry. To this end, Canada participates in the Multi-Fibre Arrangement (MFA). Through bilateral agreements, the MFA allows importers such as Canada to limit textile and clothing imports from low-cost sources.

At the beginning of 1990/91, Canada had 28 existing bilateral arrangements, plus two unilateral import restraints. In 1990, Canada concluded a new bilateral agreement with Colombia and negotiated a new restraint with Malaysia. Agreements with Turkey and Mauritius were extended for a further 12 months to the end of 1991 to coincide with the expiry of Canada's bilateral agreements. The agreement with the Maldives, which expired on December 31, 1990, was allowed to lapse; and an agreement with the former German Democratic Republic was discontinued. Finally, Canada unilaterally imposed additional restraints on a number of products from the United Arab Emirates. By the end of 1990, Canada had 27 bilateral restraint agreements and two unilateral restraints.

The Canada-U.S. Free Trade Agreement incorporates a number of specific rules pertaining to trade in apparel and textile products that require monitoring and control. The Agreement contains Tariff Rate Quotas (TRQs) which extend FTA tariff rates to textile and clothing products that would not normally qualify under the free trade rules of origin. In 1990, the TRQs were applied to non-woollen apparel, woollen apparel, non-woollen fabrics and made-up articles.

Whereas the annual rate of low-cost clothing imports increased by 11 percent per year from 1981 to 1986, the average annual growth rate since 1987 has slowed to only 3.3 percent.