

Textiles and clothing

In July 1986 a new Canadian textile and clothing import policy was announced, which established the government's intention to negotiate a new framework for the management of clothing and textile imports for the post-1986 period. The policy called for Canada to pursue the international negotiations for the Arrangement Regarding International Trade in Textiles (MFA) and for the renegotiation and extension of the bilateral restraint arrangements which were in place.

Canada was a participant in the discussions on the future of the MFA, which was to expire on July 31, 1986. The MFA is a multilaterally-negotiated arrangement, under the GATT, which provides an international legal framework for the negotiation of bilateral textile and clothing restraint arrangements. The discussions, which commenced in July 1985, concluded on July 31, 1986, with a Protocol extending the MFA for a further five years. A major feature of the Protocol was a provision allowing, in certain circumstances, for the negotiation of restraints on trade in products of vegetable and silk fibre blends. Canada acceded to the Protocol in November 1986.

In the 1982-1985 period, imports of garments into Canada had increased an average of 11 per cent annually compared to a growth of only 2.3 per cent per year in the market. Moreover, in 1983 and 1984, imports increased by 26 and 16 per cent respectively and although the rate of growth was only 4 per cent in 1985, it accelerated once again to a level of 10 per cent in 1986. Hong Kong, Taiwan and Korea account for more than 50 per cent of garment imports. The textile and clothing import policy announced in July 1986 set several major objectives in respect of control of imports to address these and other related issues, including a more moderate rate of growth of imports, prevention of surges, controls on imports of garments made of vegetable fibres, and differentiation between the dominant newly-industrialized suppliers and the smaller newer entrants to the Canadian textile and clothing market. The policy also provided for increased inspection of imports to ensure compliance with regulations, and a duty remission program for manufacturers of tailored-collar shirts. In establishing the policy, the Government rejected the use of global import controls under Article XIX of the GATT in favour of using the rights and obligations afforded under the bilateral negotiation framework of the renewed MFA.

In 1986, Canada initiated the process of renegotiating and extending 22 bilateral textile arrangements which were due to expire at the end of 1986. In addition, during 1986, a new five-year arrangement was concluded with Vietnam, and quotas were put into effect on imports of clothing from North Korea. By March 1987 all but one of the renegotiations had been completed, bringing the total number of bilateral arrangements to 24. The renegotiated arrangements incorporate the elements of the policy, such as expanded fibre coverage, anti-surge provisions, and clauses for control of unrestrained items, and provide a basis for a more moderate rate of growth of imports.

International trade development

Agriculture, fish and food

The Agriculture, Fish and Food Products Bureau co-ordinates and provides leadership for the federal government's international trade activities for all primary agriculture, fish and food products, except grains and oilseeds (see below). In export market development, the Bureau was involved in over 75 promotional projects, ranging from promotion of Canadian breeding stock in China to processed foods in Europe and Japan. It co-sponsored, with Agriculture Canada and CIDA, "The China Challenge", a meeting attended by 150 representatives from Canadian agriculture and food-related organizations to exchange views on priorities and a strategy for future marketing activities in China. It co-ordinated preparation of an export marketing strategy for the agri-food sector for China, under the auspices of the Inter-departmental Committee for International Agri-Food Trade Development.

The report entitled "The Agri-Food Market in China: How Can We Improve Canada's Export Performance" incorporates the views of External Affairs, Agriculture Canada, the Department of Regional Industrial Expansion and CIDA. Consultations with provinces and the private sector are planned, to elicit their reactions to the draft strategy report. The preparation of marketing strategies for Mexico and South Korea was initiated, for completion in 1987-88.

The Bureau organized a conference for Canadian exporters in conjunction with Food Pacific '86 in Vancouver. Over 700 interviews with Canadian agri-food firms were conducted by agri-food trade officers from 31 posts. Approximately 130 firms participated, mainly small and medium-sized companies from all regions of Canada. Significant export activity resulted from the conference, with agency relationships established and export sales into new market areas. The Bureau also participated at Food Pacific '86 with an exhibit and information booth. The latter included a computerized data base of some 2 500 Canadian exporting firms which served as a sourcing service for foreign buyers visiting the show who wished to establish contact with firms not represented there.

The Bureau implemented the "Buyer Connection Program" to give greater exposure to Canadian agri-food and fish products by informing potential United States buyers of what Canadian exporters have available and on what terms.

The Bureau again organized a meeting of provincial government representatives and DRIE regional officers who are engaged in export market development for the agri-food and fish sector. This annual exercise is designed to improve co-ordination and communications among provincial and federal government departments concerned with agri-food export development. Agriculture Canada and Fisheries and Oceans Canada, as well as DRIE, participated.

The Bureau is responsible for managing Canada's agri-food reporting and market intelligence program, for which 149 scheduled reports are required from Canadian posts abroad. In addition approximately 130 unscheduled *ad hoc* reports are received annually, covering various market