



communiqué

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CANADA TO JOIN INTERNATIONAL JUTE AGREEMENT

The Honourable Allan J. MacEachen, Deputy Prime Minister and Secretary of State for External Affairs, and the Honourable Gerald Regan, Minister of State (International Trade), announced today the Cabinet decision that Canada will join the International Agreement on Jute and Jute Products, 1982, which is to enter into force July 1, 1983.

The main element in the Agreement is the establishment of an International Jute Organization (IJO) which will sponsor projects in the fields of research and development, market promotion and cost reduction, designed to improve the competitiveness of raw and processed jute. The IJO will also aim to improve transparency in the jute market by better data collection and information exchanges between exporters and importers. Project financing will be sought on a grant basis from various national and international sources. Raw jute, a vegetable fibre, is used principally for the manufacture of cordage, woven carpet backing and burlap for bags and sacks.

The IJO will be headquartered in Dhaka, Bangladesh. That country, and India, Thailand and Nepal, are the main exporters of raw and processed jute.

The Agreement benefits Canadian importers of jute by providing better assurances of supply through improved market transparency. While relatively small in world terms, currently Canadian imports of jute fibre and products amount to about \$23,000,000 annually.

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The Jute Agreement benefits jute exporting countries by providing assistance to their export and industrial development objectives.

The Agreement is the first of a new type of cooperative producer/consumer arrangement concentrating on technical and market development measures, as well as improved market transparency. It was negotiated under the Integrated Programme for Commodities of the United Nations Conference on Trade and Development. Other types of international commodity arrangements focus on direct price stabilization mechanisms or market transparency measures alone.