Textiles Surveillance Body

DRAFT REPORT OF THE FIFTH MEETING (1986)\(^1\)

1. The Textiles Surveillance Body held its fifth meeting of 1986 on 19-20 June.

2. Mr. Sun had appointed Miss Yvonne Y.P. Choi (Hong Kong) as his alternate for the meeting.

3. Present at this meeting were the following members and/or alternates: Messrs. Kawaguchi, Keck, Kuneralp/Randhawa\(^2\), Rosselli\(^2\), Salim, Shepherd, Sun/Miss Choi, Wright\(^2\)/Satuli\(^2\).

4. The report of the fourth meeting of 1986 has been circulated in COM.TEX/SB/1164.

Reports on Measures Reviewed under Article 3:5

United States/Turkey

5. The United States and Turkey reported that they had reached agreement with respect to all outstanding categories which had been subject to measures under Article 3:5.\(^3\) The agreement shall be notified as soon as the bilateral formalities have been completed.

United States/China

6. In accordance with its recommendation made at the meeting held on 17, 18 and 21 April,\(^4\) the TSB received reports from China and the United States on their bilateral consultations concerning Category 670L (man-made fibre luggage).

\(^1\) Two hundredth meeting overall
\(^2\) Part attendance
\(^3\) See COM.TEX/SB/1113, 1129 and 1150
\(^4\) COM.TEX/SB/1151
*English only/Anglais seulement/Inglés solamente
7. The TSB noted that no agreed solution had been found and that China had requested that this matter be considered by the TSB.

8. The TSB decided to invite both parties to its next meeting, when it would consider this matter.

Norway/Pakistan

9. The TSB received reports from Norway and Pakistan on the results of their consultations. The TSB also heard presentations relating to the developments on this matter since the TSB had first examined the measure.

10. The TSB was still not fully satisfied that imports of bed linen from Pakistan up to December 1985 had caused disruption to Norway's market. The TSB also noted that in their consultations the parties had not exhausted the possibilities of reaching a mutually agreed solution.

11. The TSB therefore recommended that the two parties resume consultations at the earliest practicable date with a view to reaching a mutually agreed solution, taking full account of developments since 1 January 1986 reported to the TSB in the present meeting, including Norwegian imports from Pakistan.

12. The TSB asked the parties to report back to it as soon as possible on the results of these consultations.

Notifications under Article 4

Canada/Indonesia

13. The TSB received a notification from Canada of certain modifications to its bilateral agreement with Indonesia.

14. Firstly, agreed restraints were introduced on Items 1 (winter outerwear), 2C (shorts), 5 (sweaters, pullovers, cardigans), 6 sleepwear, bathrobes), 9 (underwear) and 12 (coats, jackets, rainwear) for the period 1 January-31 December 1986, and on Items 4 (shirts, blouses, T-shirts, sweatshirts) and 7 and 8 (dresses, skirts, suits, coordinates, outerwear sets) for the period 1 October 1985-31 December 1986.

1COM.TEX/SB/1151
15. The restraint levels were in all cases higher and in three cases much higher than the relevant formula level as contained in the consultation provisions of the agreement.

16. Secondly, the parties agreed to a change in the provisions of the agreement relating to consultations on products not subject to specific restraints.

17. Finally, the parties also agreed to a modification to replace paragraph 26 by a new paragraph. The TSB received the following clarification from both parties on the revised paragraph:

"Indonesia may export to Canada an additional 5 per cent of each unadjusted restraint level in Categories 2A, 4, 7 and 8 provided that such additional amounts refer to products which, while made of traditional folklore fabrics, such as Batik, Ikat and Kerawang, are not traditional folklore handicraft products in the sense of Article 12:3. With the deletion of previous paragraph 26, there no longer exists an agreed export certification process between Canada and Indonesia in the sense of Article 12:3. The export certificates referred to in the new paragraph 26 relate to the administration of the additional amounts."

18. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1165)

United States/Malaysia

19. The TSB received a notification from the United States of an amendment to its bilateral agreement with Malaysia, valid until 31 December 1989.

20. Restraints were agreed on five Categories and two combined Categories, namely: 647/648 (man-made fibre trousers), as of 1 June 1985; 369-S (shop towels), 634 (man-made fibre other coats, for men and boys), 635 (man-made fibre coats, for women, girls and infants) and 645/646 (man-made fibre sweaters), as of 1 September 1985; 641 (woven man-made fibre blouses), as of 1 November 1985; 636 (man-made fibre dresses), as of 1 January 1986.
21. In reviewing these new restraints, the TSB noted that in all cases the initial restraint levels were higher, and in four cases much higher, than either the formula level of the bilateral agreement or the rollback level. Annual growth was agreed at 6 per cent. Swing at 5 per cent and carryover/carry forward at 11/6 per cent were in accordance with the provisions of the bilateral agreement.

22. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1166)

United States/China

23. The TSB received a notification from the United States of a further amendment to its agreement with China. The two parties agreed to specific limits on Categories 434 (other wool coats, for men and boys), 605-T (sewing thread), 651 (man-made fibre pyjamas and other nightwear), and 652 (man-made fibre underwear); a sub-limit was also agreed on part of Category 651 (blanket sleepers).

24. During its review, the TSB noted that in all cases the initial restraint levels were substantially higher than the rollback levels. Growth was set at 1 per cent for Category 434, 4 per cent for Categories 605-T and 652, and 4.5 per cent for Category 651. Swing was available at 5 per cent, special swing of 5 per cent being available from Category 352 into Category 652. Carryover/carry forward were available at 10/5 per cent after consultations.

25. The notification also referred to the understanding between the parties that:

- the United States had rescinded its requests for consultations made pursuant to paragraph 8(d) of the bilateral agreement with respect to Categories 369-S (shop towels), 638 and 644;

- flannel fabrics were excluded from the limit previously set for Category 320.

26. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1167)
United States/Hong Kong

27. The TSB received a notification from the United States of a further amendment of its bilateral agreement with Hong Kong consequent to a reclassification in the United States category system. This agreed amendment provided for the reclassification of pullover jackets from Category 359 to Categories 334 and 335, and from Category 659 to Categories 634 and 635. The specific limits for the Categories 334, 335, 634 and 635 were adjusted accordingly. Categories 359 and 659 are not under restraint.

28. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1168)

United States/Egypt

29. The TSB reviewed a notification from the United States of a one-year extension of its bilateral agreement with Egypt from 1 January-31 December 1986.

30. The Categories under restraint were unchanged, 1986 levels being higher than those for 1985 by 6.25 or 6.5 per cent. Flexibility provisions of the agreement were maintained with swing at 6 per cent (but no swing between Categories 300/301, 300 and 301), and carryover at 11 per cent.

31. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1169)

United States/Colombia

32. The TSB received a notification from the United States of a modification of its bilateral agreement with Colombia. Consultation levels with respect to Categories 317, 459, 651 and 659 were increased for the agreement year 1 July 1985-30 June 1986.

33. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1170)
TEX.SB/W/422
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United States/Pakistan

34. The TSB received a notification from the United States of further amendments to its agreement with Pakistan.

35. In the first amendment, the parties agreed in 1983 that the designated consultation level previously existing on Category 369 (other cotton manufactures, excluding bar mops), be superseded by a designated consultation level, set at a higher level, applied only to part of Category 369 (i.e. excluding towels and bar mops) and by a specific limit on Category 369pt (towels), with growth set at 7 per cent.

36. In the second amendment, a specific limit was agreed on Category 631 (man-made fibre work gloves) for 1985, superseding a unilateral action taken by the United States under Article 3:6; the agreed level was substantially higher than the rollback level and growth was set at 6 per cent. The parties also agreed to increase the designated consultation level for Category 369pt (other).

37. The TSB noted the late notification of the first amendment, and, after its review, agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1171)

United States/Philippines

38. The TSB received a notification from the United States of four modifications of its bilateral agreement with the Philippines. The TSB noted that the first modification had been agreed in April 1985, and recalled its earlier observations on the need for timely notification.  

39. Under the first modification, the parties agreed to (a) additional special swing of 10 per cent between the traditional Categories 341 and 641 and between the traditional Categories 348 and 648; (b) 15 per cent additional swing for 1985 between the traditional and non-traditional Category 335; (c) possibility in 1985 to swing the total limit on

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1 See COM.TEX/SB/1044
2 See COM.TEX/SB/801
3 Infant garments
4 Adultwear
non-traditional Category 635 into traditional Category 635; (d) increase in the 1985 specific limit on non-traditional Category 643/6 and adjustments to the 1985 and 1986 specific limits on Categories 431 and 604.

40. The second and third modifications concerned two increases in the 1985 designated consultation level (DCL) on Category 669 (other man-made fibre manufactures).

41. The fourth modification concerned (a) an increase in the 1986 designated consultation level on Category 669 and the introduction of a sub-DCL on Category 605pt - sewing thread and (b) quota-free treatment in 1986 on all certified traditional and non-traditional hand crocheted apparel.

42. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1172)

United States/Haiti

43. The TSB reviewed a notification from the United States of a bilateral agreement concluded with Haiti for the period 1 January 1984-31 December 1986. This agreement superseded the last two months of the previous agreement, which ran until 29 February 1984. With regard to the delay in notification, the TSB recalled the need to comply with the provisions of the Arrangement regarding prompt notification.

44. The Categories under restraint were unchanged; increases in base levels over previous restraint levels were 20.3 per cent in one case and 7 per cent in all other cases.

45. Also unchanged were annual growth rates, at 7 per cent, swing at 7 per cent, and carryover/carry forward at 11/6 per cent.

46. The TSB also reviewed a notification concerning an amendment agreed between the parties in 1984, valid for the life of the agreement, on Category 350 (cotton dressing gowns). The restraint level was 71.4 per cent higher than the rollback level with no annual growth, as the parties agreed that the restraint levels included growth. Flexibility was available at the same rates as in paragraph 45 above.
47. After its review, the TSB agreed to transmit both notifications to the Textiles Committee. (COM.TEX/SB/1173 and COM.TEX/SB/1174)

Notifications under Article 11

Poland

48. The TSB received a notification from Poland that it no longer maintained the import quotas under bilateral agreements referred to in COM.TEX/SB/1116/Add.1.

49. The TSB took note of the information, and agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1175)

Communication under Article 3:6

50. The TSB received a communication made by the United States pursuant to the first part of Article 3:6, informing the Body of a request to Pakistan for cooperation on an emergency basis with respect to imports of lightweight plainweave polyester/cotton fabric (Category 613-C) from Pakistan.