DRAFT REPORT OF THE TENTH MEETING (1976)

1. The TSB held its tenth meeting of 1976 on 20 - 23 July. The report of the ninth meeting was approved and has been circulated as COM.TEX/SB/182.

2. The TSB was informed that a problem arising between the USA and El Salvador had been settled in bilateral consultations between these countries and that El Salvador's reference of the matter to the TSB had accordingly been withdrawn.

3. The TSB reviewed an Article 4 agreement between Finland and Hong Kong and agreed to circulate it to participating countries for information. This has been done in document COM.TEX/SB/184.

4. A bilateral agreement between Sweden and Malta, notified by Sweden in accordance with the TSB's request that measures taken vis-à-vis non-participants should be notified for information, was reviewed and has been circulated as COM.TEX/SB/186.

5. The TSB reviewed an Article 4 agreement between Norway and Portugal on behalf of Macao and agreed to circulate it to participating countries for information. This has been done in document COM.TEX/SB/185. Noting that in this agreement quotas had been denominated in value terms, the TSB observed that due to price and currency fluctuations the denomination of quotas in value terms is unsatisfactory and again drew to the attention of participating countries the provisions in Article 5 of the Arrangement that normal commercial practice in such matters should be respected.

6. In accordance with the procedures established for the accession of countries which are not contracting parties to GATT, the TSB reviewed a memorandum submitted by Thailand under Article 2:1 in justification for the restrictions it maintains on imports of textiles. Thailand's notification under Article 2:1 was circulated as COM.TEX/SB/165. The TSB concluded that Thailand was not at this stage required to remove its restrictions and requested a report on the evolution of Thailand's textile industry, and its relationship to the restrictions in force, by 31 December 1977. The Thai memorandum has been circulated as COM.TEX/SB/187.

1 Forty-first meeting

2 See annex to COM.TEX/SB/27
7. The TSB heard statements by the representatives of Pakistan and the European Economic Community regarding the outcome of their joint review, undertaken pursuant to its conclusion of 2 February 1976, of the phasing-out programme notified by the EEC in respect of Pakistan.

8. Recalling its conclusion of 2 February 1976 on the complaint of Pakistan, the TSB was of the opinion that the phasing-out programme notified by the European Economic Community was not in conformity with the provisions of the Arrangement and, in particular, with Article 2:3 thereof.

9. The TSB accordingly recommended that the EEC review promptly the restrictions embodied in the phasing-out programme with a view to their elimination. It requested the EEC to report on the outcome of this review as soon as possible, and in any case not later than 31 December 1976.

10. The TSB urged the EEC and Pakistan to consult mutually, in accordance with the provisions of the Arrangement, after the elimination of the restrictions embodied in the phasing-out programme, with a view to finding appropriate solutions to any textile trade problems that exist or may arise.

11. The TSB, as required by Article 2:5 of the Arrangement, reviewed reports received from the European Economic Community notifying programmes by which the Community intended to phase out restrictions not covered in its bilateral agreements signed with India and Hong Kong. The TSB was of the opinion that the actions taken by the Community were not in conformity with the provisions of the Arrangement and, in particular, with Article 2:2(i) and 2:3 thereof.

12. Accordingly, the TSB recommended that the EEC review the relevant actions which it has taken with a view toward elimination of such restrictions and requested a report on the outcome of this review as soon as possible, and not later than 31 December 1976.

13. The TSB further urged the EEC and the exporting countries concerned to consult promptly under the provisions of the Arrangement with a view toward finding pragmatic solutions to any textile trade problems that exist or may arise.

14. Work continued on the preparation of the TSB's report to the Textiles Committee in connection with the major review.

15. At the request of the EEC and Mexico the TSB deferred its consideration of a notification by the EEC of a unilateral measure under Article 3:5 affecting imports from Mexico.