NEGOTIATING GROUP ON TEXTILES AND CLOTHING

Meeting on 29 April 1987

Note by the Secretariat

1. The agenda, set out in GATT/AR/2404, dated 14 April 1987, was adopted.

2. The Chairman referred the Group to document MTN.GNG/NG4/1 containing the main points raised at its first meeting in February, and to document MTN.GNG/NG4/W/1, setting out the approaches proposed by the Secretariat to the carrying out of the preparatory work requested. He invited comments on the preparatory work currently being undertaken by the Secretariat as well as any proposals for further work.

3. As regards paragraph 2(a) of MTN.GNG/NG4/W/1, there was general agreement that, in updating the main statistical tables in the 1984 Textiles Study, it would not be necessary to isolate the data relating to the extended product coverage of MFA IV. The point was made however, that it was important in the presentation of the statistics on MFA III and MFA IV to take account of the fact that there was a difference in the product coverage. It was also stated that the main objective in updating the Study should be to confirm whether certain premises held in the past continued to be valid and whether the broad trend described in that Study was sufficiently borne out by subsequent developments. With reference to paragraph 2(b) relating to a description of MFA IV, a suggestion was made that a short, narrative summary of the restrictions under MFA IV be prepared, possibly for the next meeting. With respect to paragraph 2(c), concerning material prepared for the Working Party on Textiles and Clothing, a proposal was put forward that this information be included as a section in the updated Study, rather than being prepared as a separate document.

4. Commenting on paragraph 4 of MTN.GNG/NG4/W/1, a number of delegations maintained that a study of the state of the industries in countries applying MFA restrictions should be undertaken separately from the other preparatory work and proceeded with on an urgent basis. Some others, however, stressed that such a study should not be limited only to countries applying MFA restrictions but should cover all participants.
5. Delegations also put forward some proposals for additional work to be undertaken. It was suggested that some of the information referred to in document MDF/W/12, prepared for the Working Party on Textiles and Clothing would be centralized. It was also suggested that the impact of the implementation of the Harmonized System on textile products should be examined. The proposal was also made that developments relevant to the work on textiles and clothing, in other negotiating groups, e.g. tariffs, including tariff peaks and escalation, non-tariff measures, subsidies, anti-dumping, etc. should be made available to this Group.

6. Mr. Mathur, the Deputy-Director General, pointed out that, in preparing document MTN.GNG/NG4/W/1, the Secretariat took account of the availability of the information being sought, as well as a reasonable time frame for the preparation of such information. He also explained certain limitations as to both the type of additional work to be undertaken by the Secretariat and the anticipated results or conclusions to be drawn therefrom. He suggested that further consultations with delegations should be held in order to determine whether the Secretariat could present some supplementary proposals, with the matter being discussed again at the next meeting.

7. It was pointed out that concurrent with the preparatory work being undertaken by the Secretariat, the Group should start its task of defining modalities under which the textile and clothing sectors could be integrated into the General Agreement. In this regard, it was suggested that the Group should proceed with identification of the necessary steps that would bring this integration about; a practical examination of the methods to be used in this respect; the timeframe, both for the individual steps and the overall work; and the possibility of developing any such transitional measures as maybe deemed necessary to ensure an efficient integration.

8. Concerning the task conferred upon the Group, some delegations recalled that the negotiating objective for textiles and clothing specifically referred to the formulation of modalities for the integration of these sectors into GATT, thus clearly pointing to the MFA. Moreover, areas such as tariffs and certain non-tariff measures, were already part of the General Agreement, and as such were not matters that could appropriately be dealt with in this Group but in the respective negotiating groups. Another view expressed was that the scope of the work should not be limited only to the MFA, but also cover other types of restrictions affecting trade in textiles and clothing, having regard to their conformity or otherwise with GATT. The Group should deal with all measures of protection that were inconsistent with the GATT. Another view was that, in considering the future régime for textiles and clothing, the Group should take account of the interplay between tariff and non-tariff measures.
Observer status for international organizations

9. The Chairman recalled the understanding reached in the Group of Negotiations on Goods that the Negotiating Groups would consider the question of inviting to their meetings, as appropriate, international organizations which could assist them in the pursuit of their tasks. Recommendations made by the Negotiating Groups to this effect would be submitted to the GNG. It was therefore for this Negotiating Group to decide what recommendations it wished to submit to the GNG. It would, of course, always be open to the Group to hold closed meetings when it considered it necessary to do so. If no recommendations were made, no international organizations would be invited to the meetings. He then referred the Group to the specific request before it that the International Textiles and Clothing Bureau be accorded observer status (MTN.GNG/W/10). Some delegations supported this request; however, others were not in a position to take a decision at this meeting and needed more time for reflection. It was, therefore, decided to revert to this matter at the next meeting.

10. The Group decided to hold its next meeting during the week commencing 29 June.