

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1172\*

25 October 1985

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Report on Measures reviewed under Article 11:4

China/United States

Note by the Chairman

In response to the request by the TSB made at the first July meeting (COM.TEX/SB/1089), the attached notification has been received from China on its consultations with the United States, regarding cases reviewed by the TSB under Article 11:4.

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<sup>1</sup> COM.TEX/SB/1006

\*English only/Anglais seulement/Inglés solamente

TS/140-4

MISSION PERMANENTE DE LA RÉPUBLIQUE POPULAIRE DE CHINE  
A GENÈVE  
11 CHEMIN DE SURVILLE - 1213 PETIT-LANCY, GENÈVE  
TÉL. (022) 92 25 48

G/85/35

ANSWERED	DOC. ISSUED	FOLIO
	EX-6/1172	
18 OCT 1985		
For	Nation	Comments
Cabinet of DG		
Info. Service		
OFFICE LEGAL AFF.		
Sec. / Council Aff. Div.		
CHAIRMAN TSB		

Geneva,

For	
OPER. DEPT. A	
Non-Mat. M. Div.	
Development Div.	
Tech. Coop. Div.	
Trade Pol. Div.	
Spec. Proj. Div.	
OPER. DEPT. B	
Spec. P. Anal. Unit	
Trade Pol. Div.	
Tariff Div.	
Tech. Bar. T. Div.	
Ext. Rel. Div.	
DEPT. GEN. AFF./ADM	
Adm. / Fin. Div.	
Trans. / Doc. Div.	
Training Div.	
Personnel Off.	
Director's Off.	

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Dear Mr. Chairman,

On November 21, 1984, the Textile Surveillance Body issued its reports and recommendations regarding its review of actions taken by the United States on eight categories (313, 317, 410, 436, 442, 444, 637, 649) under paragraph 8 of China-U.S. bilateral textile trade agreement. In that report, the TSB decided that China and the United States should report back to it not later than February 15, 1985, on the results of consultations on categories 313, 317, 410 and 444.

Soon after bilateral consultations between January 7-13, 1985 in Washington, China submitted its initial response to that request in its letter to you of February 14, 1985 in which China reported that those consultations ended without agreement being reached with respect to any of the categories subject to the TSB's recommendations, and believed that the United States had not fully implemented the recommendations of the TSB. What should be added now is that after China's initial response to you, the United States had acted in conformity with the

The Honorable Marcelo Raffaelli  
Chairman of the Textile Surveillance Body  
GATT  
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TSB's recommendations in the case of categories 442 and 637, dropping restrictions on these two categories.

Representatives of China and the United States held further consultations including discussions on outstanding categories subject to the TSB's review during the periods of March 25-29, 1985 in Beijing and May 20-24, 1985 in Washington. As a result of these consultations, China and the United States agreed to establish limits for category 313 of 49,150,000 square yards for 1984, with annual growth of 2.8 percent. For category 317 of 15,000,000 square yards for 1984, with annual growth of 4 percent, and within this limit, a sublimit for sateen of 3,000,000 square yards for 1984, with annual growth of 4 percent. For category 444 of 15,000 dozen for 1984 with annual growth of 1 percent. For category 649 of 580,000 dozen for 1984 with annual growth of 6 percent. All these four limits will remain valid throughout the life of the second China-U.S. bilateral textile trade agreement. However, no agreement was reached on the question of the application of carryover/carryforward. No agreement was reached during these consultations on categories 410 and 436. The United States did not change position with respect to either of these categories. The United States offer in category 410 remains below the minimum recommended by the TSB. In category 436, the United States offer is without regard to China's current trade level.

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The Chinese side has proposed to the United States that consultations be held with respect to outstanding categories subject to the TSB's review and other called categories possibly at the beginning of November 1985. However, should agreement not be reached during further consultations on these categories, China reserves its rights under the MFA.

Accept, sir, the renewed assurances of my highest consideration.

Yours Sincerely

A handwritten signature in black ink, appearing to be '刘显铭' (Liu Xianming), followed by a horizontal flourish.

Liu Xianming

Counsellor

Permanent Mission  
of China in Geneva

**MISSION PERMANENTE DE LA REPUBLIQUE POPULAIRE DE CHINE  
AUPRES DE L'OFFICE DES NATIONS UNIES A GENEVE  
ET DES AUTRES ORGANISATIONS INTERNATIONALES EN SUISSE**

G/85/40

Geneva, 18 November, 1985

Dear Mr. Chairman,

I have the honour to refer to my letter to you of 11 October 1985 with regard to the results of bilateral consultations between China and the United States on categories subject to the TSB's review, in which it was stated that no agreement had been reached on categories 410 and 436.

Now I wish to inform you that, as a result of further bilateral consultations conducted in Beijing on 2-4 November 1985, the two sides have agreed to establish limits for category 410 of 2,120,000 square yards for 1985, with annual growth rate of 1 percent, and for category 436 of 12,900 dozen for 1985, with annual growth of 1 percent and carryforward of 5 percent.

Accept, sir, the renewed assurances of my highest consideration.

Yours Sincerely

  
Liu Xianming  
Counsellor

Mr. Marcelo Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT  
Centre William Rappard  
Geneva

Permanent Mission  
of China in Geneva