

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/173

4 May 1979

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## Textiles Surveillance Body

### DRAFT REPORT OF THE SEVENTH MEETING (1979)<sup>1</sup>

1. The Textiles Surveillance Body held its seventh meeting in 1979 from 24 to 27 April. The following members or alternates were present during the session: Messrs. de Gouvion St. Cyr, Hamza<sup>2</sup>, Kujirai, Martin/Patek, Phelan, Seng<sup>2</sup>, Suarez and Tsao/Chan<sup>3</sup>.
2. The combined report of the fifth and sixth meetings was approved and has been circulated to the Textiles Committee in document COM.TEX/SB/429.
3. The TSB had received a notification from Sweden regarding a new Article 4 bilateral agreement concluded with Yugoslavia. The TSB noted the absence of swing in this agreement and recalled its previous observations concerning cases where the exporting country waives its right to swing as a reflection of a mutual recognition of the minimum viable production principle. (COM.TEX/SB/365, paragraph 74). After its review the TSB agreed to transmit the text of this agreement to the Textiles Committee see COM.TEX/SB/424.
4. The TSB had received a communication from the EEC concerning safeguard measures previously taken with regard to certain textile imports originating in Turkey. The TSB also noted that there were presently no restraints on Turkish textile products entering into the EEC. In the circumstances the TSB agreed to circulate the communication to the Textiles Committee under Article 7 for the information of the participating countries. (See COM.TEX/SB/425).

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<sup>1</sup> Eighty-fifth meeting overall of the TSB.

<sup>2</sup> Attendance in part.

<sup>3</sup> Substitute for Mr. Tsao in the absence of the alternate.

5. The TSB considered a notification made by the European Economic Community under Article 4:4 of the Arrangement, of an initialled agreement between the EEC and Yugoslavia. The TSB noted that its general observations and recommendations, as set out in COM.TEX/SB/380 and 388, will apply to this agreement. After its review the TSB agreed to circulate the text of the notification to the Textiles Committee, see COM.TEX/SB/426. An amendment to the EEC's Article 4 agreement with India was also reviewed by the TSB and circulated to the Textiles Committee in document COM.TEX/SB/427.

6. The TSB also received a notification from Sri Lanka concerning an agreement concluded with Norway for the period 1 January 1978 to 31 December 1982. This notification was made bearing in mind the request by the Textiles Committee that agreements concluded with, or actions taken against, non-participants should be notified. The TSB agreed to transmit the notification to the Textiles Committee under Articles 7 and 8 for the information of the participating countries, see COM.TEX/SB/428.

7. The TSB received a periodic report<sup>1</sup> from Thailand concerning the situation of its textile industry and its relation to the restrictions applied to trade in textiles. This report was sent to the TSB in accordance with the procedures evolved for the review of restrictions notified under Article 2:1 by countries which are not contracting parties to the GATT. The TSB noted that the previous restrictions on imports of polyester fibres and yarns and on nylon filament and nylon stretched yarn had been removed as of 21 February 1979. The TSB agreed to circulate the report to the participating countries for their information, see COM.TEX/SB/430.

8. The TSB had received a notification from the United States regarding a unilateral measure taken by it under Article 3.5(i) of the MFA with respect to imports from the Dominican Republic of brassieres. This measure, which followed a request addressed by the United States to the Dominican Republic on 30 November 1978, became effective as of 12 March 1979, prior to the acceptance by the Dominican Republic of the MFA as extended by the Protocol.

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<sup>1</sup>See COM.TEX/SB/350, paragraph 4.

9. Following its acceptance on 14 March 1979, the Dominican Republic requested the TSB to review the measures taken by the United States in accordance with the relevant provisions of Article 3 and with Article 11, paragraph 5.

10. The TSB heard presentations by delegations from the United States and the Dominican Republic concerning their respective case. The TSB noted that the two parties had previously negotiated under Articles 3 and 4, and that they had agreed to resume negotiations on 2 May 1979. The TSB, therefore, recommended that these negotiations be continued having regard to all the relevant provisions of the MFA, and requested both parties to report on the results achieved when the TSB would revert to this matter, if necessary.