

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/183

1 August 1979

Textiles Surveillance Body

DRAFT REPORT OF THE TWELFTH MEETING (1979)¹

1. The Textiles Surveillance Body held its twelfth meeting in 1979 from 23 to 25 July. The following members or alternates were present during the session: Beck/de Gouvion St. Cyr, Hamza², Kujirai², Martin/Patek, Phelan, Suarez, Tsao³/Park and Valdepenas.²
2. The combined report of the tenth and eleventh meetings was approved, and it has been circulated to the Textiles Committee in document COM.TEX/SB/457.
3. At the outset of the meeting, the Chairman informed the members that he had received a letter from the Permanent Mission of the Dominican Republic requesting that the hearing scheduled for 23 July, be cancelled. The original examination, in connexion with the unilateral measure taken by the United States under Article 3:5(i) with respect to imports from the Dominican Republic of brassieres, took place during the TSB's seventh meeting from 24 to 27 April 1979.⁴ During its eighth meeting, from 12 to 13 June, the TSB received a report from the Dominican Republic stating that, as the subsequent negotiations had been terminated without success, it would request the TSB to revert to the original matter. The date set for the further hearing was 23 July which, as noted above, was subsequently cancelled at the request of the Dominican Republic.
4. The Chairman also advised the members that he had been informed by the Hong Kong Government that Mr. T.H. Chan would replace Mr. P. Tsao as member of the TSB, from 1 September to 31 December 1979.

¹Ninetieth meeting overall of the TSB.

²Part attendance.

³Mr. Chan also attended as a substitute for Mr. Tsao during the absence of Mr. Park, the alternate.

⁴See COM.TEX/SB/431, paragraphs 8 to 10 for the TSB's observations and recommendations.

5. The TSB considered the notification of an Article 4 agreement concluded between the EEC and Macao. The TSB noted that its general observations and recommendations as set out in COM.TEX/SB/380 (except paragraph 15) and 388 will apply to this agreement. After concluding its examination, the TSB agreed to transmit the agreement to the Textiles Committee, see COM.TEX/SB/458.

6. The TSB had received a notification from Sweden concerning an Article 4 bilateral agreement concluded with Singapore. This agreement replaces retroactively a previous one¹, with the addition of certain other textile items. In reviewing this agreement the TSB noted the absence of swing 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).

7. The TSB also noted that the agreement provided for a considerably lower rate of growth than the growth of not less than 6 per cent prescribed by the MFA. The TSB further noted the absence of other flexibility provisions as provided for in paragraph 3 of Article 4 of the Arrangement with respect to those items for which restraints had been agreed for more than twelve months. The TSB noted that its observation and recommendation as contained in COM.TEX/SB/380, paragraphs 7 and 8, will also apply in this case.

8. As regards the products which were previously under restraint, the TSB noted that while there were declines in the new levels fixed for certain categories, increases in the levels for other categories resulted in a potential increase in access. The TSB agreed to transmit the text of this agreement to the Textiles Committee (see COM.TEX/SB/459).

9. Before adjourning for its summer recess, the TSB once again recalled its observations regarding the delay in notifications of a number of Article 4 bilateral agreements.²

¹See COM.TEX/SB/270.

²See COM.TEX/SB/380, paragraph 3.

10. The TSB finally took note of the departure of certain of its members: Messrs. Hamza (Egypt), Phelan (United States) and Tsao (Hong Kong); as well as Mr. Patek, the Swedish alternate to Mr. Martin. The names of the replacements for the departing members and alternate will be announced officially in due course.