

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/204  
3 March 1980

## Textiles Surveillance Body

### DRAFT REPORT OF THE FOURTH MEETING (1980)<sup>1/</sup>

1. The Textiles Surveillance Body held its fourth meeting of 1980 from 25 to 27 February.
2. The following members or alternates replacing members were present: Messrs. Beck, Chau, Hussain<sup>2/</sup>, Kujirai, Pullinen/Martin, Safioen, Santos-Neves and Shepherd.
3. The TSB considered the unilateral measures taken by Canada under Article 3:5 to restrict imports from India of worsted fabrics for the twelve-month period beginning 1 October 1979. The TSB noted that these measures had been imposed in the absence of an agreement having been reached in the consultations and negotiations so far held between the two parties under Articles 3 and 4.
4. The TSB heard statements by both parties of their respective positions and noted that the parties intended to continue the negotiations. The TSB therefore recommended that the parties resume consultations promptly with a view to reaching a mutually acceptable agreement and requested the parties to report the results of these consultations to the TSB by 1 May 1980, at which time it would revert to the matter.

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<sup>1/</sup> Ninety-ninth meeting overall of the TSB.

<sup>2/</sup> Part attendance.

5. The TSB considered the continuation of unilateral measures taken by Canada under Article 3:5<sup>1/</sup> to restrict imports from India of cotton terry towels, washcloths, bathnats and sets for a further nine month period beginning 1 January 1980. The TSB noted the statements by both parties that negotiations would continue and their joint request that the TSB defer further consideration of the matter. The TSB recommended that the parties resume consultations promptly with a view to reaching a mutually acceptable agreement and requested the parties to report the results of these consultations to the TSB by 1 May 1980, at which time it would revert to the matter.

6. The TSB had received a notification from Austria concerning a bilateral agreement concluded with Hong Kong under Article 4 of the Arrangement which supersedes a previous agreement negotiated under Article 3. The TSB noted that with respect to two items which were previously under restraint, the agreement provided for a lower rate of growth than the growth of not less than 6 per cent set out in Annex B. The TSB took note that this lower growth was agreed upon due to the exceptional circumstances prevailing in the Austrian market for the sectors in question as envisaged in paragraph 2 of Annex B of the Arrangement.<sup>2/</sup> After its review the TSB agreed to circulate the agreement to the Textiles Committee, see COM/TEX/SB/544.

7. The TSB considered two notifications from the United States concerning amendments to its agreements concluded under Article 4 with each of Pakistan and India. After its review the TSB agreed to transmit these notifications to the Textiles Committee (see documents COM/TEX/SB/545 and 546).

<sup>1/</sup> For previous consideration by the TSB of this measure see COM/TEX/SB/407. See also COM/TEX/SB/519, paragraphs 12 and 13.

<sup>2/</sup> The relevant words of the paragraph read as follows: "In exceptional cases where there are clear grounds for holding that the situation of market disruption will recur if the above growth rate is implemented a lower positive growth rate may be decided upon after consultation with the exporting country or countries concerned."

8. The TSB received two notifications: the first, from the United States concerning the termination of quantitative restrictions (see COM.TEX/SB/402) on imports of spun plied acrylic yarn from South Africa; the second, from Singapore of a bilateral agreement concluded with Norway. These notifications had been made bearing in mind the request by the Textiles Committee, that agreements concluded with, or actions taken against, non-participants should be notified. The two notifications have been transmitted under Articles 7 and 8 for information to the participating countries (see COM.TEX/SB/547 and 548 respectively).

9. The TSB received a communication from the United States, pursuant to the provisions of Article 8, paragraph 4 of an agreement concluded between the United States and Indonesia for the establishment of an export visa system for exports of textile products manufactured in Indonesia. The TSB took note that the agreement does not contain any restraints, and agreed to circulate the notification to the Textiles Committee for the information of participating countries (see COM.TEX/SB/551).

10. Pursuant to its previous request<sup>1/</sup>, and in accordance with the provisions of Article 11, paragraphs 11 and 12, the TSB reviewed and agreed to transmit to the Textiles Committee the report received from Switzerland (see COM.TEX/SB/549).

11. In accordance with the TSB's request that Canada and India should report by 29 February 1980 on the consultations recommended by it with respect to certain clothing items under unilateral restrictions (see COM.TEX/SB/521), the TSB was informed that such consultations were still continuing.

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<sup>1/</sup> See COM.TEX/SB/457, paragraph 8.