

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/224

16 September 1980

Textiles Surveillance Body

DRAFT REPORT OF THE FOURTEENTH MEETING (1980)^{1/}

1. The Textiles Surveillance Body held its fourteenth meeting of 1980 on 9 and 10 September 1980. The Chairman informed members that Mr. Ki-Choo Lee has been nominated by Korea to succeed Mr. Park as member of the TSB.
2. The following members and/or alternates replacing members were present: Messrs. Bajwa (part attendance), Chau, de Gouvion St. Cyr (part attendance), Kujirai, Pullinen/Martin, Safioen, Santos-Neves (part attendance), and Shepherd.
3. The report of the thirteenth meeting was approved and has been transmitted to the Textiles Committee as COM.TEX/SB/586.
4. The TSB had received a notification from Canada of a two-year bilateral agreement concluded by it under Article 3 with Brazil beginning 1 January 1979, and noted that the delay in its notification was due to a problem of product definition.
5. In reviewing the agreement the TSB noted that with respect to market disruption, the Canadian presentation did not include information on several elements set out in Annex A. In this sense the TSB recalled the procedures and checklist contained in documents COM.TEX/SB/35, Annex A and COM.TEX/SB/83. Nevertheless, it found that the terms of the agreement were consistent with the relevant provisions of the Arrangement, and agreed to transmit it to the Textiles Committee (COM.TEX/SB/587).
6. The TSB considered four bilateral agreements concluded by Sweden under Article 4 with India, the Philippines, Sri Lanka and Yugoslavia **respectively**. The TSB noted with regret that, despite its repeated earlier recommendations^{2/},

^{1/} Hundred-and-ninth meeting overall.

^{2/} See COM.TEX/SB/365, 380, 442, 460 and 519.

there had been a considerable delay in the notification of two of these agreements (India and Sri Lanka).. The TSB once more urges that notification of agreements should be made promptly.

7. In reviewing these agreements the TSB also noted that, following its recommendations made in connexion with previous Swedish agreements, some growth and flexibility were provided for in the agreements under consideration. In relation to flexibility it was noted however that the flexibility accorded was still below the levels provided for in Annex B of the MFA.

8. On the other hand, the TSB noted that there was no provision for swing in these agreements and took note of the statement by Sweden that the absence of swing was the result of a mutually agreed recognition of the need to maintain minimum viable production.

9. The TSB gave particular consideration to the provisions laid down in the agreements with the Philippines, Sri Lanka and Yugoslavia for the unilateral imposition of restrictions in the event of disagreement on the renewal or extension of these agreements. The TSB understands that any unilateral imposition of restrictions according to such provisions shall be in full conformity with the provisions of the MFA. In this connexion, the TSB recalled similar provisions in certain earlier agreements concluded by Sweden and the statement by the Swedish authorities that the application of such provisions would be fully consistent with the provisions of the MFA.^{1/}

10. After its review of these agreements, the TSB agreed to transmit them to the Textiles Committee (COM.TEX/SB/588 to 591).

11. The TSB considered a number of amendments to existing agreements between the EEC and Hong Kong, Hungary, Korea, Macao, Pakistan, the Philippines, Poland and Uruguay. It was noted that in a number of cases (Hungary, Korea, Macao, Philippines, Poland) growth rates included in the amendments, and which had not been fixed in the original agreements, were lower than the rate of not less than 6 per cent laid down in Annex B. The TSB took note of the Community's statement that these lower growth rates reflected in some cases the existence of exceptional

^{1/} See COM.TEX/SB/380, paragraph 9.

circumstances as laid down in Annex B, paragraph 2, of the MFA, and that in other cases the front-end loading in the agreed base levels compensated for the lower growth in subsequent years.

12. After its review of these amendments, the TSB agreed to transmit them to the Textiles Committee (COM.TEX/SB/592 to 599).

13. The TSB received a notification from the United States of two further amendments to its agreement with Poland. After its review, the TSB agreed to transmit the texts of the amendments to the Textiles Committee (COM.TEX/SB/600).

14. The TSB also received from the EEC a notification of a new initialled bilateral textiles agreement concluded between the EEC and the People's Republic of China. This notification was made in accordance with the request by the Textiles Committee, that agreements concluded with non-participating countries in the Arrangement, should be notified. The TSB accordingly agreed to transmit the notification to the Textiles Committee under Articles 7 and 8 of the Arrangement, for the information of the participating countries (COM.TEX/SB/601).