

GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

DRAFT REPORT OF THE FIFTH MEETING (1983)¹

1. The Textiles Surveillance Body held its fifth meeting of 1983 on 14 and 15 March.
2. Present at this meeting were the following: Messrs. Bajwa, Beck/Keck, Chau, Delgado², Kittisataporn, Sato, Shepherd and Westlund.
3. The draft report of the fourth meeting was adopted and has been circulated as COM.TEX/SB/838.
4. The following agreement was discussed:

Sweden/Singapore

5. The TSB reviewed a notification by Sweden of an agreement concluded with Singapore under Articles 1:2 and 4 of the Arrangement as extended by the 1977 Protocol of Extension. The agreement is valid from 1 December 1981 to 30 November 1983.
6. In this agreement:

(a) the growth rates provided for are higher than those contained in the previous agreement between the parties;

¹Hundred and forty-fifth meeting overall

²In the unavoidable absence of both Messrs. Delgado and Santos-Neves for most of this meeting, Mr. A. Patriota (Brazil) took part in the meeting as a substitute for Mr. Santos-Neves.

* English only/Anglais seulement.

- (b) these growth rates are considerably lower than the rate of 6 per cent set out in Annex B;
- (c) carryover and carry forward are provided at 5 and 5 per cent respectively;
- (d) combined use of carryover and carry forward is limited to 5 per cent, which is below the levels set out in Annex B;
- (e) there is no provision for swing.

7. With regard to the consultation provisions of Article 10 of the agreement, the TSB, while noting that the parties had not followed the earlier TSB recommendation concerning explicit clarification in the text of any agreement containing such a clause (COM.TEX/SB/632, paragraph 16)¹, also took note of the reaffirmation by Sweden that the application of the said clause would be fully consistent with the provisions of the MFA.

8. In concluding its review, the TSB was not entirely convinced that, having due regard to the share of Singapore in the Swedish market in respect of some product groups, the low growth rates and the restrictive flexibility provisions provided in this agreement for those product groups were fully justified. The TSB wanted these observations to be taken into account by both parties in the event of any new agreement to be concluded between them.

¹The TSB gave particular attention to the provision laid down in Article 10 of the agreement for the unilateral imposition of restrictions by Sweden in the event of a failure to reach mutually satisfactory solutions in consultations under the Agreement. In this connexion, the TSB recalled similar provisions in a number of agreements concluded by Sweden and the statement by the Swedish authorities that their application would be fully consistent with the MFA. The TSB reaffirmed its understanding that any such unilateral restrictions shall be in conformity with the Arrangement and recommends that, for reasons of clarity, this understanding be reflected explicitly in the provisions of any future agreement containing a similar clause.