

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/365\*  
24 July 1984

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## Textiles Surveillance Body

### DRAFT REPORT OF THE THIRTEENTH MEETING (1984)<sup>1</sup>

1. The Textiles Surveillance Body held its thirteenth meeting of 1984 on 16-18 July.
2. Present at this meeting were the following members and/or alternates: Messrs. Bondad, Cartland, Delgado, Hamza, Kawaguchi, Keck/Boisson, MacNeil/Westlund and Shepherd.
3. The report of the twelfth meeting has been circulated in COM.TEX/SB/978.

### Notifications under Article 3:5

#### Sweden/Turkey

4. As agreed in its previous meeting<sup>2</sup>, the TSB reverted to its consideration of the unilateral measures taken by Sweden under Article 3:5 on knitted underwear, sweaters, etc. (Group 4/5) and trousers (Group 8) when imported from Turkey.

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<sup>1</sup> Hundred and seventy-third meeting overall

<sup>2</sup> See COM.TEX/SB/978

\* English only/Anglais seulement/Inglés solamente

5. In accordance with its request at its sixth meeting<sup>1</sup> of 1984, the TSB had before it reports from Turkey and Sweden on the consultations of June 1984, presented by representatives of both parties. The TSB noted that the interim period Sweden had taken measures to minimize disruption to the flow of trade of the products concerned by allowing extra quantities to be imported into Sweden. The TSB also noted that in the June 1984 consultations, Sweden had increased the levels of restraint offered to Turkey, while Turkey had not changed the levels of restraint it had requested on previous consultations.

6. On the question of the determination of market disruption, and taking account of the reports, as well as the additional data provided on imports, production and prices, the TSB could not reach a conclusion on the rôle of Turkish exports in the Swedish market, but took note that both countries had previously been discussing, under Article 4 of the Arrangement, possible levels for the Groups restrained under the unilateral measure.

7. Having noted the willingness of both parties to continue consultations, the TSB recommended that such consultations should be held forthwith with a view to reaching a mutually acceptable solution. Such a solution should take account of:

- (a) imports from Turkey into the Swedish market in 1983;
- (b) the status of Turkey in terms of Article 6 and other relevant provisions of the MFA;
- (c) the need to avoid damage to Sweden's minimum viable production.

8. The TSB requested the two parties to report on the outcome not later than 20 August 1984.

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<sup>1</sup>See COM.TEX/SB/947

United States/Turkey

9. Further to the information received at its previous meeting<sup>1</sup>, the TSB received reports from the United States and Turkey on consultations held in June 1984 on imports into the United States of men's and boys' cotton knit shirts (Category 338) originating in Turkey. The reports were made in accordance with the TSB's request at its sixth meeting of 1984.<sup>2</sup>

10. On the basis of these reports, the TSB was of the opinion that, while the parties had previously expressed their willingness to continue consultations, and still did so, they had not in their June consultations engaged in meaningful negotiations. Therefore, the TSB recommended that the parties engage actively in consultations, having due regard to Turkey's position, on the one hand, as well as the equity provisions of the Arrangement, on the other, and report to the TSB not later than 30 September 1984.

11. In this context, the TSB reaffirmed what it had stated in paragraph 18 of COM.TEX/SB/947, in particular its consideration that the United States had not taken sufficient account of Turkey's position as a cotton supplier, a developing country, a new entrant in the United States market and its interests as an exporting country in terms of paragraph III of Annex A.

United States/Peru

12. The TSB decided not to revert at this meeting to the notification concerning the unilateral measure taken under Article 3:5 by the United States, on imports of cotton duck (Category 319) from Peru, in view of the ongoing consultations.

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<sup>1</sup> See COM.TEX/SB/978

<sup>2</sup> See COM.TEX/SB/947

Notifications under Article 4

Sweden/Singapore

13. The TSB received a notification from Sweden concerning the extension of its bilateral agreement with Singapore for the period 1 December 1983 to 30 September 1984 pending negotiation of a new agreement. It was also informed that consultations between the parties were scheduled in September 1984. The TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/979)

Sweden/Philippines

14. The TSB began its review of a notification from Sweden concerning a new bilateral agreement concluded with the Philippines valid from 1 November 1982 to 31 October 1987.

Canada/Thailand

15. The TSB received a notification from Canada of a modification of its bilateral agreement with Thailand, introducing agreed restraints on hosiery for the period 1 May 1984 to 31 December 1986.

16. The base level for the product was higher than the reference level by more than 6 per cent; growth, swing, carryover and carry forward were set at 6, 7 and 11/6 per cent respectively.

17. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/980)

Canada/China

18. The TSB received a notification from Canada of a modification of its bilateral agreement with China. The agreement had been notified under Articles 7 and 8, as China was not then a participant.

19. Under this modification restraints were introduced on dresses and skirts, athletic suits and foundation garments from 1 January 1984. The base levels were set substantially higher than the reference levels, taking into account the more recent trade data. Growth was set at 6 per cent; swing at 7 per cent, carryover/carry forward was possible up to 11 per cent, with cumulative use of flexibility at 12 per cent.

20. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/981)

#### Notifications under Article 11

21. The TSB took note of notifications received from Sweden and Switzerland, in reply to the Chairman's letter requesting information, pursuant to Article 11 of the Arrangement, on restrictions maintained by participating countries.<sup>1</sup> These notifications will be submitted to the Textiles Committee at the time of the submission of the TSB's report for the Major Review.

22. The TSB received a notification from El Salvador under Article 11, stating that previous restrictions on several textile items were removed in 1983. This notification which was the same as the preceding report, also fulfilled El Salvador's obligation as a non-contracting party under Article 2:4.

23. The notification will be submitted to the Textiles Committee at the time of the submission of the TSB's report for the Major Review.

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<sup>1</sup> See COM.TEX/SB/921, paragraph 23 .

24. The TSB continued its review of a notification from Mexico on the status of its restrictions on textiles and textile items. The notification made under Article 11, also fulfilled Mexico's obligation as a non-contracting party under Article 2:4.

25. The notification listed the products for which a prior permit is required, as well as those exempted from such requirement. The TSB noted that this notification constituted some liberalization from Mexico's previous report.

26. The TSB was informed by Mexico that the restrictive measures in application were necessary in view of the balance of payments situation of Mexico, and that those measures would be reviewed with effect from 1 January 1985.

27. The notification will be submitted to the Textiles Committee at the time of submission of the TSB's report for the Major Review.