

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/373*
5 November 1984

Textiles Surveillance Body

DRAFT REPORT OF THE SEVENTEENTH MEETING (1984)¹

1. The Textiles Surveillance Body held its seventeenth meeting of 1984 on 24-26 October.
2. Present at this meeting were the following members and/or alternates: Mr. Bondad/Mrs. Sjahruddin, Messrs. Chae/Cartland, Kawaguchi, Keck, MacNeil/Westlund, Marques Porto, Puri and Shepherd.
3. The report of the sixteenth meeting has been circulated in COM.TEX/SB/1004.

Reports on Article 3:5 measures examined by the TSB

United States/Turkey

4. The TSB received from the United States and Turkey the reports requested by the Body at its 173rd meeting² (thirteenth meeting of 1984), concerning a restraint on imports into the United States of men's and boys' cotton knit shirts (Category 338) originating in Turkey. Since the report by the United States Government informed the TSB that the United States was terminating the restraint, the TSB decided not to pursue this matter.

¹Hundred and seventy-seventh meeting overall

²COM.TEX/SB/982

*English only/Anglais seulement/Inglés solamente

United States/Dominican Republic

5. In accordance with the report it made at its 174th meeting¹ (fourteenth meeting of 1984), the TSB heard, from the Chairman, reports submitted to him by the Dominican Republic and the United States informing the TSB that the parties:

(a) had reached agreement on a restraint level for Category 644;

(b) intended, with regard to Category 446, to hold a new round of negotiations in the third week of November 1984, and for this reason asked the TSB to postpone consideration of this matter.

6. The TSB agreed to defer its consideration of the measure concerning Category 446, and recommended that both parties report on the result of their consultations not later than 30 November 1984.

Report on matter examined under Article 11:4

Pakistan/United States

7. Further to the report received from the United States at its 176th meeting² (sixteenth meeting of 1984), the TSB heard reports from the United States and Pakistan that consultations were ongoing and that their results would be made known to the Body as soon as possible.

¹COM.TEX/SB/983

²COM.TEX/SB/1004

Matter referred to the TSB under Article 11:4

Indonesia/United States

8. The TSB received a notification under Article 11:4 from Indonesia, in which it referred cases of actions taken by the United States on eight categories (Categories 315, 317, 320 pt, 604, 331, 339, 639 and 640).

9. The TSB heard presentations from both parties with respect to each of the eight cases.

10. Throughout its review of the notification the TSB bore in mind (a) the status of Indonesia as a developing country and a new entrant and (b) the interests of Indonesia in terms of paragraph III of Annex A.

11. In reviewing the restraints on the eight categories, the TSB noted that: (a) some of the United States statements addressed to Indonesia at the time of the calls lacked sufficient details to substantiate a case of market disruption or real risk thereof; and (b) in some cases, Indonesia largely exceeded the limits applicable under paragraph 12(c) of the United States/Indonesia bilateral agreement.

12. In reviewing the restraint introduced on Category 604, the TSB noted that the presentation made by the United States had been only on part of this category and therefore a risk of market disruption for the whole category had not been established. The TSB therefore recommended that this restriction be rescinded.

13. As regards Category 640, the TSB recommended that the restraint on this category be rescinded.

14. As regards Categories 317 and 320 part, the TSB noted that the ninety-day level which Indonesia was obliged to observe under the bilateral agreement was based on a roll-back period during which exports from Indonesia were not at a level that could be regarded as representative of

Indonesia's trade performance. The TSB also noted that the two parties had not held consultations on these two categories, and therefore it did not address them further. In their consultations the parties should take into account Indonesia's status as noted in paragraph 10 above.

15. In the light of its review of Categories 331, 339 and 639 the TSB recommended that the parties resume consultations as soon as possible. Based on the data made available during its review of these categories, the TSB was of the view that the roll-back periods were not representative of Indonesia's trade performance and that in their consultations the parties should take this into account, as well as Indonesia's status as noted in paragraph 10 above.

16. The two parties are requested to report to the TSB the results of these consultations as soon as possible and not later than 31 January 1985.

17. As regards Category 315, the TSB heard a statement by Indonesia that its exports to the United States were overwhelmingly of a cotton and polyester blend, and that this should be taken into account in consultations between the parties. On the basis of the data provided on this category, the TSB found that the imports from Indonesia were causing a real risk of market disruption in the United States market.

18. The TSB heard statements by both parties that embargoes were in effect in the United States on several of the categories under review. The TSB was of the opinion that if the consultations between the parties resulted in partial or total termination of these embargoes, they should ensure that the entry of such goods into the United States market be made in an orderly manner.