

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/382*
5 March 1985

Textiles Surveillance Body

DRAFT REPORT OF THE FIRST MEETING (1985)¹

1. The Textiles Surveillance Body held its first meeting of 1985 on 25-27 February.
2. The membership of the TSB for 1985 is as follows:

Member

Mr. Jörn Keck (EEC)
Mr. Mahmoud A.-B. Hamza (Egypt)
Mr. Michael D. Cartland (Hong Kong)
Mr. Darry Salim (Indonesia)
Mr. Toru Kawaguchi (Japan)
Mr. Johan Iversen (Norway)
Mr. Elbio Rosselli (Uruguay)
Mr. Robert E. Shepherd (United States)

Alternates

Mr. Gérard Boisson (EEC)
Mr. Mohammad A. Bajwa (Pakistan)
Mr. Loun Y. Sun (Korea)
Mr. Siraj Haron (Malaysia)
Mr. Kiyotaka Akasaka (Japan)
Mr. Lindsay J. MacNeil (Canada)
Mr. Paul Paredes (Peru)

3. Present at this meeting were the following members and/or alternates:
Messrs. Cartland/Sun, Hamza, Iversen/MacNeil, Kawaguchi, Keck/Boisson,
Rosselli/Paredes and Shepherd.
4. The report of the twentieth meeting (1984) has been circulated in COM.TEX/SB/1037.

¹Hundred and eighty-first meeting overall

*English only/Anglais seulement/Inglés solamente

Notifications under Article 3:5

Sweden/Turkey

5. The TSB received a notification from Sweden of unilateral measures taken under Article 3:5 with respect to certain clothing and made-up items imported from Turkey.

6. Both parties informed the TSB that Turkey had requested Sweden for further bilateral consultations in the near future, and that Sweden had agreed to this request. The parties therefore requested the TSB to defer its consideration of the measures, pending the results of such consultations.

7. The TSB agreed to defer its consideration of the notification, until after such consultations had taken place, on the understanding, however, that it may revert to the matter at any time, at the request of either party, or on its own decision.

United States/Turkey

8. The TSB received a notification from the United States concerning a unilateral measure taken under Article 3:5 with respect to imports of spun plied acrylic yarn (Category 604 pt) from Turkey.

9. The TSB heard presentations of their respective cases from delegations of both parties. In the course of its examination of this case, the TSB was informed that both parties intended to hold further consultations with a view to resolving this matter.

10. The TSB, therefore, recommended that in their forthcoming consultations both parties should take account of:

(a) the status of Turkey in terms of Article 6 of the MFA and paragraph 12 of the 1981 Protocol of Extension;

(b) the elements set out in paragraph III of Annex A.

11. The TSB asked the parties to report on the outcome of these consultations not later than 31 March 1985.

Reports on matters examined by the TSB under Article 11:4

Indonesia/United States

12. In accordance with its recommendation made at its meeting held on 24-26 October 1984¹, the TSB received reports from Indonesia and the United States, on their consultations concerning actions on eight categories (Categories 315, 317, 320 pt, 604, 331, 339, 639 and 640) referred to the TSB under Article 11:4.

13. The TSB noted that agreed solutions had been found with respect to four categories (Categories 317, 339, 639 and 640) and that consultations were ongoing with respect to the other categories.

14. The TSB agreed to defer its consideration of these reports, pending the results of the ongoing consultations.

China/United States

15. The TSB received reports submitted to it by China and the United States, in accordance with its recommendation made at the meeting held on 19-21 November 1984, regarding the matter referred to it under Article 11:4.²

¹See COM.TEX/SB/1005

²See COM.TEX/SB/1006

16. Being informed that further consultations between the parties will be held shortly, the TSB deferred consideration of the matter pending receipt of the results of these consultations.

Report on matter examined under Article 11:5

Hong Kong/United States

17. The TSB received reports from Hong Kong and the United States on their consultations held in accordance with the TSB's recommendation made at its meeting of 12-14 December 1984, on the interim regulations on rules of origin for textiles and clothing introduced by the United States.

18. The TSB noted Hong Kong's concern at "the failure of the United States, so far," to address the TSB's recommendation that pending the result of their consultations the parties co-operate to avoid disruption to the orderly and equitable development of Hong Kong's trade.¹ In this respect, the TSB reiterated the recommendations it made during its previous review of this matter.

19. The TSB, noting that the parties intended to resume their consultations shortly, decided to defer its consideration of the matter until further reports were received.

Notifications under Article 4:4

Canada/Thailand

20. The TSB received a notification from Canada of a further modification of its bilateral agreement with Thailand.

¹ COM.TEX/SB/1037, paragraph 17(b)

21. In accordance with the consultation provisions contained in the agreement the consultation level for sportswear (including co-ordinates, outerwear sets, dresses, skirts and suits), was converted into a specific limit for the agreement period beginning 1 January 1984.

22. In this modification:

(a) the specific limit was set at a level much higher than the consultation level;

(b) growth was provided at 6 per cent; and

(c) carryover/carry forward was available at 11/6 per cent.

23. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1038)

Canada/Romania

24. The TSB received a notification from Canada of a modification of the bilateral agreement between Canada and Romania.

25. Under this modification the product coverage of Items 4 and 5 were re-grouped and restraint levels modified¹ to provide increased flexibility for products of greater export interest to Romania.

¹Item 4 which previously included shirts, blouses, T-shirts and sweaters was extended to include shorts, overalls, coveralls, jackets, coats, rainwear, sleepwear and bathrobes (products previously included in Item 5) and Item 5 now includes only trousers. The total of the restraint levels for the two Items remained unchanged after the modifications.

26. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1039)

Canada/Malaysia

27. The TSB received a notification from Canada of a modification of its bilateral agreement with Malaysia.

28. Under this modification:

- (a) product coverage was extended to include several clothing items;
- (b) trousers, pants and shorts were brought under specific restraint, and other items were made subject to consultation and agreed licensing procedures, with effect from 1 January 1984;
- (c) the base levels for the new restraints were at levels much higher than the relevant roll-back levels;
- (d) growth rate was set at 6 per cent;
- (e) swing, carryover/carry forward were available at 7 and 11/6 per cent respectively; and
- (f) cumulative use of flexibility was set at 15 per cent.

29. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1040)

EEC/Hong Kong

30. The TSB received a notification from the EEC of a modification to its agreement with Hong Kong.

31. Under this modification:

(a) limits for the 1984 to 1986 agreement years were introduced on corsetry (Category 86) when imported into the United Kingdom;

(b) the base level was considerably higher than the reference level, and growth rate was set at 4.5 per cent.

32. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1041)

United States/Korea

33. The TSB received a notification from the United States of a further modification of the bilateral agreement between the United States and Korea.

34. The limit for polypropylene bags (Category 669-P) was adjusted with a 2.5 per cent annual growth rate.

35. The agreement was extended to include man-made fibre luggage (part-Category 670-L), and subject to a specific limit for the agreement period beginning 1 March 1984, with 2.5 per cent annual growth. This product had been subject to action under Article 3:5.¹

36. In the course of its review, the TSB was informed that certain questions pertaining to the implementation of the quota on Category 670-L, such as classification, swing and overshipments, were still under discussion, and that information on these matters would be provided to the Body at a future date.

37. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1042)

¹See COM.TEX/SB/953, 978 and 983

Canada/Indonesia

38. The TSB received a notification from Canada of a selective bilateral agreement concluded by it under Article 4:4 with Indonesia for the period 1 January 1984 to 31 December 1986. The new agreement succeeded a one-year arrangement between the parties concluded under Article 3:4. (See also footnote to paragraph 39(c)).

39. In this agreement:

- (a) product coverage was extended to include textile and clothing items;
- (b) products under specific restraint (trousers and shirts with tailored collars) remained unchanged from the previous agreement, while other items were made subject to agreed consultation procedures;
- (c) base levels were set at levels substantially above the previous restraint levels;¹
- (d) growth rates were set at 6 per cent (trousers) and 7 per cent (shirts);
- (e) swing into the limits on trousers and shirts was available at 7 and 6 per cent respectively;
- (f) carryover and carry forward were set at 11/6 per cent, with special carry forward available for the 1984 agreement year, to be deducted from the 1985 and 1986 limits;
- (g) cumulative use of flexibility for shirts was limited to 15 per cent.

¹The previous restraint on shirts, tailored collar had superseded an Article 3:5 measure (see COM.TEX/SB/870, 882 and 962)

40. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1043)

Finland/Sri Lanka, Sweden/Macao, Sweden/Singapore

41. The TSB began its review of three notifications received under Article 4. They concerned an extension of the agreement between Finland and Sri Lanka, and new agreements concluded by Sweden with Macao and Singapore.

Notification under Article 11

42. The TSB began its review of a notification received from Poland in reply to the Chairman's letter requesting information in 1984, pursuant to Article 11 of the Arrangement on restrictions maintained by participating countries.¹

Communication under Article 3:6

43. The TSB received a communication, made by the United States pursuant to the first part of Article 3:6, informing the Body of a measure concerning imports of man-made fibre gloves (Category 631 pt) from Pakistan.

¹COM.TEX/SB/921, paragraph 23