

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/388*
22 April 1985

Textiles Surveillance Body

DRAFT REPORT OF THE FOURTH MEETING (1985)¹

1. The Textiles Surveillance Body held its fourth meeting of 1985 on 16 and 17 April.
2. Present at this meeting were the following members and/or alternates: Messrs. Cartland, Hamza, Iversen/MacNeil, Kawaguchi, Keck/Boisson, Paredes, Salim and Shepherd.
3. The report of the third meeting has been circulated in COM.TEX/SB/1060.

Report on Article 3:5 measure examined by the TSB

United States/Turkey

4. The TSB reverted to its review of the unilateral measure taken by the United States under Article 3:5 with respect to imports of spun plied acrylic yarn (Category 604 pt) from Turkey, in the light of reports received from both parties that the consultation held in accordance with the TSB's recommendation made in February, had not resulted in an agreed solution.²
5. The TSB received additional information from the parties with respect to the market situation for Category 604 pt as well as the consultations which had taken place.

¹Hundred and eighty-fourth meeting overall

²See COM.TEX/SB/1044

*English only/Anglais seulement/Inglés solamente

6. After hearing the evidence provided to it, both orally and in writing, the TSB felt that the two parties had not exhausted all possibilities of reaching a mutually acceptable solution to this problem.

7. The TSB noted:

- that the persisting problem related mainly to the restraint level as a result of the application of the Annex B reference period;
- that the United States had arrived at the reference level strictly in accordance with the procedures laid down in paragraph 1(a) of Annex B of the MFA;
- that a restraint level based on this reference level should also take account of Article 6 of the MFA and paragraph 12 of the Protocol of Extension;
- the willingness of both parties to continue consultations;

and recommended that the parties resume their consultations forthwith.

8. The TSB requested both parties to report on these consultations not later than 1 June 1985.

Notifications under Article 4:4

United States/Indonesia

9. The TSB received a notification from the United States of a further amendment of its agreement with Indonesia concerning restraints agreed on six categories or part category (Categories 317 with a sub-limit for sateens, 334, 339, 369 pt (shop towels), 639 and 640) for the last agreement period ending 30 June 1985.

10. The TSB recalled that restraints on Categories 317 pt (twills), 339, 639 and 640, established by the United States in accordance with the consultation provisions contained in the agreement, had been subject to review by the TSB under Article 11:4. The TSB had then recommended inter alia that both parties hold further consultations, and subsequently received reports that the above restraints had been agreed.¹

11. The levels agreed for all categories included in this amendment were substantially above the reference levels or previous restraints established by the United States.

12. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1061).

United States/Singapore

13. The TSB received a notification from the United States of a further modification of its agreement with Singapore. The parties had agreed to increases in the consultation levels for the 1984 agreement year with respect to Categories 331, 359, 445/446, 631 and 636.

14. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1062).

United States/Hungary

15. The TSB received a notification from the United States of an amendment of its bilateral agreement with Hungary. The parties agreed to the inclusion of Category 445/6 (wool sweaters) in the agreement and the establishment of specific limits for the period 1 October 1984 to 31 December 1986.

¹See COM.TEX/SB/1005 and 1044

16. The base level was substantially above the reference level; growth was set at 1 per cent, and flexibility provisions as contained in the agreement.

17. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1063).

United States/Yugoslavia

18. The TSB received a notification from the United States of an agreed visa system for products covered in its bilateral agreement with Yugoslavia. The TSB agreed to transmit this amendment of the agreement to the Textiles Committee. (COM.TEX/SB/1064).

United States/Brazil

19. The TSB received a notification from the United States of a further modification of its bilateral agreement with Brazil. The parties agreed to increases in the consultation levels for the last agreement year ending on 31 March 1985, with respect to Categories 314, 320, 335, 336, 340, 341, 342, 345, 351, 359 pt and 361.

20. The TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1065).

United States/Peru

21. The TSB received a notification from the United States of a bilateral agreement concluded under Article 4 with Peru for the period 1 May 1984 to 30 April 1989.

22. The agreement superseded unilateral actions on imports of two categories (Category 317 pt (twills) and 319) which had been placed under restraint by the United States under Article 3:5.¹

¹ See COM.TEX/SB/1004 for TSB's review of the action taken on Category 319.

23. In this agreement:

- (a) restraints were agreed on four cotton fabric categories (Categories 315, 317, 319 and 320);
- (b) base levels were substantially above the reference levels;
- (c) growth rates were set at 7 per cent;
- (d) swing was set at 7 per cent;
- (e) carryover and carry forward were set at 11/7 per cent;
- (f) wool products and cotton apparel, and four categories were subject to designated consultation levels.

24. Should restraints result from the use of the consultation provisions contained in paragraph 8 of the agreement, growth would be applicable at 7 per cent for cotton and man-made fibre categories, and at 1 per cent for wool categories, with swing at 7 per cent and 5 per cent respectively.

25. The TSB noted that the agreement also contained provisions concerning possible adjustment of the category system in case of the adoption by the United States of the Harmonized Commodity Code. These provisions state that the intent of any changes resulting therefrom is "solely to align the current category system and limits with the Harmonized Commodity Code" and "not to diminish or alter overall trade in textiles and apparel with Peru". Consultations under this provision are mandatory.

26. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1066).

Notification under Article 3:4

Austria/Egypt

27. The TSB began its review of a notification received from Austria of a bilateral agreement concluded with Egypt.