

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/395*
18 June 1985

Textiles Surveillance Body

DRAFT REPORT OF THE SEVENTH MEETING (1985)¹

1. The Textiles Surveillance Body held its seventh meeting of 1985 on 11 and 12 June 1985.
2. Present at this meeting were the following members and/or alternates: Messrs. Boisson, Cartland, Hamza, Iversen, Kawaguchi, Paredes, Salim and Shepherd.
3. The report of the sixth meeting has been circulated in COM.TEX/SB/1079.

Notification under Article 2:4

China

4. In accordance with its recommendation made in September 1984², the TSB received a report from China on the evolution of its textile industry, and the status of its restrictions on textiles trade. This report also met China's obligations under Article 2:4 of the Arrangement.
5. In reviewing this notification, the TSB noted that all imports into China were subject to discretionary licensing. The TSB further noted that:
 - (a) China stated that its import licensing system was designed to regulate the flow of imports of man-made fibre products because of the early stages in the development of this sector of the textile industry;

¹Hundred and eighty-seventh meeting overall

²The hundred and seventy-fifth meeting of the TSB (COM.TEX/SB/987)

*English only/Anglais seulement/Inglés solamente

- (b) with limited foreign exchange earnings, China gave priority to "imports of advanced technology and equipment for the construction of key projects and the technical transformation of some existing industrial enterprises", and that it was therefore necessary to "impose appropriate restrictions on the importation of some consumer goods and other products" which were less essential to its economic development.

6. The TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1080) and recommended that China submit a further report, not later than 1 June 1986, which would:

- (a) describe the evolution of China's textile industry;
- (b) explain the relationship of such evolution to the restrictions then in effect;
- (c) clarify the degree of discretion applied in granting import licenses; and
- (d) describe explicitly the way in which textiles covered by the MFA other than those of man-made fibres are imported into China.

Notifications under Article 3:5

United States/Bangladesh; United States/Turkey

7. The TSB had before it the notification concerning unilateral measures taken by the United States under Article 3:5 with respect to imports of certain textile products from Bangladesh¹, as well as a notification received from the United States of a unilateral measure taken under Article 3:5 with respect to imports of cotton sheeting (Category 313) from Turkey.

¹ See COM.TEX/SB/1079

8. The parties concerned requested the TSB to defer its consideration of these cases until its meeting scheduled for 10-12 July. The TSB stressed the importance the Body attached to the consideration of Article 3 cases within the mandatory period of 30 days. Notwithstanding this, the TSB decided to agree to the requests of the parties concerned.

Notifications under Article 4:4

Canada/Singapore

9. The TSB received a notification from Canada of a modification of its bilateral agreement with Singapore.

10. Under this modification the parties agreed to the introduction of restraints on exports of underwear for the 1985 and 1986 agreement years. The base-level was set substantially above the roll-back level, with growth at 6 per cent. Swing, carryover/carry forward were available at 7 and 11/6 per cent respectively, with the cumulative use of flexibility at 15 per cent.

11. After its review the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1081).

United States/Japan

12. The TSB received a notification from the United States of a further amendment of its bilateral agreement with Japan.

13. Under this amendment the parties agreed to the establishment of restraints on exports of man-made fibre work gloves (Category 631 pt) and men's and boys' man-made fibre coats (Category 634) for the last agreement year (1985). The restraint levels which included swing were set substantially above the minimum formula levels.

14. After its review the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1082).

Sweden/Hong Kong

15. The TSB continued its review of the bilateral agreement concluded between Sweden and Hong Kong.

Notification under Article 11

Switzerland

16. The TSB took note of a notification received from Switzerland, in reply to the Chairman's letter requesting information, pursuant to Article 11 of the Arrangement, on restrictions maintained by participating countries on imports of textile products.¹ This notification will be submitted to the Textiles Committee at the time of the submission of the TSB's annual report.

¹See COM.TEX/SB/1067 paragraph 28