

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL  
TEX.SB/W/397\*  
1 July 1985

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## Textiles Surveillance Body

### DRAFT REPORT OF THE EIGHTH MEETING (1985)<sup>1</sup>

1. The Textiles Surveillance Body held its eighth meeting of 1985 on 25 and 26 June 1985.
2. Present at this meeting were the following members and/or alternates: Messrs. Bajwa, Bondad, Cartland, Iversen, Kawaguchi, Keck, Rosselli/Paredes and Shepherd.
3. The report of the seventh meeting has been circulated in COM.TEX/SB/1083.

#### Notifications under Article 4:4

##### Sweden/Brazil

4. The TSB reviewed a notification from Sweden concerning a series of agreed modifications to its bilateral agreement with Brazil, valid until 31 August 1987.
5. These modifications, inter alia:

(a) introduced a new restraint on Group B, with effect from 1 September 1984, and an annual growth rate of 0.5 per cent;

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<sup>1</sup>Hundred and eighty-eighth meeting overall

\*English only/Anglais seulement/Inglés solamente

(b) introduced swing at 3 per cent;

(c) provided for automatic use of carryover/carry forward, formerly subject to previous acceptance by the importing country;

(d) eliminated from the consultation procedure the right of Sweden to introduce restraints by unilateral decision.

6. The TSB noted that several of the modifications addressed points on which it had made observations in reviewing the bilateral agreement.<sup>1</sup>

7. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1084)

#### Sweden/India

8. The TSB received a notification from Sweden of an agreement concluded with India for the period 1 January 1983 to 31 December 1986. It was agreed that for the period 1 August to 31 December 1986 the agreement may be revised in the light of any new arrangement which may succeed MFA III. The agreement which superseded provisional extensions of the previous agreement may be extended for a further twelve-month period.

9. In this agreement:

(a) the product coverage remains unchanged from the previous agreement;

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<sup>1</sup>COM.TEX/SB/921, paragraphs 9 and 10, report of the first meeting of 1984.

(b) two groups (4 and 5) were given a combined limit, with overlapping sub-limits; the increase in the base level for this combined limit over the sum of previous restraints was 0.1 per cent;

(c) hand-made products from handloom fabrics, for which certification arrangements have not been established between the parties, were made subject to limits in all other groups, resulting in agreed base levels ranging between 8 and 11.5 per cent above previous restraint levels; traditional 'India items', for which the parties have an agreed certification system, were not included in the limits;

(d) growth rates for the second agreement year were set at 1.3 per cent for most groups and 2.8 per cent for three groups; for the third agreement year at 0.1 per cent and for the fourth agreement year at 0.5 per cent for most groups and 1 per cent for three groups;

(e) swing, not available in the previous agreement, was set at 3 per cent;

(f) carryover and carry forward were set at 3 and 3 per cent;

(g) combined use of flexibility was set at 3 per cent.

10. The TSB took note of a statement by Sweden in which reference was made to Annex B and paragraph 11 of the 1981 Protocol with respect to the growth and flexibility provisions.

11. During its review, the TSB noted that the combined limit on Groups 4 and 5 (underwear, including T-shirts, and sweaters) together with the sub-limits provided additional flexibility in the export possibilities of the products concerned. It also noted that though swing was made available, carryover/carry forward and cumulative flexibility were lower than in the previous agreement.

12. The TSB further noted that although base levels were, in most cases, more than 6 per cent above previous restraint levels, annual growth rates were lower than 6 per cent and than in the previous agreement.

13. With respect to the agreed limits set out in Annex II of the agreement, the TSB noted that the parties had included in those limits hand-made textile products made in the cottage industry of India from handloom fabrics, and recalled that in accordance with Article 12:3, the provisions of the Arrangement did not apply to developing country exports of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or to traditional folklore handicraft textile products, and consequently these products could not be subject to quantitative restrictions under the Arrangement, provided that they were properly certified under arrangements established between the importing and exporting participating countries concerned.

14. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1085)

Canada/Thailand

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

16. Under this modification:

(a) the parties agreed to the introduction of restraints on exports of:

(i) underwear, for the agreement years 1985 and 1986, at a level substantially above the agreed reference level and with annual growth of 6 per cent;

(ii) sweaters, for the period 1 November 1984-31 December 1984 and the agreement years 1985 and 1986, at a notional level for the first period 6 per cent above the agreed reference level and with annual growth of 6 per cent;

(b) swing, carryover/carry forward were available at 7 and 11/6 per cent, respectively.

17. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1086)

Sweden/Indonesia, Sweden/Yugoslavia

18. The TSB began its review of two notifications received from Sweden of bilateral agreements concluded with Indonesia and Yugoslavia.

Notifications under Article 11

Singapore, Uruguay

19. The TSB received notifications from Singapore and Uruguay 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 textiles products.<sup>1</sup> These notifications will be transmitted to the Textiles Committee at the time of the submission of the TSB's annual report.

Annual report to the Textiles Committee

20. The TSB began its preparatory work on the Body's annual report to the Textiles Committee.

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<sup>1</sup>See COM.TEX/SB/1067, paragraph 28