

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/399*
18 July 1985

Textiles Surveillance Body

DRAFT REPORT OF THE NINTH MEETING (1985)¹

1. The Textiles Surveillance Body held its ninth meeting of 1985 on 9, 11 and 12 July.
2. Present at this meeting were the following members and/or alternates: Messrs. Cartland, Hamza, Iversen, Kawaguchi, Keck, Rosselli/Paredes, Salim/Bondad and Shepherd.
3. The report of the eighth meeting has been circulated in COM.TEX/SB/1087.

Measures notified under Article 3:5

Sweden/Turkey

4. The TSB received reports from Sweden and Turkey on the results of their consultations concerning measures taken by Sweden under Article 3:5 on imports of certain clothing.²
5. The TSB recalled that Sweden had notified unilateral measures on knitted underwear, sweaters and pullovers (Group 4/5), overcoats and jackets (Group 6), trousers (Group 8) and bed linen (Group 13) for the period 21 September 1984 to 20 September 1985.

¹Hundred and eighty-ninth meeting overall

²See report of the first meeting (1985) contained in COM.TEX/SB/1044

*English only/Anglais seulement/Inglés solamente

6. The TSB heard presentations by delegations from both parties, which contained information relating to the most recent developments affecting textile exports from Turkey to Sweden, including the products under restraint.

7. The TSB recommended that the restraint on Group 4/5 be rescinded, and that the two parties consult on Group 8, with a view to the elimination of the unilateral measure as soon as possible in terms of Article 3, paragraph 9 of the Arrangement, and report to the TSB not later than 26 July 1985. In reaching these recommendations, the TSB bore in mind (a) the market situation regarding the products concerned at the time of the request for consultations (i.e. 21 September 1984) and at present; (b) the history of bilateral consultations; (c) all relevant information presented by both parties as regards the most recent market situation and trends; and (d) the expiry date of the measures.

8. The TSB further recommended that both parties avoid taking measures that might have disruptive effects in each other's markets.

United States/Bangladesh

9. The TSB reverted to its consideration of the unilateral measures notified by the United States with respect to imports from Bangladesh of men's and boys' cotton coats (Category 334) and non-knit shirts for men and boys (Category 340). The TSB had agreed to defer its consideration of these measures in view of the ongoing consultations between the parties.¹

10. The TSB was informed that agreed solutions had been found by the parties during their consultations. This agreement superseded the unilateral measures, and would be notified to the TSB. The TSB therefore did not find it necessary to examine the measures.

¹See COM.TEX/SB/1079 and 1083

United States/Turkey

11. The TSB reverted to the unilateral measures taken under Article 3:5 by the United States on imports of Category 604 part (acrylic yarn) and on Category 313 (cotton sheeting) from Turkey.

12. The TSB had already examined the measure on Category 604 part in meetings in February and April 1985¹, and after both examinations it had recommended that the parties hold further consultations. The TSB had requested the parties to report on the results of these consultations by 1 June 1985. The TSB recalled that at the request of both parties, it had agreed to defer consideration of the measure on Category 313 until its present meeting.

13. The parties concerned requested a deferral of the TSB's consideration of these measures in view of their forthcoming consultations.

14. In considering this request, the TSB recognized that parties should be given the opportunity to hold consultations, in order to come to mutually acceptable solutions. It noted, however, that the restraint on Category 604 part had been in effect since 1 November 1984, expiring on 31 October 1985, and that the restraint on Category 313 had been effective since 28 February 1985.

15. The TSB after careful deliberation decided to grant the two parties the possibility for further consultations and recommended that they report on the consultations no later than 6 September 1985.

Notifications under Article 4:4

Sweden/Indonesia

16. The TSB received a notification from Sweden of an agreement concluded with Indonesia, valid for the period 1 January 1984 to 31 December 1987.

¹The first and fourth meetings of 1985, respectively (COM.TEX/SB/1044 and 1067)

17. In this agreement:

- (a) four groups continued to be under restraint;
- (b) increases over base levels were 6 per cent in three cases and nil in one case;
- (c) annual growth rates were set at 0.5 per cent;
- (d) no rates were set for flexibility, but nevertheless may be agreed upon, after consultation.

18. The TSB heard a statement by Sweden in which reference was made to Annex B of the Arrangement and paragraph 11 of the 1981 Protocol of Extension with respect to the growth rates.

19. The TSB heard statements from both parties that Article 9(b) of the agreement provided for flexibility, the precise rates to be agreed upon after consultations. The parties also stated that any flexibility rates agreed upon would be notified to the TSB.

20. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1088)

Sweden/Hong Kong, Sweden/Yugoslavia

21. The TSB continued its review of the bilateral agreements concluded by Sweden with Hong Kong and Yugoslavia.¹

Notifications under Article 11

Austria, Maldives

22. The TSB received notifications from Austria and the Maldives 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.² These notifications will be transmitted to the Textiles Committee at the time of the submission of the TSB's annual report.

Other business

23. In the course of its meeting, the TSB recalled that it had still to receive more recent reports on a number of cases it has reviewed under Article 11:4 and 11:5. The TSB requested all participants concerned (China, Hong Kong, India, Indonesia, Pakistan and the United States) to provide such reports at an early date, preferably in time for the Body to take cognizance of them at its meeting of 29-31 July.

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24. As regards matters brought before the TSB under Article 3:5, the TSB has been repeatedly asked by the parties involved to postpone consideration since consultations were continuing. The TSB has consistently taken the view, that though parties should have the opportunity to consult in order to come to mutually acceptable solutions, such a request would not automatically lead to a suspension of TSB procedures which have a time limit of thirty days. As a consequence, the TSB will continue to examine each request on its own merits.

¹See COM.TEX/SB/1087

²See COM.TEX/SB/1067, paragraph 28