

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/W/401*
9 August 1985

Textiles Surveillance Body

DRAFT REPORT OF THE TENTH MEETING (1985)¹

1. The Textiles Surveillance Body held its tenth meeting of 1985 on 29-31 July.
2. Present at this meeting were the following members and/or alternates: Messrs. Cartland, Hamza, Iversen, Kawaguchi, Keck/Boisnon, Salim/Bondad and Shepherd.
3. The report of the ninth meeting has been circulated in COM.TEX/SB/1089.

Reports on measures examined under Article 3:5

Sweden/Turkey

4. The TSB received reports from Sweden and Turkey in response to its recommendation² on the measures taken by Sweden under Article 3:5 with respect to imports of Groups 4/5 and 8 from Turkey.
5. The TSB noted that Sweden was instituting proceedings to eliminate the measure on Group 4/5.

¹Hundred and eighty-ninth meeting overall

²COM.TEX/SB/1089

* English only/Anglais seulement/Inglés solamente

6. With respect to its recommendation regarding Group 8, the TSB regretted, considering the urgency of the matter, that the two parties were unable to consult before 26 July 1985.

7. In this context, the TSB, noting the willingness of both parties to hold consultations, reiterated its recommendation that the two parties consult with a view to the elimination of the measure as soon as possible in terms of Article 3, paragraph 9. It requested a definitive report on the results of these consultations.

Notifications under Article 4:4

Sweden/Hong Kong

8. The TSB continued its review of the bilateral agreement concluded by Sweden with Hong Kong under Article 4, valid for the period 1 September 1983 to 31 August 1987. The TSB noted the long delay in the notification of this agreement, and drew attention to the notification requirements of Article 4:4.

9. In this agreement:

(a) all product groups previously under restraint continued under restraint, and one product group previously covered by the aggregate without a specific limit was, in the new agreement, restrained by a specific limit;

(b) the aggregate and all restraint levels were lower than in the last year of the previous agreement;

(c) growth rates, at 0.2 per cent, were in all cases but one higher than in the previous agreement, and in one case similar to that of the previous agreement;

(d) flexibility was, in general, lower than in the previous agreement, and swing, previously explicit, was now incorporated in the reduced restraint levels;

(e) a special transfer provision had been agreed, according to which certain quantities would be debited from some groups and partly credited to other groups, the aggregate being decreased by an amount equivalent to the difference between the quantities debited and those credited;

(f) up to 6.2 per cent of each group or sub-group limit might be used for children's wear at a ratio of five pairs/pieces of children's wear for three quota units;

(g) the conversion factor adopted for Group A was 38 esy per dozen instead of 51.25 esy per dozen.

10. With respect to the interpretation of the special provision for children's wear (paragraph 9(f) above), the TSB noted that Sweden would manage the imports in accordance with Hong Kong's interpretation of the provision.

11. The TSB noted a statement from Sweden in which it referred to Annex B and paragraph 11 of the 1981 Protocol of Extension with respect to the growth and flexibility provisions contained in the agreement.

12. The TSB noted that the aggregate and group limits were set at levels throughout the life of the agreement below those in the last year of the previous agreement; it heard presentations from both parties that the special provision for children's wear and the new conversion factor for Group A products provided Hong Kong with the possibility of better access in the new agreement, although the built-in swing in the new agreement was lower.

13. The TSB also noted that the special transfer provision provided for a further reduction in the aggregate through the life of the agreement.

14. The TSB was of the opinion that the above elements when considered together could not be conclusively said to offer increased access to the exporting country, and observed that any agreement should, when compared to the agreement that had preceded it, offer, on overall terms, improved access for the items under restraint. It, therefore, recommended that the parties use the consultation provisions of the agreement in order to adjust the restraint levels for the last two agreement years (i.e. 1 September 1985 to 31 August 1987) and/or other provisions of the agreement so as to bring it into accord with the Arrangement.

15. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1090)

United States/Bangladesh

16. The TSB received a notification from the United States of a bilateral agreement concluded with Bangladesh. This agreement supersedes restraints imposed by the United States under Article 3:5 of the Arrangement.¹

17. Under this agreement:

(a) the coverage was limited to Category 334 (cotton coats), under restraint from 29 January 1985 to 28 January 1987, and Category 340 (cotton shirts), under restraint from 1 March 1985 to 28 February 1987;

(b) the restraint levels for the first restraint year were in both cases substantially above the roll-back levels; the growth rate for the second agreement year was 6 per cent;

¹See COM.TEX/SB/1089, report of the 189th meeting of the TSB (9th meeting of 1985).

(c) swing of 6 per cent was available between the two categories;

(d) carryover/carry forward were available at 11/6 per cent.

18. The TSB noted that the restraint on Category 340 became effective on 1 March 1985, while the previous restraint under Article 3:5 applied from 28 February 1985, thus permitting an additional one-time entry of 28,000 dozen outside the quota.

19. The TSB heard a statement from the United States that it considered that the provisions of Article 6 of the Arrangement and paragraph 12 of the Protocol of Extension had been reflected, inter alia, in the substantial increases in base levels and the one-time entry cited in paragraph 18 above.

20. The TSB understood that any modifications resulting from a review of the agreement, after the end of the first year, will be notified to it.

21. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1091)

Sweden/Yugoslavia

22. The TSB continued its review of the bilateral agreement concluded by Sweden with Yugoslavia.

Norway/Philippines

23. The TSB began its review of a notification received from Norway of a bilateral agreement concluded with the Philippines.

Notification under Articles 7 and 8

United States/Mauritius

24. The TSB received a notification from the United States of a bilateral agreement concluded with Mauritius for the period 1 October 1984 to 30 September 1990. This notification was made in accordance with the request from the Textiles Committee that participants notify bilateral agreements concluded with non-participating countries. The TSB agreed to transmit the notification to the Textiles Committee for its information.
(COM.TEX/SB/1092)

Notifications under Article 11

Macao, Hong Kong, Philippines, Hungary

25. The TSB received notifications from Macao, Hong Kong, the Philippines and Hungary 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.¹ These notifications will be transmitted to the Textiles Committee at the time of the submission of the TSB's annual report.

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26. The Chairman speaking on behalf of the Body, thanked Mr. J. Lindsay MacNeil who was leaving Geneva, for his contribution to the work of the TSB.

¹See COM.TEX/SB/1067, paragraph 28