

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL  
TEX.SB/W/411\*  
17 December 1985

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## Textiles Surveillance Body

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

1. The Textiles Surveillance Body held its fifteenth meeting of 1985 on 11 December 1985.
2. Present at this meeting were the following members and/or alternates: Messrs. Cartland, Iversen, Kawaguchi, Keck, Rosselli, Salim and Shepherd.
3. The report of the fourteenth meeting has been circulated in COM.TEX/SB/1129.

### Notifications under Article 4:4

#### United States/China

4. The TSB received a notification from the United States of a further modification of its bilateral agreement with China.
5. Under this modification restraints were agreed on Categories 313, 317, 320 pt (print cloth), 336, 352, 359 pt (coveralls), 444, 613 pt (poly-cotton and poly-rayon fabrics), 639, 649 and 669 pt (polypropylene bags) with effect from 1 January 1984.
6. These restraints superseded in all cases restraints introduced by the United States in accordance with the consultation provisions of the agreement. In this context the TSB recalled that it had reviewed the restraints on Categories 313, 317, 444 and 649 referred by China under Article 11:4, and had been informed that agreed solutions had been found with respect to these categories.<sup>2</sup>

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<sup>1</sup> Hundred and ninety-fifth meeting overall

<sup>2</sup> COM.TEX/SB/1006, 1044, 1116 paragraph 3.25

\* English only/Anglais seulement/Inglés solamente

7. The restraint levels were, in all cases, higher or substantially higher than the reference levels; with growth rates ranging between 2.5 and 6 per cent for the non-wool categories and 1 per cent for Category 444, compounded growth rates were, in all cases, above 6 per cent.

8. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1130)

United States/Turkey

9. The TSB received a notification from the United States of a bilateral agreement concluded with Turkey with respect to two categories, valid for the period 1 January 1985 to 31 December 1987.

10. In this agreement:

(a) the categories under restraint were cotton sheeting and plied acrylic yarn; these restraints superseded those imposed earlier by the United States under Article 3:5;

(b) in both cases, these restraints represented substantial increases over the Article 3:5 restraint;

(c) annual growth was set at 6 per cent;

(d) swing was available at 7 per cent and carryover/carry forward at 11/6 per cent.

11. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1131)

United States/Sri Lanka

12. The TSB received a notification from the United States of a further modification of its bilateral agreement with Sri Lanka. Restraints on six categories (337, 338, 339, 363, 369 ST (shop towels) and 647) were agreed. The base levels, in all cases, were higher than 6 per cent over the reference levels, and growth was set at 6 per cent.

13. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1132)

United States/Brazil

14. The TSB received a notification by the United States of a new bilateral agreement concluded with Brazil for the period 1 April 1985 to 31 March 1988.

15. In this agreement:

(a) the coverage was expanded to include wool products; an aggregate limit was maintained but former group limits were dropped;

(b) twenty-four categories (including nine merged categories and two part categories) were under specific restraint, of which four were previously under specific restraint and thirteen under a designated consultation level;

(c) increases in base levels or over trade were, in all cases but one, above or substantially above 6 per cent; the increase in base level for the aggregate was substantial;

(d) growth rates were set at 6 per cent for cotton and man-made fibre categories, 1 per cent for wool categories, and more than 6 per cent for the aggregate;

(e) swing was available at 6 per cent; carryover and carry forward were available at 11/6 per cent; carryover and carry forward for the aggregate were subject to consultations;

(f) the agreement also contained consultation procedures and criteria pursuant to which restraints on additional products could be established; former minimum and designated consultation levels were abandoned.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1133)

Norway/India

17. The TSB received a notification from Norway of an Article 4 agreement concluded with India for the period 1 July 1985 to 31 December 1986.

18. In this agreement:

(a) ten categories were under specific limits and eleven categories subject to an administrative system of surveillance;

(b) until 1981 nine of the ten categories under limit were restrained under a bilateral agreement; until 30 June 1984 eight of the restricted categories were subject to measures notified by Norway under Article XIX of GATT, and subsequently maintained until 30 June 1985 under the phase-out programme notified by Norway under Article 2:1;

(c) hand-made apparel and made-up products falling within six categories, not covered by agreed exempt certification, were for the duration of the agreement included in the quantitative limits established thereunder;

(d) base levels were, in all cases, higher than the quotas set for 1981; in seven cases they were much higher than Annex B levels, and in two cases lower; for one of the latter cases, however, an additional quota arrangement was agreed;

(e) growth rates varied between 0.3 and 2.5 per cent;

(f) swing was available at 2 per cent; carryover and carry forward at 4 and 2 per cent;

(g) cumulative use of flexibility was limited to 4 per cent.

19. The TSB heard a statement by Norway that:

(a) concerning base levels for the restrained items account had been taken of the restraint levels in the former bilateral agreement between the parties;

(b) as to the growth and flexibility provisions in the agreement, account had been taken of Annex B and paragraph 11 of the 1981 Protocol.

20. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1134)