

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/W/449*

17 June 1987

TARIFFS AND TRADE

Textiles Surveillance Body

DRAFT REPORT OF THE SEVENTH MEETING (1987)¹

1. The Textiles Surveillance Body held its seventh meeting of 1987 on 10-11 June.
2. Present at this meeting were the following members and/or alternates: Messrs. Koda, Lau/Lee, Mazzocchi/Boisnon, Randhawa/Abdel Fattah, Rosselli, Säilä/Wright, Shepherd and Mrs. Tantraporn.
3. The report of the sixth meeting has been circulated in COM.TEX/SB/1276.

Notifications under Article 4

EEC/Thailand

4. The TSB received a notification of an agreement initialled between the EEC and Thailand, in de facto application from 1 January 1987 and valid until 31 December 1991.
5. In this agreement:
 - (a) the product coverage remained unchanged;
 - (b) five regional restraints were terminated;

¹Two hundred and twelfth meeting overall.

*English only/Anglais seulement/Inglés solamente

- (c) increases in base levels for Community restraints were lower than 6 per cent for two categories, 6 per cent for two categories, higher than 6 per cent for five categories and substantially higher than 6 per cent for one category. For four other categories there were increases, but these could not be precisely calculated due to the extended coverage in the context of the categorization changes. For regional limits, increases in base levels were higher than 6 per cent;
- (d) annual growth rates, between 3 and 7 per cent for Community limits, and at 6 or 7 per cent for regional restraints, were in all cases higher than in the previous agreement;
- (e) swing, while subject to limitations, was set at 7 per cent and was more favourable to Thailand than under the previous agreement;
- (f) carryover at 7 per cent was higher than in the previous agreement, while carry forward at 5 per cent remained unchanged. Cumulative flexibility at 17 per cent was higher than in the previous agreement;
- (g) additional quantities for outward processing traffic were agreed for three categories, with annual growth higher than 6 per cent;
- (h) possibilities were available for transfer of up to 10 per cent of regional shares of Community limits among ASEAN countries.

6. After its review, the TSB agreed to transmit this notification to the Textiles Committee.¹ (COM.TEX/SB/1277)

7. The TSB also received a notification from the EEC of a subsequent modification of its agreement with Thailand under which a restraint was agreed on imports of Category 1 (cotton yarn) into Italy with effect from 1 January 1987. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1278)

¹For general observations on this agreement, see COM.TEX/SB/1272, paragraphs 27 to 39.

EEC/Philippines

8. The TSB received a notification of an agreement initialled between the EEC and the Philippines, in de facto application from 1 January 1987 and valid until 31 December 1991.

9. In this agreement:

- (a) the product coverage remained unchanged;
- (b) one Community limit and five regional restraints were terminated;
- (c) increases in base levels for Community restraints were lower than 6 per cent for five categories and higher than 6 per cent for three categories. For three other categories there were increases, but these could not be precisely calculated due to the extended coverage in the context of the categorization changes. For regional restraints, increases in base levels were higher or substantially higher than 6 per cent;
- (d) annual growth rates, between 3.5 and 6 per cent for Community limits, and between 6 and 8 per cent for regional limits, were in all cases higher than in the previous agreement;
- (e) swing, while subject to limitations, was set at 7 per cent and was more favourable to the Philippines than in the previous agreement;
- (f) carryover at 7 per cent was higher than in the previous agreement, while carry forward at 5 per cent remained unchanged. Cumulative flexibility at 17 per cent was higher than in the previous agreement;
- (g) additional quantities for outward processing traffic were agreed for three categories, with annual growth between 6 and 9 per cent;
- (h) additional access was available in the case of three categories as for up to 5 per cent of the limits five children's garments would be counted as three quota units;

- (i) possibilities were available for transfer of up to 10 per cent of regional shares of Community limits among ASEAN countries.

10. With respect to additional quantities available for three categories for outward processing traffic, the TSB heard a statement by the EEC that the agreement reached by the parties on these quantities was intended to provide additional access, thereby taking care of specific interests of producers from both parties. In this context the TSB recalled its earlier decision not to make any observation on provisions relating to re-imports of textile products after processing in the partner country.¹

11. After its review, the TSB agreed to transmit the notification to the Textiles Committee.² (COM.TEX/SB/1279)

United States/Bangladesh

12. The TSB received a notification from the United States of an amendment to its agreement with Bangladesh, under which:

- (a) the six specific limits due to expire on 31 January 1988 were extended to 31 January 1989, with 6 per cent growth;
- (b) a sub-limit of no more than 35 per cent of the specific limit for Category 341 (cotton blouses) was established for blouses made of yarn-dyed fabrics;
- (c) the product coverage was extended by the introduction of specific limits agreed on Categories 641 (man-made fibre blouses) and 647/648 (man-made fibre trousers) as of 1 October 1986, and on Category 336 (cotton coats) as of 1 February 1987, with sub-limits on 641pt (blouses of yarn-dyed fabric) and 647/8pt (long trousers and slacks).

¹COM.TEX/SB/1272, paragraph 39

²For general observations on this agreement see COM.TEX/SB/1272, paragraphs 27-39.

13. The increases over roll-back levels for the new specific limits mentioned in 12(c) above were in all cases substantially higher than 6 per cent, with annual growth rates of 6 per cent. Swing was available at 6 per cent with additional special swing of 15 per cent into Categories 641 and 647/648 from any other limit, except from Category 331. Carryover/carry forward were provided at 11/6 per cent.

14. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1280)

United States/Brazil

15. The TSB received a notification from the United States of a further amendment of its bilateral agreement with Brazil. An agreed limit was established on Category 314 (cotton poplin and broadcloth) with effect from 28 August 1986, replacing and superseding the previous restraint established by the United States under paragraph 8 of the United States/Brazil agreement on Category 314/320pt.

16. The level agreed for Category 314 was substantially higher than that previously established by the United States, with growth for the last agreement period, ending 31 March 1988, at 4.5 per cent. Swing was available at 6 per cent, with the alternative of special swing of 20 per cent from any other cotton fabric category subject to a restraint. Carryover/carry forward were provided at 11/6 per cent.

17. The TSB recalled that this amendment had resulted after bilateral consultations it had recommended following a review of the case under Article 11:4,¹ and noted that the United States had rescinded its request for consultations on Category 320pt.

18. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1281)

¹ See COM.TEX/SB/1114, 1226 and 1231

United States/Turkey

19. The TSB received a notification from the United States of an amendment to its agreement with Turkey.

20. In this amendment:

- (a) the designated consultation levels for Categories 300/301 and 604-0 were increased for the 1986/87 agreement year;
- (b) specific limits were agreed for Categories 350 (cotton dressing gowns) and 605 part (H) (man-made fiber hand-knitting yarn) as of 1 November 1986, with increases over rollback levels substantially higher than 6 per cent, annual growth at 6 per cent, swing at 7 per cent and carryover/carry forward at 11/6 per cent.

21. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1282)

United States/India

22. The TSB received a notification from the United States of an amendment to its agreement with India, under which four new specific limits under Group II were agreed with effect from 1 January 1987.

23. The restraints on Categories 369-S (cotton shop towels), 640 (man-made fibre woven shirts), 641 (man-made fibre blouses) and 642 (man-made fibre skirts) were set at levels higher than 6 per cent over their respective reference levels, with growth at 6 per cent, swing at 7 per cent (plus special swing of 10 per cent from Category 340 to Category 640) and carryover/carry forward at 11/6 per cent.

24. The TSB recalled that restraints on three of these categories, introduced in 1986, had been referred by India under Article 11:4, but the TSB had not addressed the case since both parties had reported that agreed solutions had been found which superseded the earlier restraints.¹

¹See COM.TEX/SB/1241

25. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1283)

Notification under Article 3:8 and paragraph 8 of the 1986 Protocol of Extension

26. The TSB received a notification under Article 3:8 and paragraph 8 of the 1986 Protocol of Extension by the United States concerning the extension of a restraint on imports of lightweight plainweave man-made fibre fabric (Category 613-C) from Pakistan. The restraint was extended for the period 27 April 1987 to 26 April 1988.

27. The TSB was informed that both parties had agreed to hold consultations in July and therefore agreed to the request that it defer its review of the notification.

Notification under Articles 7 and 8

United States/Bulgaria

28. The TSB received a notification from the United States of a bilateral agreement covering one product with Bulgaria for the period 1 May 1986 to 30 April 1989. This notification was made under Articles 7 and 8 in accordance with the request made by the Textiles Committee that agreements concluded with non-participants be notified. The TSB is forwarding the text of the notification to participating countries for information.
(COM.TEX/SB/1284)