

# GENERAL AGREEMENT ON

CONFIDENTIAL

## TARIFFS AND TRADE

TEX.SB/W/458\*

22 September 1987

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### Textiles Surveillance Body

#### DRAFT REPORT OF THE ELEVENTH MEETING (1987)<sup>1</sup>

1. The Textiles Surveillance Body held its eleventh meeting of 1987 on 15-17 September.
2. Mr. Lau appointed Mr. Hyuck Choi (Korea) as his alternate with effect from 14 September.
3. Present at this meeting were the following members and/or alternates: Messrs. Koda/Akasaka, Lau/Choi, Mazzocchi, Randhawa, Rosselli, Säilä/Wright, Salim and Shepherd.
4. The report of the tenth meeting has been circulated in COM.TEX/SB/1306.

#### Annual Report to the Textiles Committee

5. The TSB began its discussion of the draft of its annual report to the Textiles Committee.

#### Notifications under Article 3:5

##### United States/China

6. In accordance with its request to the United States and China,<sup>2</sup> the TSB received reports from both parties that at their bilateral consultations agreed solutions had been found with respect to Categories 833 and 847 exported from China to the United States; these will be notified to the TSB in due course.

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<sup>1</sup>Two hundred and sixteenth meeting overall

<sup>2</sup>See COM.TEX/SB/1306

\*English only/Anglais seulement/Inglés solamente

United States/Bangladesh

7. In accordance with its request made in July 1987,<sup>1</sup> the TSB received a report from the United States that after consultations with Bangladesh an agreed solution had been found with respect to Category 645/646. The TSB also received a communication from Bangladesh that another round of consultations with the United States on Category 338/339 was scheduled in September. As such, Bangladesh requested the TSB to defer its review of the measure taken by the United States under Article 3:5 on this Category. On being informed that the United States supported this request, the TSB agreed that, if necessary, it would review the case at its meeting scheduled for 13-15 October.

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

United States/Pakistan

8. With respect to the notification received from the United States under Article 3:8 and paragraph 8 of the 1986 Protocol, on the extension of the restraint on imports of Category 613-C from Pakistan,<sup>2</sup> the TSB received a report from the United States that, following consultations, both parties had found an agreed solution, which would be notified in due course.

United States/China

9. The TSB received a notification from the United States under Article 3:8 and paragraph 8 of the 1986 Protocol concerning the extension of a restraint on imports of Category 845/846 (silk blend and other vegetable fibre sweaters) from China for the period 29 August 1987 to 28 August 1988.

10. The TSB noted that the unilateral measure on this Category had first been taken by the United States when China was not participating in the MFA. It agreed to invite both parties to its meeting scheduled for 13-15 October to present their respective cases.

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<sup>1</sup>See COM.TEX/SB/1299

<sup>2</sup>COM.TEX/SB/1285

Notifications under Article 4Canada/Pakistan

11. The TSB received a notification from Canada of a bilateral agreement concluded with Pakistan for the period 1 January 1987 to 31 December 1991.

12. In this agreement:

- (a) product coverage was expanded;
- (b) the restraint on one category was removed, while six restraints on clothing and textile items were maintained;
- (c) increases in base levels over previous restraints were in all cases higher than 6 per cent;
- (d) growth rates, set between 6 and 8 per cent, remained unchanged;
- (e) swing was available at 7 per cent with no swing between the clothing and textiles categories;
- (f) carryover/carry forward was unchanged at 11/6 per cent, while cumulative use of flexibility at 16 per cent was lower than in the previous agreement;
- (g) as in the previous agreement, additional access was available in all clothing categories as five children's and infants' garments would be counted as three quota units;
- (h) the consultation mechanism for the introduction of restraints on additional products provided that, in the absence of a mutually satisfactory solution, Canada might establish a specific limit for the product concerned.

13. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1307)

Canada/Uruguay

14. The TSB received a notification from Canada of a bilateral agreement concluded with Uruguay for the period 1 January 1987 to 31 December 1991.

15. In this agreement:

- (a) coverage continued to be limited to one product;
- (b) increase in the base level for this product was higher than 6 per cent over the previous level;
- (c) growth rate at 6 per cent was higher than in the previous agreement;
- (d) carryover/carry forward were unchanged at 10/5 per cent.

16. The TSB took note of a statement by Canada that in concluding this agreement, particular consideration was given to paragraph 14 of the 1986 Protocol of Extension.

17. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1308)

Finland/Romania

18. The TSB received a notification from Finland of a bilateral agreement concluded with Romania for the period 1 January 1987 to 31 December 1990.

19. In this agreement:

- (a) the four categories previously under restraint were unchanged;
- (b) the base levels were increased by less than 6 per cent in two cases and by 6 per cent in the other two;
- (c) the growth rate, set at 2 per cent, remained unchanged for three categories and was slightly higher for the remaining category;
- (d) swing, carryover/carry forward were unchanged at 5 and 11/6 per cent respectively, with the possibility of carryover from the previous agreement.

20. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1309)

Notifications transmitted under Articles 7 and 8

Norway/German Democratic Republic, Norway/Malta

21. In its notification under Article 11 on the status of its restrictions, Norway notified a memorandum on imports from the German Democratic Republic

for the period 1 January 1987 to 31 December 1987, and a bilateral agreement with Malta for the period 1 January 1986 to 31 December 1988. The TSB decided to transmit these to the Textiles Committee under Articles 7 and 8. (COM.TEX/SB/1310 and 1311)

#### Notifications under Article 11

##### Canada, EEC, Hungary, India, Norway, Peru, Thailand, United States

22. The TSB took note of the notifications received from Canada, EEC, Hungary, India, Norway, Peru, Thailand and the United States 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 textile products.<sup>1</sup> These notifications will be submitted to the Textiles Committee at the time of the submission of the TSB's annual report.

##### Switzerland

23. At the request of the TSB, a delegation from Switzerland provided certain clarifications on its notification made under Article 11. The notification will be submitted to the Textiles Committee, together with the TSB's observations, at the time of the submission of the TSB's annual report.

##### Sweden

24. The TSB sought additional information from Sweden relating to its notification under Article 11.

#### General discussion

25. The TSB continued its general discussion relating to Article 6:6 and paragraph 15 of the Protocol of Extension.<sup>2</sup>

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<sup>1</sup>See COM.TEX/SB/1265

<sup>2</sup>See COM.TEX/SB/1306