

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/W/464*
27 October 1987

Textiles Surveillance Body

DRAFT REPORT OF THE FOURTEENTH MEETING (1987)¹

1. The Textiles Surveillance Body held its fourteenth meeting of 1987 on 19-21 October.

2. Present at this meeting were the following members and/or alternates: Messrs. Koda, Lau/Choi, Mazzocchi, Randhawa, Rosselli, Säilä/Wright, Salim and Shepherd.

3. The report of the thirteenth meeting has been circulated in COM.TEX/SB/1325.

General observation relating to paragraph 24 of the 1986 Protocol of Extension

4. The TSB considered the provisions of paragraph 24 of the 1986 Protocol of Extension. It noted that these provisions had been invoked in the agreements notified to it in different ways.

5. The TSB considered the following elements: (a) product coverage under the Arrangement, and (b) the introduction of restraints on products falling within the paragraph.

6. The TSB was of the opinion that, while this paragraph had not amended Article 12 of the MFA, it had extended, under certain conditions, the product coverage of the Arrangement for the duration of the 1986 Protocol.

¹Two hundred and nineteenth meeting overall

*English only/Anglais seulement/Inglés solamente

7. The TSB noted that specific restraints had been introduced on products made of fibres specified in paragraph 24 which were merged with products made of fibres specified in Article 12 when there had been no imports or imminent increase of imports (as defined in Annex A) of products made of fibres specified in paragraph 24, and observed that such specific restraints were not envisaged under that paragraph.

8. The TSB understood that specific restraints on products made of fibres specified in paragraph 24 should be introduced only if it was demonstrated that imports of such products were directly competitive with products made of fibres specified in Article 12 and were causing or aggravating market disruption or real risk thereof in the importing country.

9. The TSB agreed that the present observation also applied to the notifications already reviewed¹ which included restraints or the possibility of restraints on textiles of paragraph 24 fibres. It requested all participating countries to take this observation into account.

Notifications under Article 4

United States/Jamaica

10. The TSB received a notification from the United States of an amendment to its bilateral agreement with Jamaica,² concluded for the period 1 September 1986 to 31 December 1989.

11. Under this amendment:

- (a) the coverage was expanded to include Category 845 (sweaters, other vegetable fibre);

¹United States/Hong Kong, United States/India, United States/Korea, United States/Macao, United States/Pakistan, United States/Philippines

²The bilateral agreement was transmitted by the TSB under Articles 7 and 8, as at the time Jamaica had not accepted the 1986 Protocol of Extension. (COM.TEX/SB/1241, report of the second meeting of 1987)

- (b) Guaranteed Access Levels within Group I were agreed for three merged Categories (341/641, 345/845, 352/652) and one Category (632) with effect from 1 June 1987, and for one merged Category (340/640) with effect retroactive to the initial date of the agreement;
- (c) designated consultation levels within Group II were agreed for Category 632 and merged Category 352/652 starting on 1 June 1987;
- (d) specific limits within Group III were agreed for merged Categories 341/641, 345/845 and 445/446 with effect from 1 January 1987; in all cases the increase over the reference level was much higher than 6 per cent.

12. With respect to the specific restraint introduced on Category 345/845, the TSB noted that there were no imports in Category 845 (sweaters of other vegetable fibres), and recalled its observation¹ that the introduction of specific restraints on products made of fibres specified in paragraph 24 when there had been no imports or imminent increase of imports (as defined in Annex A) were not envisaged under that paragraph. It requested both parties to take this observation into account.

13. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1326)

United States/Romania

14. The TSB received a notification from the United States of amendments to both its agreements with Romania, namely, the agreement on trade in cotton textiles, in force until 31 December 1987, and the agreement on trade in wool and man-made fibre textiles, valid until 31 December 1989.

15. The amendment to the cotton textiles agreement:

- (a) expanded its coverage, to include Category 833 (men's and boys' suit-type coats of silk blend and other vegetable fibres);
- (b) created a merged 333/833 Category;

¹ See paragraphs 4-9 above.

- (c) established for this merged Category, for agreement year 1987, the same designated consultation level previously valid for Category 333 only, with a sub-level of 20 per cent for Category 833;
- (d) increased, for 1987 only, the consultation levels for several Categories.

16. The amendment to the wool and man-made fibre agreement increased several consultation levels.

17. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1327)