

# GENERAL AGREEMENT ON

CONFIDENTIAL

## TARIFFS AND TRADE

TEX.SB/W/474\*  
4 March 1988

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### Textiles Surveillance Body

#### DRAFT REPORT OF THE THIRD MEETING (1988)<sup>1</sup>

1. The Textiles Surveillance Body held its third meeting of 1988 on 25 February.
2. Present at this meeting were the following members and/or alternates: Messrs. Abdel-Fatah/Munir, Boisson, Choi/Lau, Gero/Hildan, de la Peña, Salim and Shepherd.
3. The report of the second meeting has been circulated in COM.TEX/SB/1369.

#### Notifications under Article 3:5 and 11:5

#### United States/Turkey

4. At the request of Turkey the TSB reverted to the matter concerning the unilateral measure taken by the United States with respect to imports of cotton and man-made fibre skirts (Category 342/642) from Turkey. In its request Turkey reiterated its opinion that Categories 342 and 642 being different products, Category 642 should not be included in the consultations, since Turkey's exports of 642 products were negligible. The TSB recalled that it had examined the case in December 1987, and that the bilateral consultations recommended by it had not resulted in an agreed solution.<sup>2</sup>

5. After hearing the reports from the parties, the TSB concluded that its recommendation of 9 December 1987 had not been correctly interpreted. It recalled that the recommendation was based on four elements (items (a) to (d) of paragraph 8 of COM.TEX/SB/1345): sub-paragraphs (a), (b) and (c)

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<sup>1</sup>Two hundred and twenty-fourth meeting overall

<sup>2</sup>COM.TEX/SB/1345 and 1359

\*English only/Anglais seulement/Inglés solamente

addressed the fact that the application of a reference level established in accordance with Annex B, paragraph 1(a), i.e. imports in the twelve-month period ending in February 1987, did not take into account Article 6 of the Arrangement, paragraph 13 of the 1986 Protocol and paragraph III of Annex A, while item (d) recognized that the need to avoid market disruption in the United States should be borne in mind by the parties. None of these elements in isolation could represent the sense of the recommendation.

6. The TSB noted that in referring to the development of imports up to September 1987, it had not intended to indicate a level of restraint, but only one of the several reference points to be taken into consideration by the parties.

7. The Body, therefore, recommended that once again the parties resume their consultations, bearing in mind both its previous recommendation and the above comments, and report to it on the result of such consultations.