

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/W/476
17 March 1988

Textiles Surveillance Body

DRAFT REPORT OF THE FOURTH MEETING (1988)¹

1. The Textiles Surveillance Body held its fourth meeting of 1988 on 14-16 March.
2. Present at this meeting were the following members and/or alternates: Messrs. Abdel Fattah, Choi/Lau, Gero, Koda, Mazzocchi, de la Peña/Portugal, Salim and Shepherd.
3. The report of the third meeting has been circulated in COM.TEX/SB/1370.

Notifications under Article 4

Canada/Romania

4. The TSB agreed to defer its review of the agreement between Canada and Romania,² in view of ongoing bilateral consultations related to the agreement.

Canada/Hungary

5. The TSB received a notification from Canada of a bilateral agreement concluded with Hungary for the period 1 January 1987 to 31 December 1991.
6. In this agreement:
 - (a) as in the previous agreement, the product coverage was limited to the product category under restraint;
 - (b) the increase in the base level over the previous restraint level was less than 6 per cent;

¹Two hundred and twenty-fifth meeting overall

²COM.TEX/SB/1369
88-0409

- (c) the growth rate at 3 per cent remained unchanged from the previous agreement;
- (d) carryover/carry forward continued to be available at 10/5 per cent, with no carryover in the first agreement period and no carry forward in the last agreement period.

7. The TSB heard a statement from Canada that the lower than 6 per cent growth rate was agreed pursuant to paragraph 2 of Annex B.

8. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1371)

EEC/Hong Kong

9. The TSB received a notification from the EEC of a bilateral agreement concluded with Hong Kong and in de facto application for the period 1 January 1987 to 31 December 1991.

10. In this agreement:

- (a) the product coverage remained unchanged;
- (b) six Community restraints and three regional restraints were liberalized; one Community restraint was liberalized in all regions except one;
- (c) increases over previous limits for the Community restraints varied between 0.2 per cent and 4 per cent; in ten cases the increase could not be calculated due to modifications in product coverage resulting from categorization changes; increases for the two regional limits were lower than 6 per cent;
- (d) annual growth rates ranging between 0.2 and 4 per cent for the Community limits and at 5 and 6 per cent for the two regional limits were in all cases either unchanged from the growth rates in the previous agreement or slightly higher;
- (e) swing, subject to limitations, was set at 4 and 5 per cent and was more favourable to Hong Kong than in the previous agreement;
- (f) carryover between 2 and 7 per cent and carry forward between 1 and 5 per cent were possible after consultations; the cumulative use of flexibility was set at 12 per cent. The flexibility provisions in this agreement were more favourable than in the previous agreement;

(g) additional access was available for four categories, as five children's garments would be counted as three quota units up to certain percentages of the limits.

11. The TSB heard a statement from the EEC that, in negotiating this bilateral agreement, account had been taken of paragraph 10 of the 1986 Protocol of Extension.

12. After its review, the TSB agreed to transmit this notification to the Textiles Committee.¹ (COM.TEX/SB/1372)

United States/Turkey

13. The TSB received a notification from the United States of a further amendment of its agreement with Turkey, effective for the period 1 July 1987 to 30 June 1990.

14. In this amendment:

- (a) product coverage was extended by the inclusion of two categories;
- (b) specific limits were agreed on the two new categories and on two other categories of which previously one category and one part category were subject to consultation levels and one part category to a specific limit;
- (c) base level increases for the new categories were substantially higher than 6 per cent over the rollback levels, while the increases for the other two categories were higher than 6 per cent over previous reference levels;
- (d) growth was set at 6 per cent and swing, carryover/carry forward were available at 7 and 11/6 per cent;
- (e) agreement was reached relating to a problem of shipments of one part category.

15. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1373)

¹For general observations applicable to this agreement, see COM.TEX/SB/1272, paragraphs 27-38 and COM.TEX/SB/1294, paragraph 33.

Notifications under Articles 7 and 8

EEC/Haiti

16. The TSB received a notification from the EEC of a consultation agreement concluded with Haiti for the period 1 January 1987 to 31 December 1991. This notification was made in accordance with the request of the Textiles Committee that agreements with non-participants be notified, and the TSB is forwarding it to participating countries for information.
(COM.TEX/SB/1374)

EEC/Guatemala

17. The TSB received a notification from the EEC that its agreement with Guatemala, which expired on 31 December 1986, was replaced by an agreement covering the EEC's ninety-three product categories, providing for exchange of information and for cooperation to avoid circumvention. The agreement equally provides for the possibility of consultations in cases of market disruption or real risk thereof with a view to finding an appropriate solution.

18. The TSB agreed to transmit this notification to the Textiles Committee for its information. (COM.TEX/SB/1375)

United States/Panama

19. The TSB received a notification from the United States of a consultation agreement concluded with Panama for the period 1 April 1987 to 31 March 1990. This notification was made in accordance with the request of the Textiles Committee that agreements with non-participants be notified, and the TSB is forwarding it to participating countries for information.
(COM.TEX/SB/1376)

Notifications under Article 11

Sweden, Macao, Jamaica

20. The TSB agreed to transmit to the Textiles Committee reports received from Sweden, Macao and Jamaica on the status of restrictions maintained by them on imports of textile products. (COM.TEX/SB/1315/Add.22, Add.23 and Add.24)

Czechoslovakia, Romania

23. The TSB agreed to postpone its review of notifications received under Article 11 from Czechoslovakia and Romania until a later date.

General discussions

22 The TSB held a first exchange of views on (a) paragraph 25 of the 1986 Protocol of Extension and (b) the matter of overshipments.