

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/W/478*
29 March 1988

Textiles Surveillance Body

DRAFT REPORT OF THE FIFTH MEETING (1988)¹

1. The Textiles Surveillance Body held its fifth meeting of 1988 on 23-24 March.
2. Present at this meeting were the following members and/or alternates: Messrs. Abdel Fattah, Choi/Lau, Gero/Hildan, Koda, Mazzocchi, Portugal, Salim and Shepherd.
3. The report of the fourth meeting has been circulated in COM.TEX/SB/1377.

Notifications under Article 4

Finland/Hong Kong

4. The TSB received a notification from Finland of an amendment of its bilateral agreement with Hong Kong.² This amendment aimed at adapting three of the four categories under restraint to the Harmonized System and, as a consequence, revised restraint levels were agreed, with effect from 1 January 1988. The revised restraint levels took into account the level of previous imports from Hong Kong of garments of sizes between 86 cm and 110 cm, theretofore classified as infants' wear.
5. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1378)

¹Two hundred and twenty-sixth meeting overall

²See COM.TEX/SB/1246

* English only/Anglais seulement/Inglés solamente

Finland/Macao

6. The TSB received a notification from Finland of an agreed amendment of its bilateral agreement with Macao, which is in force until 31 December 1991.¹

7. Under this amendment, valid from 1 January 1988:

- (a) the product coverage of the agreement was expanded;
- (b) all products included in the expanded coverage were brought under restraint; one category previously under restraint had its coverage expanded and four new categories were placed under restraint;
- (c) increases in base levels over the relevant reference levels were lower than 6 per cent in two cases and higher than 6 per cent in three cases;
- (d) annual growth rates were set at 2.5 per cent for three categories and 3 per cent for two categories;
- (e) the flexibility provisions of the agreement applied to the new restraints.

8. During its review, the TSB understood that in negotiating the growth rates the parties had borne in mind paragraph 12 of the 1986 Protocol of Extension. In this context, the TSB recalled its general observation on the bilateral agreements notified by Finland.²

9. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1379)

Canada/Thailand

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

11. In this agreement:

¹See COM.TEX/SB/1242

²See COM.TEX/SB/1256

- (a) the product coverage was expanded to include yarns, fabrics and made-up items;
- (b) all previous restraints were maintained and three new product categories were placed under restraint;
- (c) increases in base levels over previous restraint levels or the relevant reference levels were lower than 6 per cent in two cases, 6 per cent in eight cases, higher than 6 per cent in two cases and substantially higher than 6 per cent in one case;
- (d) annual growth rates were set at 4 per cent in two cases, 5 per cent in three cases and 6 per cent in eight cases; in five cases they were lower than in the previous agreement;
- (e) swing, at 5 per cent for six categories and 7 per cent for the others, was lower than in the previous agreement for six categories, higher for one and unchanged for the others;
- (f) carryover/carry forward, previously 11/6 per cent, were set at 10/5 per cent;
- (g) additional access continued to be available in clothing categories, as five children's and infants' garments would be counted as three quota units;
- (h) unrestrained categories covered by the agreement were subject to a consultation mechanism.

12. The TSB noted that growth rates for five categories were less than 6 per cent as well as lower than in the previous agreement, and heard a statement from Canada that they had been agreed pursuant to paragraph 2 of Annex B.

13. The TSB also noted that the flexibility provisions were less favourable to Thailand than in the previous agreement, and heard a statement from Canada that 5 per cent swing for some categories had been agreed pursuant to paragraph 5 of Annex B.

14. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1380)

Canada/Bangladesh

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

16. In this agreement:

- (a) the product coverage was expanded from three to five clothing categories;
- (b) two new categories were placed under restraint;
- (c) increases in base levels over the previous restraints varied between 6.9 and 7.5 per cent and those over the relevant rollback levels were in both cases substantially higher than 6 per cent;
- (d) annual growth rates were 6 per cent in one case, 7 per cent in three cases and 7.5 per cent in one case;
- (e) swing at 7 per cent was higher than in the previous agreement;
- (f) carryover/carry forward was set at 10/5 per cent and cumulative flexibility at 13 per cent.

17. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1381)

Canada/Singapore

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

19. Under this agreement:

- (a) the product coverage was expanded by the addition of certain yarns, fabrics, clothing products and made-up items;
- (b) the eleven categories under restraint remained the same as in the previous agreement;
- (c) increases in base levels varied between 3.1 per cent and 25.1 per cent, being lower than 6 per cent in three cases, 6 per cent in one case, higher than 6 per cent in six cases and substantially higher than 6 per cent in one case;
- (d) annual growth rates were 6 per cent in five cases, and both less than 6 per cent and lower than in the previous agreement in six cases;

- (e) swing, with certain limitations, remained unchanged at 7 per cent;
- (f) carryover/carry forward, previously 11/6 per cent, were set at 10/5 per cent, and the cumulative use of flexibility was unchanged at 15 per cent;
- (g) additional access continued to be available in clothing categories, as five children's and infants' garments would be counted as three growth units;
- (h) unrestrained categories covered by the agreement were subject to a consultation mechanism.

20. The TSB heard a statement from Canada that the less than 6 per cent growth rate for some categories was agreed in terms of paragraph 2 of Annex B.

21. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1382)

Canada/Turkey

22. The TSB received a notification from Canada of a bilateral agreement concluded with Turkey for the period 1 January 1987 to 31 December 1990.

23. Under this agreement:

- (a) the product coverage was expanded from one product category to five product categories;
- (b) the previous restraint on one category was maintained, and new restraints were agreed on four categories;
- (c) increases in base levels over the previous restraint level or the relevant rollback levels were substantially higher than 6 per cent in all but one case, where the increase was less than 6 per cent;
- (d) annual growth rates were set at 6 per cent;
- (e) swing, with certain limitations, was available at 7 per cent;
- (f) carryover/carry forward were provided for at 11/6 per cent, with no carryover in the first agreement period and no carry forward in the last agreement period; cumulative flexibility was limited to 16 per cent.

24. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1383)

Canada/Philippines

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

26. In this agreement:

- (a) the product coverage was expanded to include certain yarns, fabrics and certain made-up items;
- (b) one restraint was terminated and a new one agreed;
- (c) increases in base levels over previous restraints were lower than 6 per cent in one case, 6 per cent in two cases and higher than 6 per cent in six cases; for the new restraint, the base level was substantially more than 6 per cent over the relevant rollback level;
- (d) annual growth rates were 6 per cent in all cases but one, where it was 8 per cent; for categories previously under restraint, they remained unchanged;
- (e) swing, carryover/carry forward, at 7 per cent and 11/6 per cent, respectively, were unchanged;
- (f) unrestrained categories covered by the agreement were subject to a consultation mechanism.

27. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1384)

Canada/Czechoslovakia, Canada/Sri Lanka

28. The TSB began its review of the notifications made by Canada of agreements concluded with Czechoslovakia and Sri Lanka.

General discussion

29. The TSB had a further exchange of views on the matter of overshipments.