

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

TEX.SB/W/494*

1 December 1988

Textiles Surveillance Body

DRAFT REPORT OF THE THIRTEENTH MEETING (1988)¹

1. The Textiles Surveillance Body held its thirteenth meeting of 1988 on 24-25 November.
2. Present at this meeting were the following members and/or alternates: Messrs. Abdel Fattah, Gero/Hildan, Koda, Lau, Mazzocchi, Salim and Shepherd.
3. The report of the twelfth meeting has been circulated in COM.TEX/SB/1429.

Notification under Article 2:4

China

4. The TSB received a notification made by China under Article 2:4 on the status of restrictions maintained by it on textile products covered by the Arrangement.
5. In its notification, China supplied information and clarifications in response to the questions by the TSB stemming from its review of China's 1987 notification under Article 2:4.²
6. The Body noted that this was the fourth notification made by China under Article 2.³ During its review, which took into consideration, inter alia, the provisions of Articles 2:5 and 13:2, the TSB was still not able

¹Two hundred and thirty-fourth meeting overall

²See COM.TEX/SB/1395, paragraphs 5 to 7.

³See also COM.TEX/SB/987 and 1083.

* English only/Anglais seulement/Inglés solamente

to determine whether or not all restrictions maintained by China were in conformity with the Arrangement.

7. Nevertheless, it decided to transmit this notification to participating countries, for their information. The Body understood that this decision was without prejudice to the ongoing consultations in the Working Party on China's status as a contracting party. (COM.TEX/SB/1430)

Notifications under Article 4

Finland/India

8. The TSB received a notification from Finland of an amendment of its agreement with India, by the introduction of a restraint on bedlinen for the period 1 January 1988 to 31 December 1991.

9. The base level was much higher than previous trade, with the growth rate set at 3 per cent. The flexibility provisions of the agreement (i.e. swing at 5 per cent and carryover/carry forward at 11/6 per cent) applied.

10. With respect to the growth rate and flexibility provisions, reference was made by Finland to paragraph 12 of the 1986 Protocol.

11. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1431)

Finland/Hong Kong

12. The TSB received a notification from Finland of a further amendment of its bilateral agreement with Hong Kong.

13. Under this amendment, the product coverage was extended by the addition of two clothing categories, of which one category (anoraks, windcheaters for men and boys and overcoats, capes, anoraks, etc., for women and girls of cotton and man-made fibres) was placed under restraint for the period 1 January 1988 to 31 December 1991.

14. The base level was substantially higher than previous trade, and the growth rate was set at 2.5 per cent; the flexibility provisions of the agreement applied.

15. With respect to the growth and flexibility provisions, Finland made reference to paragraph 12 of the 1986 Procotol.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1432)

Finland/China

17. The TSB received a notification from Finland of an amendment of its agreement with China valid until 31 December 1990. The product coverage was extended by the addition of two product categories (anoraks, jackets, blazers, etc., for men and boys; overcoats, anoraks, etc., for women and girls). Both product categories were placed under restraint for the 1988 agreement year only, but a carry forward of 7 per cent from restraint levels that would be negotiated for the subsequent periods of the agreement was provided. The restraint levels were higher than 6 per cent over previous trade.

18. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1433)

Norway/Macao

19. The TSB received a notification from Norway of a bilateral agreement concluded with Macao for the period 1 January 1988 to 31 December 1991.

20. In this agreement:

- (a) product coverage was reduced from twenty-one to eight categories;
- (b) previous restraints on two categories were liberalized; the other restraints were maintained and a restraint was introduced on one category;

- (c) increases in base levels for the previously restrained categories were substantially higher than 6 per cent; there was no previous trade for the newly restrained category;
- (d) the growth rates at 2 per cent were higher than in the previous agreement;
- (e) swing, not available previously, was set at 3 per cent;
- (f) carryover and carry forward were available at 8 and 4 per cent;
- (g) the cumulative use of flexibility was limited to 8 per cent.

21. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the MFA and paragraph 12 of the 1986 Protocol of Extension.

22. In reviewing this notification, the TSB noted that the new restraint was set at a very low level with respect to both total imports and market share, and was of the opinion that the imminent increase in imports from Macao foreseen at the moment of negotiation of the agreement was not such as to pose a real risk of market disruption.

23. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1434)

Norway/Yugoslavia

24. The TSB received a notification from Norway of a bilateral agreement concluded with Yugoslavia for the period 1 January 1988 to 31 December 1990.

25. Under this agreement:

- (a) the product coverage was reduced from twenty to eight categories;

- (b) all previous restraints (on three categories) were maintained;
- (c) increases in base levels were, in all three cases, much higher than 6 per cent;
- (d) the growth rates at 1.5 per cent were higher than those in the previous agreement;
- (e) swing, not available in the previous agreement, was set at 2.5 per cent, with no swing for one category;
- (f) carryover and carry forward were available at 8 and 5 per cent, with a cumulative use of flexibility established at 8 per cent.

26. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

27. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1435)

Norway/Sri Lanka

28. The TSB received a notification from Norway of a bilateral agreement concluded with Sri Lanka for the period 1 January 1988 to 31 December 1991.

29. In this agreement:

- (a) the product coverage was reduced from twenty-one to seven categories, all under restraint;
- (b) previous restraints on five categories were liberalized;
- (c) increases in base levels over previous restraints were higher than 6 per cent for two merged categories and substantially higher for the other three categories;

- (d) the growth rates, set at 3 per cent, were in all cases higher than in the previous agreement;
- (e) swing, not available in the previous agreement, was set at 3 per cent;
- (f) carryover and carry forward, at 8 and 4 per cent, were higher than previously;
- (g) a cumulative use of flexibility was established at 8 per cent.

30. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

31. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1436)

Norway/Malaysia

32. The TSB received a notification from Norway of a bilateral agreement concluded with Malaysia for the period 1 January 1988 to 31 December 1991.

33. In this agreement:

- (a) the product coverage was reduced from twenty-one to eight categories, all under restraint;
- (b) previous restraints on two merged categories were liberalized;
- (c) increases in base levels were higher (four categories and one merged category) or substantially higher (two categories) than 6 per cent over previous restraint levels;
- (d) the growth rates, ranging between 1.5 and 3 per cent, were in all cases higher than in the previous agreement;

- (e) swing, which was not available in the previous agreement, ranged between 2 and 4 per cent;
- (f) carryover and carry forward at 6 and 3 per cent for one category and 8 and 4 per cent for all others, were in all cases higher than before;
- (g) a cumulative use of flexibility was established at 8 per cent for all categories except one, for which it was set at 6 per cent.

34. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

35. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1437)

Norway/Korea

36. The TSB received a notification from Norway of a bilateral agreement concluded with Korea for the period 1 January 1988 to 31 December 1991, superseding and replacing the last two years of the previous agreement.

37. In this agreement:

- (a) the product coverage was reduced from twenty-three to eight categories, all under restraint;
- (b) previous restraints on five categories were liberalized and a new restraint was introduced on one category;
- (c) increases in base levels for previously restrained categories were less than 6 per cent in one case, and higher or substantially higher than 6 per cent for the other cases; there was no previous trade in the category newly placed under restraint;

- (d) growth rates at 2 per cent were higher than in the superseded agreement;
- (e) swing, not available in the previous agreement, was available between 2 and 5 per cent;
- (f) carryover and carry forward were unchanged at 8 and 4 per cent in all except one case, where they were set at 6 and 3 per cent and therefore lower than in the superseded agreement;
- (g) a cumulative use of flexibility was established at 6 per cent in one case and at 8 per cent in all other cases.

38. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

39. In reviewing this notification, the TSB noted that the new restraint was set at a very low level with respect to both total imports and market share, and was of the opinion that the imminent increase in imports from Korea foreseen at the moment of negotiation of the agreement was not such as to pose a real risk of market disruption.

40. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1438)

Norway/Philippines

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

42. In this agreement:

- (a) the product coverage was reduced from twenty-one to eight categories, which all continued under restraint;

- (b) previous restraints on five categories were liberalized;
- (c) increases in base levels were higher or substantially higher than 6 per cent over previous restraints;
- (d) the growth rates, at 3 per cent, were higher than those applicable in the previous agreement;
- (e) swing, not available in the previous agreement, was available at 3 or 5 per cent;
- (f) carryover and carry forward at 10 and 5 per cent were higher than before; a cumulative use of flexibility was established at 10 per cent.

43. With respect to the growth rates and the flexibility provisions, Norway made reference to Annex B of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

44. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1439)

United States/Hungary

45. The TSB received a notification from the United States of a further modification of its agreement with Hungary.

46. The product coverage was extended by the inclusion of three categories (Categories 300/301, 410 and 442), and restraints were introduced on these categories for the period 1 January 1988 to 31 December 1991.

47. The base levels were substantially higher than the reference levels. The growth rate was set at 6 per cent for the cotton category and at 1 per cent for the wool categories. The flexibility provisions of the agreement applied.

48. The TSB heard a statement from the United States that the growth and swing provisions were agreed taking into account increases in base levels and other elements in the amendment.

49. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1440)

United States/Jamaica

50. The TSB received a notification from the United States of a further amendment of its bilateral agreement with Jamaica. Increases in guaranteed access levels (GALS) were agreed for knit shirts and blouses (Category 338/339/638/639) and hosiery (Category 632) for the 1988 and 1989 agreement years.

51. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1441)

Canada/Bangladesh

52. The TSB received a notification from Canada of an amendment of its bilateral agreement with Bangladesh. A restraint on sportswear and coordinates was agreed for the period 1 January 1988 to 31 December 1991.

53. The base level was substantially higher than previous trade. The growth rate was set at 6 per cent. Swing, carryover/carry forward were available at 7 and 10/5 per cent and a cumulative use of flexibility was established at 13 per cent.

54. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1442)

Norway/Indonesia, Norway/Thailand, United States/Brazil

55. The TSB began its review of agreements concluded by Norway with Indonesia and Thailand, as well as the agreement concluded between the United States and Brazil.

Notifications under Article 11

Austria, Yugoslavia

56. The TSB received reports under Article 11 from Austria and Yugoslavia, in reply to the request made by the TSB,¹ and agreed to forward these notifications to participating countries for their information.

(COM.TEX/SB/1422/Add.18 and 19)

Notification under Article 11:4

Costa Rica/United States

57. The TSB received a notification under Article 11:4 from Costa Rica, in which it requested the Body to make recommendations concerning requests for consultations made by the United States under Article 3.

58. The TSB agreed to invite both parties to its next meeting to present their respective cases.

¹COM.TEX/SB/1377