

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/W/516*

31 October 1989

TARIFFS AND TRADE

Textiles Surveillance Body

DRAFT REPORT OF THE TENTH MEETING (1989)¹

1. The Textiles Surveillance Body held its tenth meeting of 1989 on 10-12 October.
2. Mr. Gero appointed Ambassador Stanislaw Patek (Sweden) as his alternate, in the place of Mr. Wentzel. Ms. Smadja appointed Mr. Gérard Boisson (EEC) as her alternate.
3. Present at this meeting were the following members and/or alternates: Messrs. Abdel-Fattah/Munir, Castro, Gero/Patek, Koda, Lau, Salim, Shepherd and Ms. Smadja.
4. The report of the ninth meeting has been circulated in COM.TEX/SB/1503.

Report on measures reviewed under Article 3:5; measures taken under Article 3:5; matters referred under Article 11:4

United States/Thailand

5. The TSB reverted to the unilateral measures taken under Article 3:5 by the United States on cotton sweaters (Category 345), cotton towels (Category 363), cotton dish towels (Category 369-D), cotton and polyester blended yarn (Category 301pt/607pt) when imported from Thailand.

¹Two hundred and forty-fifth meeting overall

* English only/Anglais seulement/Inglés solamente

6. In accordance with its recommendation,¹ the TSB received reports from Thailand and the United States on consultations they had held on the above mentioned categories; the parties reported that they had been unable to find agreed solutions.

7. The TSB also received a notification from the United States of unilateral measures taken under Article 3:5(i) on cotton trousers (Category 347/348), wool trousers (Category 448), cotton and man-made fibre blouses (Category 341/641), man-made fibre knit shirts (Category 638/639) and silk blend and non-cotton vegetable trousers (Category 847) when imported from Thailand. The restraint periods for the first two measures was the 1989 calendar year, for the third and fourth measures 31 March 1989 to 30 March 1990, and for the last one 26 May 1989 to 25 May 1990.

8. The TSB heard presentations from the parties regarding these measures.

9. The TSB equally received a notification under Article 11:4 from Thailand referring requests for consultations made by the United States under Article 3 with respect to cotton sheeting (Category 313), cotton printcloth (Category 315), wool sweaters (Category 445/446), and man-made fibre twill and sateen fabrics (Category 628).

10. The TSB heard a statement from Thailand that a resolution of the thirteen categories in the Article 3 consultations had not been possible due to certain elements introduced into the negotiations by the United States relating to the conclusion of a comprehensive bilateral agreement with aggregate and group limits.

11. The two delegations affirmed their willingness to resume consultations under Article 3 on all the thirteen categories, on a case by case basis.

¹Recommendation made at the meeting held on 23-26 May 1989.
(COM.TEX/SB/1485)

The United States delegation also affirmed that in these consultations the United States would not attach any pre-condition to the resolution of the thirteen categories. In view of these statements the TSB did not find it necessary to examine the occurrence of market disruption at this stage.

12. The TSB, in view of the elements outlined above, and in particular the statement made by the United States in paragraph 11 above, recommended that the parties resume as soon as possible consultations under Article 3 on all the categories concerned, with the strict aim of finding agreed solutions for them, and report back to it.

Notifications under Article 4

Canada/Bangladesh

13. The TSB received a notification from Canada of a further modification of its agreement with Bangladesh. An extraordinary carryover was agreed allowing Bangladesh to carry over the entire unused 1988 quota levels into the 1989 agreement year.

14. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1504)

EEC/Pakistan

15. The TSB received a notification from the EEC of a further modification of its agreement with Pakistan. A restraint was agreed on Category 3 (woven fabrics of synthetic fibres) when imported into Spain, for the period 1 January 1989 to 31 December 1991. The restraint level was substantially higher than the basket exit level, took into account the recent evolution of trade and was established in accordance with the

relevant provisions of the agreement. The annual growth rate was set at 3.5 per cent. The TSB heard a statement from the EEC that the less than 6 per cent growth rate was agreed in view of this being an exceptional case in terms of Annex B of the Arrangement.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1505)

United States agreements with Brazil, Hong Kong, Malaysia, Mexico and Sri Lanka

17. The TSB received five notifications from the United States of modifications of its agreements with Brazil, Hong Kong, Malaysia, Mexico, and Sri Lanka.

18. These amendments, effective 1 January 1989, were concerned with:

- (a) the administration of the agreements resulting from the implementation of the Harmonized Commodity Code by the United States; and
- (b) the replacement of Categories 337 (cotton playsuits) and 637 (man-made fibre playsuits) by merged Category 237.

19. The TSB understood that these amendments were negotiated taking into account paragraph 18 of the 1986 Protocol of Extension.

20. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1506, 1507, 1508, 1509 and 1510)

United States agreements with China, Peru, Singapore and Yugoslavia

21. The TSB received four notifications from the United States of amendments of its agreements with China, Peru, Singapore and Yugoslavia.

22. These amendments concerned modifications in the textile categorization and consequent changes in limits resulting from the implementation of the Harmonized Commodity Code by the United States.

23. The TSB understood that these amendments were negotiated taking into account paragraph 18 of the 1986 Protocol of Extension.

24. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1511, 1512, 1513, 1514)

United States/Mexico

25. The TSB received a notification from the United States of an amendment of its agreement with Mexico.

26. Under this amendment:

(a) restraints under the "special régime" on Categories 359-C (cotton coveralls) and 659-C (man-made fibre coveralls) were merged, with no sub-limits and no change in the 6 per cent growth rate; 10 per cent of the restraint level will continue not to be subject to the "special régime";

(b) the 1989 consultation level for Category 239 was increased.

27. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1516)

United States/Romania

28. The TSB received two notifications from the United States of amendments of its two agreements with Romania (cotton agreement and wool and man-made fibre agreement).

29. The amendments concerned:

- (a) modifications in the textile categorization, consequent changes in coverage, in limits and in the administration of agreements resulting from the implementation of the Harmonized Commodity Code by the United States;
- (b) the replacement of Categories 337 (cotton playsuits) and 637 (man-made fibre playsuits) be merged Category 237; and
- (c) a correction in the unit of measure for a cotton category.

30. The TSB understood that these amendments were negotiated taking into account paragraph 18 of the 1986 Protocol of Extension.

31. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1516 and 1517)

Notifications under Articles 7 and 8

32. In accordance with the request made by the Textiles Committee that agreements concluded with non-participants be notified, the TSB received a number of notifications as listed below:

- (a) a further amendment of the agreement between the United States and Mauritius;
- (b) amendments of the United States agreements with Burma, the German Democratic Republic, Haiti and Nepal.

33. The TSB agreed to forward the notifications listed above to the Textiles Committee. (COM.TEX/SB/1518, 1519, 1520, 1521 and 1522)

Notification under Article 11

Thailand

34. The TSB reverted to its review of the notification made by Thailand on the status of restrictions maintained by it on imports of textile products.¹ Under Article 11:2, and in accordance with its procedures on participation of technical experts,² the TSB heard some clarifications from Thailand. The TSB agreed it will continue its review of the notification at its next meeting.

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35. The Chairman thanked Ambassador Darry Salim, who was leaving Geneva, for his five years of contribution to the work of the TSB.

¹COM.TEX/SB/1490, paragraph 5.188(h)

²COM.TEX/SB/1006