

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/52

10 September 1975

Textiles Surveillance Body

DRAFT REPORT OF THE TENTH MEETING

1. The TSB held its tenth meeting of 1975 on 14 - 22 July. The report of the ninth meeting was approved and has been circulated (COM.TEX/SB/98).
2. The TSB reviewed an agreement concluded between the United States and Taiwan which had been notified to it under Articles 7 and 8 in accordance with the Textiles Committee's decision on the notification of actions taken vis-à-vis non-participants. This has since been circulated for the information of participating countries in document COM.TEX/SB/100. The TSB also reviewed and agreed to circulate on the same basis an agreement, notified by Sweden, between Sweden and Malta. This has been circulated in document COM.TEX/SB/111.
3. Following unilateral measures taken by the European Economic Community to restrict imports of knitted gloves from the Republic of Korea into France, it was found possible by the two parties to reach a mutually acceptable interim arrangement under Article 3 of the MFA. This agreement was notified to the TSB and it was agreed that it should be circulated for the information of participating countries. This has been done in document COM.TEX/SB/112. During the TSB's review of this agreement, the question was raised whether the product restrained should properly be regarded as a textile product in terms of the definition in Article 12 of the Arrangement. However, in the light of paragraph 4 of Article 12, and in the absence of a reference to the TSB of any difficulties arising from this point, it was assumed that the two parties had considered and resolved this matter in reaching their agreement.
4. The TSB continued its review of reports submitted under Article 2:4 on the status of the restrictive measures originally notified as applying at the time of the coming into force of the Arrangement. It was agreed that for the purpose of the TSB's report to the Textiles Committee on this subject, any reports received before the end of the present meeting would be accepted for review.
5. The report submitted by Australia under Article 2:4 has been circulated in document COM.TEX/SB/108. The TSB recalled that the tariff quotas notified by Australia in its notification under Article 2:1 (COM.TEX/SB/10) were abolished on 1 March 1974. It noted that none of the tariff quotas introduced by Australia since December 1974 have been notified to it and that of the textile items placed under tariff quota in March 1975 two were subject to GATT bindings and had been notified to GATT under Article XIX.

6. The report of Canada under Article 2:4 has been circulated in document COM.TEX/SB/103. The TSB noted that during the currency of the Arrangement, Canada had, because of special circumstances existing at the time, extended the duration of the restrictions on imports of shirts under Article XIX which had originally been introduced in 1971. The TSB expressed the hope that changes in circumstances would make it possible for Canada to bring this measure within the framework of the Arrangement in the near future. The TSB also noted that Canada has been able to eliminate a number of the restrictions which applied at the commencement of the Arrangement.

7. The report of Norway under Article 2:4 has been circulated in document COM.TEX/SB/107. The TSB took note that restraint measures on textiles were maintained against Hungary, Poland and Romania and bilateral agreements concluded under GATT provisions (including its annexes and protocols). The Norwegian authorities have indicated that in negotiations regarding the future of these measures, they would give due consideration to the objectives of the Textiles Arrangement, and that they would be prepared to notify the results of such negotiations to the Chairman of the TSB for the information of participants. The Norwegian authorities have also indicated that they are willing to consider transforming trade measures on textiles into agreements under the relevant provisions of the Arrangement by agreement between the parties concerned. The TSB concurred in an extension of the time limit envisaged in Article 2:2(ii) to permit consultations with Malaysia and requested the submission by 31 October 1975 of a report on progress.

8. The report of the Philippines under Article 2:4 has been circulated in document COM.TEX/SB/109. The TSB noted that the Philippines maintained foreign exchange controls authorized under Article XIV of the Articles of Agreement of the International Monetary Fund.

9. The report of Sweden under Article 2:4 has been circulated in document COM.TEX/SB/106. The TSB took note that restraint measures on textiles were maintained against Hungary, Poland and Romania and bilateral agreements concluded under GATT provisions (including its annexes and protocols). The Swedish authorities have indicated that in negotiations regarding the future of these measures, they would give due consideration to the objectives of the Textiles Arrangement, and that they would be prepared to notify the results of such negotiations to the

Chairman of the TSB for the information of participants. The Swedish authorities have also indicated that they are willing to consider transforming trade measures on textiles into agreements under the relevant provisions of the Arrangement by agreement between the parties concerned. The TSB concurred in an extension of the time limit envisaged in Article 2:2(11) to permit consultations with Japan and requested the submission by 31 October 1975 of a report on progress.

10. In its report under Article 2:4, Spain referred to the record of the TSB's meeting in April 1975 (COM.TEX/SB/83) at which the TSB was asked for an extension in time limit to allow the Spanish authorities to bring their restrictions on textile imports into conformity with the Arrangement. The TSB concurred in an extension for not more than one year, taking into account the special nature of the case and the stage of economic development reached by Spain. It requested a report by the end of 1975 on progress achieved.

11. The reports under Article 2:4 of Israel, Pakistan, Paraguay, Romania, Turkey and Yugoslavia have been circulated in documents COM.TEX/SB/80, 101, 105, 110, 99 and 102 respectively.

12. The TSB completed its report to the Textiles Committee on its review of compliance with Article 2 of the Arrangement and of restrictive measures introduced since the inception of the Arrangement. This report had been requested by the Textiles Committee at its meeting of 22 April 1975. It has been circulated as COM.TEX/SB/115.

13. Under Other Business, the TSB discussed briefly the question of systems of surveillance on imports of textile products. It noted that such systems were employed in various forms by many countries, but that in general little was known about them. The TSB therefore requested the Chairman to write to all countries participating in the Arrangement to request information on all such systems now in operation.

14. It was agreed that the next meeting of the TSB should be held on 15-17 September 1975.