

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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CONFIDENTIAL

TEX.SB/W/584\*

9 July 1993

### Textiles Surveillance Body

#### DRAFT REPORT OF THE FIFTH MEETING (1993)<sup>1</sup>

1. The Textiles Surveillance Body held its fifth meeting of 1993 on 1 and 2 July 1993.
2. Japan appointed Mr. Makoto Fujioka to succeed Mr. Ishimaru and Macau appointed Ms. Wanda Rosa as member from 1 July 1993. Mr. Fujioka appointed Ms. Naoko Saiki as his alternate and Ms. Rosa appointed Mr. Shichun Wang (China) as her alternate.
3. Present at this meeting were the following members and/or alternates: Messrs. Daly, Donaghy/Potocnik, Fujioka, Lee, Luotonen, Munir, Prates, Ms. Rosa, Mr. Shepherd and Mr. Suboh.
4. The report of the fourth meeting has been circulated in COM.TEX/SB/1857.

#### Notifications under Article 4

##### EEC/Korea

5. The TSB received a notification from the EEC of the extension and amendment of its bilateral agreement with Korea, in de facto application from 1 January 1993 until 31 December 1994, with the possibility for a further twelve-month extension.

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<sup>1</sup>Two hundred and seventy-ninth meeting overall.

\*English only/Anglais seulement/Inglés solamente

6. The extension contained certain elements common to notifications of other extensions of EEC agreements already reviewed by the Body.<sup>2</sup>

7. Furthermore, under this extension:

- (a) all restraints at the Community level were maintained, one regional restraint was converted to a limit at the Community level and the remaining three regional restraints were liberalized;
- (b) the base levels were increased over 1992 restraint levels by the growth rates of the agreement; for the new restraint, the base level was much higher than the relevant reference levels;
- (c) the growth rates remained unchanged at less or much less than 6 per cent in all but seven cases, where they were set at 6 per cent or more; the growth rate of the new limit at the Community level was set at 6 per cent;
- (d) the flexibility provisions remained unchanged.

8. With reference to the growth and flexibility provisions, the TSB recalled that during its review of the agreement, it had heard a statement from the EEC that these provisions had been agreed pursuant to paragraph 10 of the 1986 Protocol of Extension.<sup>3</sup>

9. The TSB took note of a statement by the EEC that additional access continued to be available for three categories, as five children's garments would be counted as three quota units for up to 3 per cent of the limit in two cases and for up to 5 per cent of the limit in one case.

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<sup>2</sup> See COM.TEX/SB/1834, paragraphs 12 to 15.

<sup>3</sup> COM.TEX/SB/1294.

10. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1858)

EEC/Macau

11. The TSB received a notification from the EEC of an extension of its agreement with Macau, in de facto application since 1 January 1993 and valid until 31 December 1994, with the possibility for a further twelve-month extension.

12. The extension contained certain elements common to notifications of other extensions of EEC agreements already reviewed by the Body.<sup>4</sup>

13. Furthermore, under this extension:

- (a) all restraints at the Community level were maintained and all regional restraints liberalized;
- (b) the base levels were increased by the applicable growth rates;
- (c) the growth and flexibility provisions remained unchanged.

14. With respect to the growth and flexibility provisions, the TSB recalled that during its review of the agreement, it had heard a statement from the EEC that these had been agreed pursuant to paragraph 10 of the 1986 Protocol of Extension.<sup>5</sup>

15. The TSB took note of a statement by the EEC that additional access continued to be available for five categories, as five children's garments would be counted as three quota units for up to 3 per cent of

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<sup>4</sup> See COM.TEX/SB/1834, paragraphs 12 to 15.

<sup>5</sup> COM.TEX/SB/1242.

the limit in two cases and for up to 5 per cent of the limit in three cases.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1859)

Austria/Hong Kong

17. The TSB received a notification from Austria of an agreement concluded with Hong Kong for the period 1 February 1993 to 31 December 1994.

18. In this agreement:

- (a) the product coverage was limited to four clothing categories, all under restraint;
- (b) the base levels were higher than previous restraint levels by more than 6 per cent in two cases and by less in the other two cases;
- (c) the annual growth, set at 6.0 per cent for all categories, was higher than previous growth rates for two categories and unchanged for the other two categories;
- (d) swing and carryover/carry forward, at 5 and 11/6 per cent respectively, were unchanged from the previous agreement.

19. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1860)

Canada/Dominican Republic

20. The TSB received a notification from Canada of an extension of its agreement with the Dominican Republic for the period 1 January to 31 December 1993.

21. The single category covered by the agreement was adjusted to the HS-based system. All terms of the agreement (i.e., growth and flexibility) remained unchanged.

22. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1861)

Notification of resolution of the problem between Brazil and the United States concerning Category 443

23. Further to the information received at the previous meeting,<sup>6</sup> the TSB received a notification from the United States of a decision to revoke, on 2 June 1993, the restraint on men's and boys' wool suits (Category 443) when imported from Brazil.

24. The TSB agreed to transmit the text of the notification to the Textiles Committee. (COM.TEX/SB/1862)

Notification under Articles 7 and 8

Canada/Bulgaria

25. The TSB received a notification from Canada of the extension with modifications of its agreement with Bulgaria for the period 1 January to 31 December 1993.

26. The TSB agreed to forward to participating countries the text of the notification, which was made in accordance with a request by the Textiles Committee that agreements with non-participants be notified. (COM.TEX/SB/1863)

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<sup>6</sup>COM.TEX/SB/1857.

Circulation of members' separate opinions

27. The TSB had its first discussion on the matter of the circulation of member's opinions.

Annual report of the Textiles Committee

28. The TSB decided to prepare its annual report to the Textiles Committee.