

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

**CONFIDENTIAL**  
**TEX.SB/W/602\***  
17 October 1994

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**Textiles Surveillance Body**

**DRAFT REPORT OF THE SEVENTH MEETING (1994)<sup>1</sup>**

1. The Textiles Surveillance Body held its seventh meeting of 1994 on 22 September and 14 October.
2. Mr. Wang appointed Mr. Syed Jamaluddin (Bangladesh) as his alternate.
3. Present at this meeting were the following members and/or alternates: Messrs. Cheung/Lee, Onaner, Prince, Saint-Jacques/Glantschnig, Sophastienphong/Pangaribuan, Tagliani, Vanerio/Prado, Wang/Jamaluddin and Wentzel.
4. The report of the sixth meeting has been circulated in COM.TEX/SB/1955.

**Notifications under Article 4**

**Canada/Bangladesh**

5. The TSB received a notification from Canada of an amendment of its agreement with Bangladesh, valid for the period 1 January to 31 December 1994, and of a subsequent extension of this agreement for the period 1 January 1995 to 31 December 1999.
6. Under the amendment, it was agreed to extend the restraint on agreement item number 9 (underwear), valid for a period of 7 months, to the full 1994 year; the restraint level was increased by substantially more than 6 per cent over the equivalent notional annual level, and in the extension of the agreement a growth rate of 6 per cent was agreed.
7. Under the extension, all restraint levels were increased by the applicable growth rates; all other elements in the agreement remained unchanged.

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<sup>1</sup>Two hundred and eighty-eighth meeting overall.

\*English only/Anglais seulement/Inglés solamente

8. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1956).

EC/China

9. The TSB received notification from the EC of three amendments of its agreement with the People's Republic of China. In the first amendment, a restraint on knitted trousers, breeches and shorts (Category 28) was agreed for the period 25 March 1994 to 31 December 1995.

10. The base level was substantially higher than the basket exit level and took recent imports from the People's Republic of China into account. The growth rate was set at 3 per cent and the flexibility provisions in the agreement applied.

11. With regard to the growth rate agreed, the EC made reference to paragraph 10 of the 1986 Protocol of Extension.

12. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1957).

13. In the second amendment, a restraint on babies' garments (Category 68) was agreed for the period 25 March 1994 to 31 December 1995.

14. The base level was substantially higher than the basket exit level and took recent imports from the People's Republic of China into account. The growth rate was set at 3.5 per cent and the flexibility provisions in the agreement applied.

15. With regard to the growth rate agreed, the EC made reference to paragraph 10 of the 1986 Protocol of Extension.

16. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1958).

17. In the third amendment, a restraint on fishing nets (Category 97) was agreed for the period 8 February 1994 to 31 December 1995.

18. The base level was substantially higher than the basket exit level and took recent imports from the People's Republic of China into account. The growth rate was set at 3.5 per cent and the flexibility provisions in the agreement applied.

19. With regard to the growth rate agreed, the EC made reference to paragraph 10 of the 1986 Protocol of Extension.

20. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1959).

EEC/Indonesia.

21. The TSB received a notification from the EC of an amendment of its agreement with Indonesia. A restraint on woven fabrics of polyethylene or polypropylene and sacks and bags thereof (Category 33) was agreed for the period 24 February 1994 to 31 December 1995.

22. The base level was substantially higher than the basket exit level and took recent imports from Indonesia into account. The growth rate was set at 5 per cent and the flexibility provisions in the agreement applied.

23. The TSB heard a statement by the EC that the growth rate had been agreed in the context of paragraph 2 of Annex B.

24. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/1960).

United States/Brazil

25. The TSB received a notification from the United States of an extension of its agreement with Brazil for the period 1 April 1994 to 31 March 1996.

26. Under this extension:

- (a) the product coverage remained unchanged;

- (b) the base levels were increased by the applicable growth rates, except in two cases where they were increased by more than the applicable growth rate, and in two cases where they were reduced;
- (c) the growth rates remained unchanged;
- (d) swing, carryover and carry forward remained unchanged, and special shift was agreed with respect to one combined category;
- (e) new provisions with respect to circumvention were agreed.<sup>2</sup>

27. The TSB heard a statement by the United States that the reductions in base levels for two categories had been agreed in exchange for more access for two categories of greater export interest to Brazil.

28. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1969)

United States/Guatemala

29. The TSB received a notification from the United States of an amendment of its agreement with Guatemala for the period 28 May 1993 to 31 December 1994.

30. In this amendment:

- (a) Annex A of the agreement<sup>3</sup> was amended in order to include a designated consultation level for one combined category; this DCL was subsequently brought under specific limit, with growth set at 6 per cent;
- (b) a guaranteed access level was agreed for the same combined category;
- (c) all other elements in the agreement remained unchanged.

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<sup>2</sup>See COM.TEX/SB/1910, paragraphs 19 to 22.

<sup>3</sup>See COM.TEX/SB/1904.

31. After its review, the TSB agreed to transmit the notification to the Textiles Committee.  
(COM.TEX/SB/1970)

United States/Philippines

32. The TSB received a notification from the United States of an amendment of its agreement with the Philippines for the period 1 January 1994 to 31 December 1995.

33. Under this amendment an additional 10 per cent was made available for hand-crocheted items with respect to the specific limit on Category 345.

34. All other elements in the agreement remained unchanged.

35. After its review, the TSB agreed to transmit the notification to the Textiles Committee.  
(COM.TEX/SB/1971)

United States/Macau

36. The TSB began its review of a notification received from the United States of an extension with modifications of its agreement with Macau.

Notifications made under Article 4 and transmitted under Articles 7 and 8

37. The TSB received three notifications under Article 4, of measures which concerned countries that had participated in the Arrangement until 31 December 1993, but had not, at the time the measure was reviewed, accepted the 1993 Protocol maintaining in force the Arrangement. The TSB decided to transmit these notifications to the Textiles Committee under Articles 7 and 8, on the understanding that it would review any notification under Article 4, after the acceptance of the 1993 Protocol by the countries concerned, at the request of either party involved in the notification. The notifications are outlined below.

Canada/Lesotho

38. A bilateral agreement between Canada and Lesotho was concluded for the period 1 January 1993 to 31 December 1994. (COM.TEX/SB/1961)

United States/Malaysia, United States/Romania

39. The agreement between the United States and Malaysia was extended and amended for the period 1 January 1993 to 31 December 1994. (COM.TEX/SB/1972)

40. The wool and man-made fibre agreement between the United States and Romania was amended for the period 1 January to 31 December 1994. (COM.TEX/SB/1973)

Notifications under Articles 7 and 8

Notifications concerning non-participants

41. In accordance with the request by the Textiles Committee, the TSB received six notifications concerning agreements concluded with and restraints introduced on imports from non-participants, and agreed to forward them to participating countries for their information. These notifications were:

- (a) a bilateral agreement concluded between Canada and Lebanon for the period 1 January 1994 to 31 December 2003; (COM.TEX/SB/1962)
- (b) a bilateral agreement concluded between Canada and Oman for the period 1 January 1994 to 31 December 1995; (COM.TEX/SB/1963)
- (c) restraint measures applied by Canada on imports of textile products originating in Cambodia, Laos, Nepal, North Korea, Qatar, Swaziland, Syria, and the United Arab Emirates for the period 1 January to 31 December 1994; (COM.TEX/SB/1964)
- (d) an extension of the bilateral agreement between Norway and North Korea for the period 1 January 1994 to 31 December 1995; (COM.TEX/SB/1965)
- (e) a bilateral agreement concluded between the United States and Nepal for the period 1 January 1994 to 31 December 1997; (COM.TEX/SB/1966)
- (f) a bilateral agreement concluded between the United States and the United Arab Emirates for the period 1 January 1994 to 31 December 1995. (COM.TEX/SB/1967)

**Notification under Article 8:4****United States/China**

42. Under Article 8:4, the TSB received a notification from the United States of adjustments of quotas made by the United States under its bilateral agreement with China. These adjustments concerned Categories 339 and 352 and, according to the notification, had been made in response to transshipments of goods produced in China which had entered the United States customs territory incorrectly identified as products of third countries.

43. The TSB agreed to transmit this notification to the Textiles Committee bearing in mind that it had not been requested by either party to make a report or recommendation regarding these measures. (COM.TEX/SB/1968)

**Notifications under Article 11****Canada, China, Czech Republic, Hungary, Indonesia, Korea, Panama, Philippines, Slovak Republic, Switzerland and United States**

44. In response to its request for information on the status of restrictions maintained by participating countries on imports of textile products,<sup>4</sup> the TSB received the following information:

- (a) the Czech Republic, Indonesia, Korea, Panama, the Philippines and the Slovak Republic notified they maintained no restrictions on imports of products covered by the Arrangement Regarding International Trade in Textiles and the 1986 Protocol of Extension;
- (b) Switzerland notified it does not apply any kind of measures which have a restrictive effect on MFA products; automatic licences are, however, required for certain products;
- (c) Hungary informed that while it maintains no quotas on imports of textiles and clothing, under its Protocol of Accession to the GATT it kept a pre-existing global quota on the imports of certain consumer goods, including textile products;

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<sup>4</sup>COM.TEX/SB/1910, paragraph 29.

(d) the United States listed all restrictive agreements concluded with both participants and non-participants, as well as visa arrangements.

(e) Canada listed all restraints applied to both participants and non-participants.

45. The TSB agreed to forward these notifications to the Textiles Committee. (COM.TEX/SB/1953 Addenda 13 to 22).

46. China notified that an import quota system is being implemented; in regard of textile products, the system covers 162 tariff items. A further list of tariff items subject to automatic licensing system was notified. The TSB agreed to request additional information with regard to this notification.

**Annual Report to the Textiles Committee**

47. The TSB approved its annual report to be presented to the Textiles Committee.