

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/714  
3 August 1981

## Textiles Surveillance Body

### REPORT OF THE TENTH MEETING (1981)<sup>1/</sup>

1. The Textiles Surveillance Body held its tenth meeting of 1981 on 8-9 July.
2. The following members and/or alternates were present: Messrs. Bajwa<sup>2/</sup>, Chau, Hobson, Safioen<sup>2/</sup>, Santos-Neves<sup>2/</sup>/Delgado, Sato, Scheele and Shepherd.
3. The draft report of the ninth meeting was approved and has been circulated to the Textiles Committee as COM.TEX/SB/710.
4. The following subjects were discussed:

#### Mexico: report under Article 2:4

5. The TSB resumed its discussion of the Article 2:4 report submitted by Mexico, and, in the absence of supplementary information from Mexico concerning this notification, agreed to revert to this question at its next meeting.

#### Article 4 notifications

##### (a) United States/Malaysia

6. The TSB reviewed a notification of a new bilateral agreement between the United States and Malaysia, valid from 1 January 1981 to 31 December 1984.
7. The TSB took note of the fact that in this agreement, swing between categories within groups had been reduced from 7 to 5 per cent. At the same time, increases in base levels of between 7 and 13 per cent were granted for categories which had previously had specific limits. It also observed that, while growth for cotton and man-made fibre categories was set at 6.5 per cent, growth for the one combined wool category included in the agreement (category 445/446, sweaters) was 1 per cent. In this connexion, the TSB took note of the statement by the United States reiterating its earlier declaration that this lower growth reflected the continuing chronic state of disruption of the United States' wool textiles and apparel market.

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<sup>1/</sup> Hundred and twenty-fifth meeting overall

<sup>2/</sup> Part attendance

8. The TSB concluded that, in overall terms, the agreement was consistent with the provisions of the MFA as extended, and agreed to transmit it to the Textiles Committee (COM.TEX/SB/711).

(b) Sweden/Hong Kong

9. The TSB reviewed a notification of a new bilateral agreement between Sweden and Hong Kong, valid from 1 April 1981 to 31 March 1983.

10. Although the overall product coverage was the same as in the previous agreement between the parties, the number of product groups under restraint had been reduced and a number of groups formerly under restraint made subject to consultation provisions.

11. The TSB noted that in this agreement, growth, swing, carryover and carry forward had been provided for all categories. Growth over previous restraints, as well as between the two agreement periods, was nominal, and considerably lower than the growth of not less than 6 per cent prescribed in the MFA. The TSB recognized that the lower growth rate reflected the parties' understanding that implementation of the 6 per cent growth provisions of the Arrangement could contribute to the then existing threat to Sweden's minimum viable production, as foreseen in paragraph 2 of Annex B.

12. The TSB also noted that some nominal swing was included in the agreement. In addition carryover and carry forward provisions, taken together, were also below the levels set forth in Annex B.

13. In its review, the TSB took full account of the statement by the parties that the agreement had been concluded having regard to the Arrangement and its Protocol of Extension, bearing in mind particularly the provisions of Articles 1 and 4 of the Arrangement. The TSB agreed to transmit the agreement to the Textiles Committee (COM.TEX/SB/712).

(c) United States/Colombia

14. The TSB considered a notification from the United States relating to an amendment to its Article 4 bilateral agreement with Colombia, concerning the increase in the consultation level for category 310 (gingham), and agreed to transmit it to the Textiles Committee (COM.TEX/SB/713).