

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Textiles Surveillance Body

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## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notifications Under Article 2, Paragraph 1

Attached is a notification received by the TSB from SWITZERLAND in accordance with paragraph 1 of Article 2 of the Textiles Arrangement. As required by the provisions of this paragraph the TSB is circulating this notification to participating countries in the arrangement for their information. A summary tabulation of this notification prepared by the secretariat is also attached.

It is to be noted that the TSB, in the light of paragraph 11 of COM.TEX/2, is continuing to examine the notifications received in order to ensure the completeness and adequacy of the information, and is requesting the supply of additional information wherever necessary. Any additional information thus received will also be circulated.

It is, of course, open to any party to the Arrangement to request the TSB or the secretariat to seek any further information or clarification they may wish to have from the parties concerned, or to supply any additional information of relevance. Such information will also be circulated.

14 October 1974<sup>1</sup>

In pursuance of the provisions of Article 2:1 of the Arrangement Regarding International Trade in Textiles, I have the honour to inform you, on the instructions of my authorities, that there are in Switzerland no unilateral quantitative restrictions, bilateral agreements or other quantitative measures having a restrictive effect on the import of textile products.

It may be useful, nevertheless, for the general information of the Surveillance Body, to refer again to the price surveillance system that Switzerland, for the purpose of furnishing the fullest possible documentation concerning the régime applicable to Swiss imports of textile products, had described on the occasion of the preparatory work carried out in 1972 with a view to negotiation of the Arrangement Regarding International Trade in Textiles. Provision was made for the system by the Federal Council in its Decree on imports of goods No. 3 (dated 16 October 1959) and No. 4 (dated 11 September 1962) applicable to products manufactured in certain specified countries.

I therefore wish to confirm that notification to you. As stated in the study on textiles of 1972 (document L/3797), in Chapter VII, paragraph B.3.(c), "Other measures", provision is made for:

"... a price surveillance system which can be applied at the discretion of the authorities, to textile imports from a specified country or countries. Under this system, if the difference between the price of the product imported from a country declared to be subject to the regulation, and that of the corresponding Swiss article exceeds a certain margin, the Swiss authorities may, on the advice of an expert panel, refuse to grant the importer the required import licence. The margins are 10 per cent for cotton fabrics, 12 per cent for wool fabrics, 20 per cent for finished textile articles. As long as the supplier country observes these price margins, it is free to ship to Switzerland any quantity of the textile item in question."

This surveillance system applies in principle to certain products originating in a limited number of countries. Its purpose is to keep out of the Swiss market low-priced goods that cause or threaten to cause market disruption, while avoiding recourse to quantitative restrictions or other quantitative measures having a restrictive effect. It can be suspended when its purpose is attained by means of appropriate international arrangements or in some other manner.

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<sup>1</sup> This notification was originally received in March 1974. It was later supplemented at the request of the Textiles Surveillance Body.

## Notification to the Textiles Surveillance Body Under Article 2(1) by SWITZERLAND

Date of notifi- cation	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
5.3.1974	-	All textiles	<p>No quantitative restrictions. Imports may be subject to a price surveillance system as described below.</p> <p>Swiss legislation provides for a price surveillance system which can be applied at the discretion of the authorities, to textile imports from a specified country or countries. Under this system, if the difference between the price of a product imported from a country declared to be subject to the regulation, and that of the corresponding Swiss article exceeds a certain margin, the Swiss authorities may, on the advice of an expert panel, refuse to grant the importer the required import licence. The margins are 10 per cent for cotton fabrics, 12 per cent for wool fabrics, 20 per cent for finished textile articles. As long as the supplier country observes these price margins, it is free to ship to Switzerland any quantity of the textile item in question. The purpose of this system is to keep the truly low-priced goods that cause or threaten to cause market disruption out of the Swiss market.</p> <p>The system of control is based on Federal Council Decrees No. 3 of 16 October 1959, and No. 4 of 11 September 1962. Paragraph 3 of Decree No. 3 authorizes the Federal Department of Public Economy to issue the necessary orders to apply the price certification to imports from any supplier country. This was done with respect to certain East European countries by Order No. 6 of 12 September 1962. Imports from these countries alone may at present be subjected to this price-based regulation.</p>	All sources	-	-	-	-	