

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/364  
13 October 1978

Special Distribution

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## Textiles Surveillance Body

### REPORT OF THE NINTH MEETING (1978)<sup>1</sup>

1. The Textiles Surveillance Body held its ninth meeting on 18 and 19 September 1978. The Chairman informed the members that he had been advised by the Mission of Korea that Mr. Noh Soo Park had been designated as member on the TSB in succession to Mr. Shin and that until he is able to take up his duties, Mr. Tsao would continue to act as a member on the Body. The members were also informed that, for the purpose of the present meeting, Mr. Beck would occupy the seat assigned to the Community. The following members were present: Messrs. Beck, Jayanama, Kujirai, Kumar, Patek, Phelan, Suarez and Tsao. The report of the eighth meeting, which had already been approved, has been circulated to the Textiles Committee in COM.TEX/SB/350.
2. Pursuant to its request<sup>2</sup>, in accordance with Article 11:11, the TSB had received communications from Colombia, Indonesia, Sweden and the United States. After reviewing these notifications, the TSB agreed to circulate them to the Textiles Committee for the information of the participating countries and this has been done in documents COM.TEX/SB/352 to 355.
3. The TSB also received two notifications from the United States concerning amendments to each of its bilateral textile agreements concluded under Article 4 of the Arrangement with India and Brazil. The TSB reviewed these amendments and agreed to transmit the text of the notifications to the Textiles Committee for its information, see documents COM.TEX/SB/356 and 357.
4. The TSB took cognizance of two notifications: the first concerned a new bilateral cotton, wool and man-made fibre textiles agreement concluded under Article 4 of the Arrangement between the United States and Malaysia; the second, related to an extension of a previously concluded Article 4 agreement between Austria and Portugal on behalf of Macao. As Malaysia and Portugal (on behalf of Macao) have not signed the Protocol Extending the Arrangement, though they were former participants in the MFA, the TSB agreed that the text of these notifications should be circulated to the Textiles Committee under Articles 7 and 8 of the Arrangement, see COM.TEX/SB/358 and 359.

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<sup>1</sup>Seventy-third meeting.

<sup>2</sup>See COM.TEX/SB/319, paragraph 8.

5. The TSB received a notification from Austria regarding an exchange of notes by which the previous bilateral agreement concluded with India under Article 4 of the Arrangement, was extended for a four-year period ending 31 December 1981. The TSB noted that, though the annual growth rate for the aggregate level was 6 per cent, for three categories (woven blouses, woven shirts and bed linen) an annual growth rate of 3 per cent had been agreed upon due to the exceptional circumstances prevailing in the market for the sectors in question, as envisaged in paragraph 2 of Annex B.<sup>1</sup> The TSB further noted the absence of swing into the aforementioned categories to which specific limits had been applied. The TSB assumed, for this case, that India had waived its right to swing and it agreed to circulate the text of the extension of the agreement to the Textiles Committee for information, see COM.TEX/SB/360.

6. The TSB received three notifications from Austria concerning agreements with Korea. The first relates to an extension of an Article 4 agreement, concluded in August 1974, with respect to imports of woven shirts of discontinuous synthetic fibres from Korea, for the twelve-month period beginning 1 August 1978. The TSB reviewed this extension and agreed to transmit the text of the notification to the Textiles Committee for its information (see COM.TEX/SB/361). The TSB concluded that the 1.5 per cent growth rate provided for in this extension reflected the existence of a special circumstance in terms of paragraph 2 of Annex B.<sup>2</sup> The second was a new Article 3 agreement covering outer garments of knitted synthetic fibres, woven blouses and shirt blouses of synthetic fibres. The third notification related to an extension of an Article 3 agreement covering imports of socks of synthetic fibres. The TSB noted the absence of swing provisions between the three agreements and assumed that the exporting country had waived its right to swing. After its review, the TSB agreed to circulate the text of these two notifications to the Textiles Committee for the information of the participating countries and this has been done in COM.TEX/SB/362 and 363.

7. The TSB noted that in several of the Article 3 notifications recently made to it, the importing countries concerned had failed to notify the Chairman of the request for consultations, in accordance with the provisions of Article 3, paragraph 3. The TSB calls all participants' attention to such requirements and urges that these should be complied with.

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<sup>1</sup>The relevant portion of the paragraph reads as follows: "In exceptional cases where there are clear grounds for holding that the situation of market disruption will recur if the above growth rate is implemented, a lower positive growth rate may be decided upon after consultation with the exporting country or countries concerned."

<sup>2</sup>Op. cit.