

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/442
29 June 1979

Special Distribution

Textiles Surveillance Body

REPORT OF THE EIGHTH MEETING (1979)¹

1. The Textiles Surveillance Body held its eighth meeting during 1979 on 12 and 13 June. The following members or alternates were present during the session²: Messrs. de Gouvion St. Cyr³, Kujirai, Patek, Phelan, Seng, Suarez and Tsao.
2. The report of the seventh meeting was approved and has been circulated to the Textiles Committee in document COM.TEX/SB/431.
3. The TSB had received a notification from Sweden concerning an Article 4 bilateral agreement concluded with Pakistan. In reviewing this agreement the TSB noted that whereas the restraint levels established therein remain unchanged from those applied in the previous agreement⁴, the present levels relate to lesser fibre coverage (MFA products only) and thus provide for a built-in growth. The TSB also noted the absence of swing in this agreement and recalled its previous observations concerning cases where the exporting country waives its right to swing as a reflection of a mutual recognition of the minimum viable production principle (COM.TEX/SB/365, paragraph 74).
4. The TSB further noted that part of the quotas agreed upon in this agreement had been fixed in terms of value rather than quantity. In this connexion, the TSB again recalled its previous recommendation⁵ that participating countries should respect the requirements of Article 5 of the Arrangement regarding normal commercial usage in such matters as the denomination of quotas and restraint levels in quantitative units in order to avoid, inter alia, any trade distortion that might arise from variation in exchange rates. After its review the TSB agreed to transmit the text of this agreement to the Textiles Committee (see COM.TEX/SB/432).

¹ Eighty-sixth meeting overall of the TSB.

² Mr. Hamza absent - ill; alternate not available.

³ Part attendance.

⁴ For the previous agreement and the observation of the TSB thereon see documents COM.TEX/SB/375 and paragraphs 5 and 10 of COM.TEX/SB/380.

⁵ See COM.TEX/SB/196, paragraph 96.

5. The TSB received a notification from the European Economic Community of an amendment to the initialled agreement between the EEC and Argentina. As in the case of former participants of the MFA which have not signed the Protocol Extending the Arrangement, the TSB agreed, bearing in mind the request by the Textiles Committee that actions taken vis-à-vis non-participants should be notified to the Body, to transmit the notification to the Textiles Committee under Articles 7 and 8 of the Arrangement, see COM.TEX/SB/433.

6. The TSB also received six notifications from the United States concerning amendments to each of its previous agreements concluded under Article 4 of the Arrangement with Brazil (two amendments), Colombia, Haiti, Hong Kong and India. The TSB reviewed these amendments and agreed to transmit the text of the notifications to the Textiles Committee for its information, see COM.TEX/SB/434 to 439.

7. The TSB further considered notifications of two new Article 4 agreements concluded between the United States and each of Mexico and Yugoslavia. After its reviews the TSB agreed to transmit the text of these two notifications to the Textiles Committee, see COM.TEX/SB/440 and 441.

8. The TSB noted that, on several occasions, certain agreements or amendments to agreements had been notified to the Body some time after their expiry date. In this connexion, the TSB recalled its previously expressed concern¹ regarding delay in notifications of actions taken under the Arrangement and urged all participants to comply with the requirements of the MFA in this respect.

¹See COM.TEX/SB/365, paragraph 75 and COM.TEX/SB/380, paragraph 3.