

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/457

1 August 1979

Special Distribution

Textiles Surveillance Body

REPORT OF THE TENTH AND ELEVENTH MEETINGS (1979)¹

1. The Textiles Surveillance Body held its tenth and eleventh meetings in 1979 from 5 to 6 July, and on 11 and 13 July, respectively. The following members or alternates were present during the two sessions: Beck/de Gouvion St. Cyr, Hamid², Kujirai, Martin/Patek, Phelan, Suarez, Tsao³/Park, and Valdepenas².
2. The report of the ninth meeting was approved, and it has been circulated to the Textiles Committee in document COM.TEX/SB/446.
3. At the outset of the meeting the Chairman informed the members that he had been advised by the Malaysian delegation that Canada and Malaysia were continuing their negotiations and that they would inform the TSB, as requested⁴, of their results.
4. The TSB considered ten notifications of Article 4 agreements concluded between the EEC on the one hand, and each of Colombia, Guatemala, Haiti, Mexico, Peru, Philippines, Poland, Romania, Thailand and Uruguay, on the other. The TSB noted that its general observations and recommendations set out in COM.TEX/SB/380 and 388 will apply to these agreements, with the exception of Guatemala, Haiti and Uruguay. The TSB further noted that the latter three agreements provided for consultation procedures and that no restraints had been established therein. The TSB noted that its general observation in COM.TEX/SB/380, paragraphs 12 and 13, will apply to these three agreements.
5. With respect to the agreements with Poland and Romania, the TSB noted the provisions of Article 5 of the bilateral agreements concerning imports of textiles from Poland and Romania arriving in the European Community at "abnormally low prices".

¹Eighty-eighth and eighty-ninth meetings overall of the TSB.

²Part attendance.

³Messrs. Chan and Tong also attended the ninth meeting as substitutes for Mr. Tsao due to the inavailability of the alternate, Mr. Park.

⁴See COM.TEX/SB/429, paragraphs 28 to 30.

6. The TSB found that such price clauses fall outside the framework of the MFA. The TSB was of the further view that the application of such clauses could be in conflict with the provisions of Article 9:1 of the Arrangement and, therefore, recommended to the parties to the agreement that they should ensure that in implementing the bilateral agreement the provisions of Article 9:1 be fully observed.

7. After concluding its examination of these ten agreements, the TSB agreed to circulate their texts to the Textiles Committee (see COM.TEX/SB/447 to 456).

8. The Textiles Surveillance Body also decided that, having due regard to the provisions of Article 11, paragraphs 11 and 12, all participating countries should be invited to inform the TSB, by 1 September 1979, of the present status of their restrictions, if any, whether or not they continue to be justified under the provisions of the GATT, including its Annexes and Protocols. Those countries which had submitted a report in 1978 would only be required to bring up to date the information they had previously sent to the TSB; those countries which had not replied to the TSB's request last year would be invited to report on the situation in 1978, as well as for the current year.