

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/564

30 April 1980

Special Distribution

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## Textiles Surveillance Body

### REPORT OF THE SEVENTH MEETING (1980)<sup>1/</sup>

1. The Textiles Surveillance Body held its seventh meeting of 1980 from 14 to 15 April.
2. The following members or alternates replacing members were present: Messrs. Bajwa, Beck, Chau, Kujirai, Pullinen, Safioen, Santos-Neves<sup>2/</sup>/Moerzinger<sup>2/</sup> and Shepherd.
3. The TSB had received a notification from the United States of certain amendments to its Article 4 bilateral agreement with Hong Kong. In reviewing this notification, the TSB noted that such amendments involved inter alia a reduction of swing to 5 per cent, and the elimination of carry-over/carry-forward, with respect to certain categories for the year 1980. The TSB further noted there were certain other modifications providing for improvements sought by Hong Kong in the Export Authorization System for the life of the agreement.
4. The TSB noted that the reduction in swing and the elimination of carry-over/carry-forward were in respect of 1980 only and that, for the remaining years of the bilateral agreement, i.e. 1981 and 1982, the original swing and carry-over/carry-forward provisions were not affected.
5. The TSB concluded that, having due regard to the limited duration of the reduction in flexibility, the impact of the modifications on trade flow did not appear seriously to affect Hong Kong's continued access to the United States market. In this connexion, the TSB stressed the importance it attached to stability of access as embodied in the concept of orderly development of trade in terms of Article 4, paragraph 2.
6. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (See COM.TEX/SB/563.)
7. In preparation for the major review of the MFA to be conducted by the Textiles Committee in October 1980, and in fulfilling its obligations under Article 11 of the Arrangement, the TSB invited the Chairman to send a letter to participants in the Arrangement seeking information on restrictions maintained by them on textile products covered by the Arrangement.
8. The TSB continued its discussion on the catalogue of variations and decided to revert to this matter at its next meeting scheduled for 23 April 1980.

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<sup>1/</sup> Hundred-and-second meeting overall of the TSB.

<sup>2/</sup> Part-attendance.