

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/585

25 July 1980

Special Distribution

Textiles Surveillance Body

REPORT OF THE ELEVENTH AND TWELFTH MEETINGS (1980)^{1/}

1. The Textiles Surveillance Body held its eleventh and twelfth meetings of 1980 on 9-10 and 25-27 June.
2. The following members and/or alternates replacing members were present:
Eleventh meeting: Messrs. Bajwa, Beck, Chau, Kujirai, Martin, Pullinen, Safioen, Santos-Neves and Shepherd. Twelfth meeting: Messrs. Bajwa (part attendance), Chau, de Gouvion St. Cyr, Kujirai (part attendance), Pullinen, Santos-Neves and Shepherd.
3. In the unavoidable absence of Mr. Kujirai and of his alternate, Mr. Imai, the TSB agreed to Japan's request that Mr. Shinzeki should sit as alternate for the first two days of the twelfth meeting.
4. The report of the tenth meeting was adopted and has been transmitted to the Textiles Committee as COM.TEX/SB/577.
5. In the eleventh meeting, the TSB completed its work on the catalogue of variations from Annex B of the MFA. This document has been transmitted to the Textiles Committee as COM.TEX/SB/576 and Corr.1.
6. In the twelfth meeting, the following subjects were discussed:

Review of notifications

EEC/Philippines

7. The TSB had received two notifications of amendments to the agreement under Article 4 of the MFA between the EEC and the Philippines (COM.TEX/SB/452). The amendments relate to the establishment of new limits on exports of specific categories to certain member States of the EEC.

^{1/} Hundred-and-sixth and hundred-and-seventh meetings overall.

8. The TSB noted that in one of the notifications the growth for one category which had not been fixed in the original agreement, was less than 6 per cent. The TSB took note of the Community's statement that this lower growth rate reflected the existence of exceptional circumstances as laid down in Annex B, paragraph 2, of the MFA.

9. Following its examination of these amendments, the TSB agreed to transmit them to the Textiles Committee (COM.TEX/SB/579 and 580).

EEC/Thailand

10. The TSB had received a notification of an amendment to the Article 4 agreement between the EEC and Thailand. The amendment relates to new limits on exports from Thailand with respect to one category to 'certain member States of the EEC'. After its review, the TSB agreed to transmit this amendment to the Textiles Committee (COM.TEX/SB/581).

Finland/Korea

11. The TSB had received a notification of an agreement between Finland and Korea under Article 4 of the MFA, running from 1 May 1980 to 31 December 1982.

12. In its review of this agreement, the TSB noted that it replaced a relatively more restrictive régime which had taken the form of a discretionary licensing system applied to Finland's imports of textile products from Korea. This régime was based on a 1967 bilateral protocol established in the context of Korea's accession to GATT.

13. The TSB noted that the specific base levels set out in Annex I to the agreement were considerably higher than previous restraints applied under the import licensing system. It also noted that the growth rates contained in the agreement, which were lower than the rate of not less than 6 per cent set out in Annex B of the MFA, reflected the parties' understanding that implementation of the 6 per cent growth provisions of the Arrangement could contribute to the then existing threat to Finland's minimum viable production, as foreseen in paragraph 2 of Annex B. The TSB further noted that swing was provided for in the agreement at a rate of 5 per cent.

14. After concluding its examination, the TSB agreed to transmit the text of the agreement to the Textiles Committee (COM.TEX/SB/578).

United States/India: United States/Korea: United States/Singapore

15. The TSB had received three notifications from the United States of amendments to Article 4 agreements with India, Korea and Singapore. The amendments to the agreements with India and Singapore concerned increases in consultation levels for specific categories; that with Korea concerned the correction of a technical error in the text of the agreement. After its review of these amendments, the TSB agreed to transmit them to the Textiles Committee (COM.TEX/SB/582, 583 and 584).

Replies received under Article 11:11, 11:12 and 11:2

16. The TSB began its consideration of replies received to the letter sent by the Chairman to participants in the Arrangement, in April 1980, seeking information under Article 11:11, 11:12 and 11:2 on restrictions maintained by them on textile products covered by the Arrangement. Replies had been received from the following countries: Brazil, Romania, Sri Lanka, Poland, Switzerland, United States, Japan, Hungary, Finland, Egypt and Hong Kong. The TSB agreed to revert to this question at its next meeting. It was noted that participating countries had been requested to reply to the Chairman's letter by 20 June. The TSB therefore urged all participants which had not so far submitted replies to do so without delay.

Major review

17. The TSB continued work on its report to be made to the Textiles Committee in the context of the major review of the MFA.