

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/762

4 May 1982

Special Distribution

Textiles Surveillance Body

REPORT OF THE FIRST MEETING (1982)^{1/}

1. The TSB held its first meeting under the provisions of the 1981 Protocol of Extension on 15-16 March 1982. The following members and/or alternates were present: Messrs. Beck, Delgado, El Gowhari, Hyun, Sato/Matsui and Shepherd.
2. The Chairman informed members of the status of acceptances of the 1981 Protocol of Extension as at the date of the meeting. The list of acceptances is contained in document COM.TEX/27.
3. The report of the fifteenth and last meeting of 1981, which had been held in January 1982, had been circulated to members and alternates and approved. It is contained in COM.TEX/SB/748.
4. At this meeting the TSB had before it some notifications of actions taken by participants in 1981 with continuing effect in 1982, as well as other actions or agreements coming into effect in 1982. The TSB decided that, as a general rule, notifications of actions taking effect in 1981 should be considered as falling under the terms of the 1977 Protocol of Extension, even if their effect carried over into 1982. New agreements or measures concluded with effect from 1 January 1982 or later should be treated as falling under the provisions of the December 1981 Protocol, even if they had been negotiated before 1 January 1982. The TSB would, however, continue to consider all notifications on a case-by-basis.
5. The following subjects were discussed at this meeting:
 - (a) Pakistan/Finland: complaint against emergency action
6. The TSB considered a complaint from Pakistan with respect to an emergency action taken by Finland on imports of T-shirts. In this action, the Government of Finland had requested Pakistan under Article 3:6 of the MFA, on 24 February 1982, to consult urgently with a view to finding a mutually acceptable solution to the matter. At the same time Finland had given notice of measures taken on 3 March to restrict imports by the temporary imposition of import licensing on T-shirts and had asked the Government of Pakistan to suspend exports as from that date.

^{1/} Hundred-and-thirty-first meeting overall.

7. The TSB noted that at the time the action was taken, Finland was not a party to the MFA, as extended by the 1981 Protocol, and therefore found that there was no basis within the Arrangement for a non-participant to take such action.

8. Having due regard to the fact that, subsequent to the action taken, Finland signed the MFA (subject to ratification) on 5 March 1982, the TSB addressed itself to the continuing effect of this measure on Pakistan's exports of the product in question to Finland.

9. Having heard statements from the representatives of Pakistan and Finland, the TSB noted that Finland, in notifying the action to Pakistan, had offered one week's opportunity for prior consultation. However, the procedural requirements of Article 3:3 had not been strictly followed. In addition Finland had not begun to issue the import licences required under the new procedures introduced on 3 March. The TSB questioned the conformity of this unilateral temporary suspension by Finland of import licences with the provisions of Article 3:6.

10. The TSB found that the data which had been transmitted to Pakistan subsequent to the notification of the action, and put before the Body, were not sufficiently complete to enable the TSB to reach a conclusion as to the existence of highly unusual and critical circumstances in the Finnish market for the product in question.

11. The TSB, having noted:

(a) the willingness of both parties to enter into consultations as soon as possible;

(b) the statement by Finland that the provisions of paragraph 12 of the Protocol of Extension would be fully respected in such consultations; and

(c) the statement by Finland that in the meantime the Finnish authorities would also take full account of the provisions of Article 3:7 of the Arrangement,

recommended that:

(i) Finland bring the time period of application of the restraint measures into accord with the effective date of its acceptance of the MFA, i.e. 5 March 1982;

(ii) Finland resume issuance of import licences as soon as possible;

(iii) Both parties consult as soon as possible, taking full account of all relevant provisions of the Arrangement and of the 1981 Protocol, and report to the TSB not later than 10 May 1982.

(b) New agreement under Article 4:
United States/Mexico

12. The TSB reviewed a new agreement concluded under Article 4 of the MFA between the United States and Mexico, which extends the existing bilateral agreement between the two parties for the period 1 January 1982 - 31 December 1985. The terms of this extension with respect to growth, swing, carryover and carry forward are exactly the same as the previous agreement between the parties, and are in conformity with the provisions of the MFA. The TSB transmitted this notification to the Textiles Committee (COM.TEX/SB/749).

(c) Modifications or amendments to existing Article 4 agreements

(i) United States/Pakistan

13. The TSB received a notification of two amendments to the bilateral agreement between the United States and Pakistan. In the first of these, Pakistan agreed to a reduction in category 339 (knitted cotton shirts and blouses) in return for an increase in the sub-category, 339 part; in a second amendment, a further increase in the sub-category was made.

14. The TSB noted that, although there was a decrease in access for the totality of the category concerned, the increase in the sub-level reflected Pakistan's trading interests. The TSB transmitted these amendments to the Textiles Committee (COM.TEX/SB/750).

(ii) United States/Thailand

15. The TSB considered two amendments to the bilateral agreement between the United States and Thailand, concerning increases in consultation levels for four fabric categories (314, 315, 320 and 613) for the year 1981. The TSB transmitted these amendments to the Textiles Committee (COM.TEX/SB/751).

(iii) United States/Brazil

16. The TSB also considered an amendment to the bilateral agreement between the United States and Brazil, concerning increases in consultation levels for two cotton fabric categories (314 and 318) and one clothing category (338). The TSB transmitted this amendment to the Textiles Committee (COM.TEX/SB/752).

(iv) United States/Korea: United States/Hong Kong

17. The TSB received notifications from the United States of modifications to its bilateral agreements with Korea and Hong Kong. In these modifications, new limits were set by the United States on categories 320, 648 and 649 for Korea and on category 633/634 for Hong Kong for the year 1981, pursuant to the consultation procedures laid down in their

agreements as amended (for Korea see COM.TEX/SB/628, paragraph 6; for Hong Kong see COM.TEX/SB/563, paragraph 9). In addition, Hong Kong had elected to convert the level established for 1981 to a specific limit for the year 1982.

18. The TSB also considered an amendment to the bilateral agreement between the United States and Korea, in which an increase was made in one sub-limit for 1981, with an offsetting decrease for 1982.

19. The TSB transmitted these modifications and amendments to the Textiles Committee (COM.TEX/SB/753 - Korea; COM.TEX/SB/754 - Hong Kong).

(v) EEC "basket exit" notifications

20. The TSB reviewed a number of modifications to various EEC bilateral agreements originally concluded under the 1977 Protocol of Extension, and transmitted them to the Textiles Committee. These modifications were made in 1981 under the "basket exit" consultation procedures of the relevant agreements.

EEC/Korea

21. The TSB received a notification from the EEC of three modifications to its bilateral agreement with Korea. New restraints into the Community as a whole were agreed with respect to imports of women's woven outerwear (category 81) for 1981 and 1982 and imports of dresses (category 26) for 1982. Restraints on imports of knitted swimwear (category 72) into France for 1981 and 1982, and imports of woven swimwear (category 79) into Benelux for 1982 were also agreed. The TSB noted that restraint levels agreed on categories 72 and 81 were lower than previous trade.

22. This notification is circulated as COM.TEX/SB/755.

EEC/Poland, Macao, Sri Lanka and Thailand

23. The TSB also reviewed notifications from the EEC of a number of modifications to its bilateral agreements with Poland, Macao, Sri Lanka and Thailand.

24. A new restraint level had been agreed with Poland for imports of Category 82 (outerwear) into Benelux in 1980 and 1981, with growth of 7.7 per cent.

25. For Macao, new restraints had been agreed on imports of categories 72 (knitted swimwear) and 83 (outerwear) into France for July-December 1981 and the year 1982; category 82 (knitted undergarments) into the Community, categories 68 (babies' knitted undergarments) into France, 78 (men's and boys' bathrobes) into Benelux, 81 (women's and girls' bathrobes) into the Community and 73 (tracksuits) into the Community, in each case for 1981 and 1982 with 6 per cent growth.

26. For Sri Lanka, a new restraint had been agreed on imports of anoraks (category 21) into Benelux for 1981 and 1982 with 6 per cent growth.

27. New restraints on imports from Thailand had also been agreed on category 21 into Denmark, France and the United Kingdom and on category 25 (women's nightwear) into Benelux, for 1981 and 1982, with 6 per cent growth in each case.

28. These modifications have been circulated as COM.TEX/SB/756 to 759.

(d) Article 7 and 8 notification:
United States/China

29. The TSB received a notification from the United States concerning a number of amendments and modifications to its bilateral agreement with the People's Republic of China. This notification was made bearing in mind the request by the Textiles Committee that actions taken vis-à-vis non-participants should be notified to the TSB. The notification contains information on four specific limits (categories 334, 335, 338 and 445/446) established pursuant to the consultation procedures of the agreement, and various adjustments to the levels for categories 445/446 and 645/646 (wool and mmf. sweaters).

30. The TSB transmitted this notification to the Textiles Committee for its information (COM.TEX/SB/760).

(e) Article 8 notification:

United States/Macao: export visa system

31. The TSB received a notification from the United States under Article 8 of the Arrangement, of the establishment of an export visa system for shipments of textile products covered by the existing Article 4 agreement between the two parties. It agreed to transmit this notification to the Textiles Committee for its information (COM.TEX/SB/761).