

GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

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

1. The Textiles Surveillance Body held its seventh meeting of 1982 on 26-28 October.
2. Mr. Jörn Keck was introduced as alternate to Mr. Beck (EEC), replacing Mr. Jonathan Scheele. The Chairman and members welcomed Mr. Keck and thanked Mr. Scheele for his valuable contribution to the work of the Body.
3. The following members and/or alternates were present at this meeting: Messrs. Beck^{2/}/Keck^{2/}, Delgado^{2/}/Santos-Neves^{2/}, El Gowhari, Hyun/Chau^{2/}, MacNeil, Sato and Shepherd.
4. The draft report of the sixth meeting was read and adopted, and has been circulated in COM.TEX/SB/790.

The following points were discussed:

Delay in notifications

5. The Chairman called the attention of members to the fact that a number of notifications continue to be subject to delay. In this connexion, he recalled to members the provisions of Article 4:4, that full details of agreements entered into in terms of Article 4 are to be communicated to the TSB within thirty days of their effective date.

^{1/} Hundred and thirty-seventh meeting overall

^{2/} Part-attendance

EEC/Indonesia

6. The TSB reverted to its review of the notification from the EEC of new limits agreed with Indonesia on Categories 6, 7 and 8 for the year 1982. The TSB was informed that a real risk of market disruption with respect to imports from Indonesia in these categories had been deemed by the Community to exist throughout the Community. It took note of additional information from the EEC Commission on imports from Indonesia of these categories into the Community and its regions for 1981.

7. The TSB, recalling its earlier discussions of EEC/Indonesia notifications¹, noted that the restraints on these categories which were previously in effect with respect to certain EEC regions had been extended to the whole Community.

8. The TSB noted that whilst four of the regional limits established for 1982 were lower than the levels of trade in the categories concerned during 1981, seventeen limits were higher than trade levels. The TSB took note of a statement by the Community that both regional and Community-wide levels were the outcome of lengthy negotiations. ✎

9. Swing among the categories under restraint was set at 5 per cent, and the TSB took note of the statement by the Community that this was due to exceptional circumstances as set out in Annex B, paragraph 5 and was in line with the Community's agreements with other suppliers.

10. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/791)

Austria/Philippines

11. The TSB reverted to the notification received from Austria concerning a new agreement with the Philippines, valid from 1 August 1982 to 31 July 1983, introducing restraints on exports of blouses and shirts. The TSB took account of further information on the levels of restraints agreed, which the Chairman, at the request of the Body, had received from the two parties. The TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/792).

Switzerland/Hong Kong

12. The TSB reverted² to the notification from Switzerland, made under Article 7 of the Arrangement, concerning the extension of the existing Memorandum of Understanding and administrative arrangement regarding exports of textiles from Hong Kong (originally notified in COM.TEX/SB/633). It noted that, according to a new notification from Switzerland, the Memorandum had been extended until 30 June 1983.

¹See COM.TEX/SB/626, 632, 645, 647, 664, 682 and 710

²See paragraph 15 of COM.TEX/SB/790, Report of the Sixth Meeting.

13. The TSB recalled the observations which it had made at the time of notification of the original Memorandum (COM.TEX/SB/637, paragraphs 3 and 4), and reiterated that any actions taken under the provisions of the Memorandum should be notified under the appropriate Article of the MFA. It was noted that the consultation mechanism contained in the Memorandum had not been invoked to date.

14. The TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/793).

United States/Hong Kong

15. The TSB began its review of a new bilateral agreement concluded between the United States and Hong Kong under Article 4 of the Arrangement, valid from 1 January 1982 to 31 December 1987. It agreed to continue its discussion at the next meeting.

US/Japan

16. The TSB received a notification from the United States concerning both the extension for a period of four years (1 January 1982-31 December 1985) of the bilateral agreement concluded under Article 4 with Japan in 1979, and an agreement for restraints on eleven categories pursuant to the consultation provisions of the bilateral agreement.

17. The TSB noted that:

- (i) there were certain differences in the structure of restraints concluded under this agreement from those in other Article 4 agreements;
- (ii) for five categories, restraints were established as multi-year limits for the four year period, thus providing for substantial flexibility in the utilization of these restraints;
- (iii) five other categories were subject to yearly restraints with annual growth; one of these categories had been newly brought under restraint;
- (iv) one category was subject to an annual limit for 1982 with a "standstill" for the next three years unless consultations led to increases in this category;
- (v) one category previously under restraint had been liberalized.

18. The TSB also noted that:

- (i) most base levels included in the agreement were higher, and in two cases substantially higher, than previous restraint levels;
- (ii) growth in the five categories with annual restraints was lower than 6 per cent;
- (iii) no swing was provided with respect to two categories, while for seven others swing was subject to consultation, and for two further categories swing was established at 5 per cent and 7 per cent;
- (iv) carryover and carry forward were not provided for those categories subject to annual restraint levels.

19. While paying particular attention to the fact that certain elements of the agreement on restraints were not in accordance with the levels set forth in Annex B of the Arrangement, the TSB took account of statements by the two parties that the balance of the elements in this agreement was satisfactory to both of them.

20. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/795)

21. The TSB also reviewed a notification of revised agreed limits introduced for 1981 only under the consultation provisions of the agreement between United States and Japan, under the provisions of the 1977 Protocol of Extension, and agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/794).

United States/Mexico

22. The TSB reviewed a notification received from the United States, concerning the addition of four categories (353, 354, 653 and 654), relating to down and feather-filled apparel, to the coverage of its bilateral agreement with Mexico. The TSB noted that this modification brings the product coverage of the agreement into line with the new United States categorization system, in which the products concerned are now classified as apparel meeting the criteria of Article 12:1 of the MFA, and that the categories in question would be subject to the consultation provisions of the bilateral agreement.

23. The TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/796).

United States/Colombia

24. The TSB reviewed a notification by the United States concerning the amendment of its bilateral agreement with Colombia by an increase in the consultation level for Category 435 (wool coats for women, girls and infants). It was agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/797)

United States/Sri Lanka

25. The TSB reviewed a notification by the United States, concerning the establishment, in August 1982, of new agreed limits for Categories 347 (men's and boys' cotton trousers) and 445/446 (woollen sweaters), for the period 23 November 1981-30 April 1983. In this context the TSB noted that unilateral limits established in November 1981 under the consultation provisions of the bilateral agreement, and subsequently replaced by the agreed limits referred to above, had not been notified to the Body at the time.

26. The provisions of the bilateral agreement concerning swing and carryover/carry forward are not applicable to these new restraints. The TSB took note of the statement by the United States that swing had been incorporated in the restraint levels, and that the seventeen-month restraint period incorporated a substantial measure of carryover and/or carry forward.

27. After its review of this notification, the TSB agreed to transmit it to the Textiles Committee. (COM.TEX/SB/798)

EEC/Pakistan: EEC/Egypt

28. The TSB reviewed two notifications from the EEC concerning the extension of its agreements with Pakistan and Egypt, concluded under the 1977 Protocol of Extension, for the calendar year 1982. It noted that these extensions, which were agreed according to the terms of the respective bilateral agreements, had been concluded in November and December 1981 respectively, during the period of renegotiation of the Arrangement, but had only now been notified. The TSB agreed to transmit these notifications to the Textiles Committee. (COM.TEX/SB/799 and 800)

Article 11 notifications

29. The TSB took note of replies from Hungary, Japan, Turkey, Egypt and Thailand to the Chairman's request for information on all restrictions on textiles and clothing products maintained by participating countries. (See COM.TEX/SB/783, paragraph 10). It was agreed to reiterate the request to all participants which had not yet replied to it.