

GENERAL AGREEMENT ON TARIFFS AND TRADE

Textiles Surveillance Body

REPORT OF THE SIXTEENTH MEETING (1983)¹

1. The Textiles Surveillance Body held its sixteenth meeting of 1983 on 12-14 October.
2. Present at this meeting were the following members and/or alternates: Messrs. Bajwa, Chau/Hyun, Keck/Richardson, Kittisataporn, Patriota, Sato, Shepherd and Westlund/MacNeil.
3. The report of the fifteenth meeting was adopted and has been circulated as COM.TEX/SB/884.
4. The following points were discussed:

Article 3 notification: United States/Indonesia

5. The TSB received a notification from the United States concerning Article 3 action taken on cotton coats (Category 335) imported from Indonesia. Since consultations between the parties were due to be resumed between 18-21 October, the two governments concerned had requested the TSB to defer its review of this action pending the results of these consultations. The TSB agreed to this request and understood that the parties would report to it in time for its next meeting.

Article 4 notifications:

Austria/Brazil

6. The TSB reviewed a notification by Austria of a new bilateral agreement concluded with Brazil under Article 4 of the Arrangement, valid from 1 November 1982 to 31 October 1987. This notification superseded that of an Article 3 bilateral agreement which the TSB had begun to review at its 143rd meeting (COM.TEX/SB/825, paragraph 6).

7. The agreement establishes limits for two products, both of which were placed under restraint in the previous agreement. Increases in quotas over base levels and annual growth rates are below 6 per cent; swing is provided at 5 per cent and carryover/carry forward at 10 per cent/5 per cent.

¹Hundred and fifty-sixth meeting overall

8. The TSB took note of a statement by Austria invoking the existence of exceptional circumstances, in terms of Annex B, paragraph 2, for growth rates lower than 6 per cent.

9. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/885).

EEC/Egypt

10. The TSB reviewed an Article 4 bilateral agreement initialled by the EEC and Egypt, in de facto application with effect from 1 January 1983 and valid until 31 December 1986. The coverage of this agreement was restricted to cotton products, except for yarn. Restraints were continued from the earlier agreement between the parties with respect to cotton fabrics (Category 2) into the Community and bedlinen (Category 20) into the United Kingdom; two previous regional restraints were liberalized; and one new Community restraint was introduced on knitted shirts (Category 4) which had previously been under restraint in three regions.

11. The TSB noted a statement by the Community that cotton yarn, which was excluded from the agreement, was covered by the provisions of the Co-operation Agreement between the parties.

12. The TSB did not address itself, on this occasion, to the provisions of Articles 4 and 5 of the agreement relating to re-imports of textile products after processing and to handloom and cottage industry products, respectively.

13. In concluding its review, the TSB recalled the provisions of Article 6:4 of the MFA and paragraph 12(c) of the 1981 Protocol concerning special consideration for cotton producing exporting countries. The TSB also noted the statement by the Community concerning acute and exceptional difficulties in the Community's market for the products concerned. Bearing in mind increases in base levels, it was agreed that the agreement was, on overall terms, consistent with the provisions of Article 4 and it was agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/886)

EEC/Colombia

14. The TSB reviewed a new agreement initialled under Article 4 between the EEC and Colombia, in de facto application with effect from 1 January 1983 and valid until 31 December 1986.

¹See paragraphs 22 and 23 of the report contained in COM.TEX/SB/841. General observations on Articles 8, 9 and 12 of this agreement are contained in the same report.

15. In reviewing this agreement, the TSB noted that:

- (a) restraints on three categories (cotton yarn, cotton and synthetic fabrics) were continued;
- (b) the merged categories 2 and 3 continued to provide total flexibility between the categories;
- (c) the increase in base-levels was set at 0.1 and 0.5 per cent and growth rates at 0.1 and 0.5 per cent;
- (d) swing was set at 5 per cent; and
- (e) carryover and carry forward were set at 5 and 5 per cent.

16. The TSB heard a statement from the EEC that the growth rates reflected the acute and exceptional difficulties in the Community market for the products under restraint.

17. The TSB did not address itself to the provisions of Articles 4 and 5 of this agreement concerning re-imports of textile products after processing and handloom and cottage industry products respectively.¹

18. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/887).

United States/Hong Kong and Korea

19. The TSB reviewed notifications by the United States concerning the introduction of restraints, pursuant to the consultation provisions of the respective agreements, on two categories from Hong Kong and four categories from Korea, for 1982, and their conversion into specific limits for the remaining years of the agreement. The notification concerning Korea also informed the Body that four other categories had been brought under restraint for 1982 only.

20. It was noted that the levels, growth and swing provisions established in these modifications followed the provisions laid down in the agreements. The TSB agreed to transmit these notifications to the Textiles Committee. (COM.TEX/SB/888 and 889)

¹See paragraphs 22 and 23 of the report contained in COM.TEX/SB/841. General observations on Articles 8, 9 and 12 of this agreement are contained in the same report.

Canada/Korea

21. The TSB reverted to its review of the bilateral agreement concluded by Canada with Korea under Article 4 of the MFA. It was agreed to continue the review of this notification at the next meeting.

EEC/Hong Kong

22. The TSB began its review of an Article 4 bilateral agreement initialled between the EEC and Hong Kong, in de facto application with effect from 1 January 1983 and valid until 31 December 1986. It was agreed to revert to this notification at the next meeting.

Article 11 notifications

23. The TSB took note of notifications received from Bangladesh, El Salvador, Japan, Pakistan and Romania, in reply to the Chairman's letter requesting information, pursuant to Article 11 of the Arrangement, on restrictions maintained by participating countries.¹ All such notifications will be circulated to the Textiles Committee at the time of the submission of the TSB's Annual Report.

Annual Report of the TSB

24. The TSB began its consideration of the text of its Annual Report to the Textiles Committee, to be submitted for the forthcoming meeting of the Committee to be held in December 1983.

¹ COM.TEX/SB/859, paragraph 17