

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/975

9 July 1984

Special Distribution

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Textiles Surveillance Body

REPORT OF THE TENTH MEETING (1984)<sup>1</sup>

1. The Textiles Surveillance Body held its tenth meeting of 1984 on 12-13 June.
2. Present at this meeting were the following members and/or alternates: Messrs. Bondad, Hyun/Cartland, Kawaguchi, Keck, MacNeil/Westlund, Marques Porto, Puri and Shepherd.
3. The report of the ninth meeting has been circulated in COM.TEX/SB/964.

Notifications under Article 3:5

United States/Haiti

4. The TSB heard a report from the United States that following the unilateral measure taken by it under Article 3:5 on imports from Haiti of cotton dressing gowns (Category 350) effective 30 January 1984, the parties held further consultations, reaching a mutually agreed solution which shall be notified to the TSB in due course.

United States/Dominican Republic, United States/Peru

5. With regard to the notifications made by the United States concerning unilateral measures taken under Article 3:5 with respect to imports of certain products from the Dominican Republic and Peru (see report of the eighth TSB meeting - COM.TEX/SB/962), the TSB again agreed to defer its consideration of these notifications at the request of all interested parties.

Notifications under Article 4

EEC/Macao

Modification of MFA II agreement

6. The TSB received a notification from the EEC concerning modifications of the EEC/Macao agreement concluded under MFA II. The notification provided the applicable restraint levels in 1981 and 1982 on imports of Categories 4, 6, 7, 8, 26, 27 and 30A into the EEC.

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<sup>1</sup>Hundred and seventieth meeting overall

7. The TSB noting the delay in the notification recalled once again the need for participating countries to make timely notification.

8. After its review the TSB transmitted the notification to the Textiles Committee (COM.TEX/SB/654/Corr.1).

New agreement under the 1981 Protocol of Extension

9. The TSB began its review of a notification concerning a new bilateral agreement concluded between the EEC and Macao.

EEC/Korea

10. The TSB received two notifications from the EEC concerning modifications of the EEC/Korea agreement. Under these modifications restraints were introduced on Categories 68 and 80 (babies under and outer garments) effective 1983, and on Category 82 (undergarments) effective 1984, when imported into France. Growth was set at 4 per cent.

11. The TSB agreed to transmit these notifications to the Textiles Committee (COM.TEX/SB/966 and 967).

United States/Hong Kong, United States/Korea

12. The TSB received two notifications from the United States providing information regarding its Article 4 bilateral agreements with Hong Kong and Korea. In both cases the United States requested, a few days before the expiry of the relevant agreement year (1983), consultations with respect to Categories 359, 369, 436 and 438 (other cotton apparel, other cotton textiles, wool dresses and wool shirts and blouses) with Korea, and to Categories 314, 318, 337, 359, 361, 369, 459, 649 and 669 (cotton poplin and broadcloth, cotton yarn-dyed fabric, cotton playsuits, other cotton apparel, cotton sheets and pillowcases, other cotton textiles, other wool apparel, brassières and other mmf textiles) with Hong Kong.

13. The TSB heard a statement from the United States that in both cases the impact on trade had been negligible and noted that Korea and Hong Kong had resumed issuance of export recommendations/authorizations on 1 January 1984, without any limitation.

14. After its review, the TSB agreed to transmit the notifications to the Textiles Committee for its information (COM.TEX/SB/968 and 969).

United States/Dominican Republic

15. The TSB received a notification from the United States of a comprehensive agreement concluded with the Dominican Republic under Article 4, valid for the period 1 June 1983 to 31 May 1988. This agreement succeeded a selective agreement.

16. In this agreement:

- (a) previous restraints on four clothing categories were maintained;
- (b) increases in base levels were above, and in one case substantially above, 6 per cent;
- (c) growth rates were, as in the previous agreement, set at 7 per cent;
- (d) swing for the restrained categories was provided at 7 per cent;
- (e) carryover/carry forward were available at 11/7 per cent.

17. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/970).

United States/Yugoslavia

18. The TSB received a notification from the United States concerning two extensions of its existing Article 4 bilateral agreement with Yugoslavia. The first three-month extension was superseded and replaced by the second extension for the period 1 January 1984 to 31 December 1985.

19. Product coverage in the extended agreement continued to be men's and boys' suits of wool and/or man-made fibre with a sub-limit for wool suits.

20. Increase in base levels for the product group and for suits of wool were 11.8 and 1.3 per cent, and growth rates were set at 6 and 1 per cent respectively. Swing within the group limit was set at 5 per cent, and carryover/carry forward at 11/6 per cent, of which 67 per cent could be available for wool suits.

21. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/971).

United States/Hungary

22. The TSB received a notification from the United States concerning the inclusion in the coverage of its Article 4 agreement with Hungary of Categories 435 (wool coats for women, girls and infants) and 448 (wool trousers for women, girls and infants) and the setting up of specific limits for both categories.

23. The increases in base levels over the relevant roll-back levels were 25 per cent for Category 435 and 8 per cent for Category 448, and the annual growth rate for both 1 per cent. The flexibility provisions of the agreement applied to the newly restrained categories.

24. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/972).

United States/Uruguay

25. The TSB received a notification from the United States of an Article 4 agreement concluded with Uruguay, valid from 1 August 1983 to 30 June 1986. This was the first agreement concluded between the parties.

26. The agreement covered only Category 444 (wool suits for women, girls and infants), and the level of the limit for the first agreement period represented a substantial increase over the roll-back level; the annual growth rate was set at 1 per cent, and carryover/carry forward were possible at 11/7 per cent.

27. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/973).

Sweden/Pakistan

28. The TSB received a notification from Sweden of a new bilateral agreement concluded under Article 4 of the MFA with Pakistan, valid from 1 July 1983 to 30 April 1987, and superseding the previous agreement.

29. In this agreement:

(a) all previous restraints were maintained; product coverage remained unchanged;

(b) increases in base levels were between 0.2 and 1.5 per cent;

(c) growth rates within the agreement were between 0.2 and 1.8 per cent;

(d) swing was provided at 3 per cent, carryover and carry forward at 3/3 per cent; the cumulative flexibility was set at 3 per cent.

30. The TSB heard a statement by Sweden that growth, swing, carryover and carry forward had been agreed taking into account the provisions of paragraph 2 of Annex B, as well as paragraph 11 of the 1981 Protocol of Extension.

31. The TSB noted that the present agreement no longer contained provisions on quota adjustment, and that while growth rates continued to be low, Sweden had taken into consideration the TSB's previous observations<sup>1</sup> with respect to provision of flexibility.

32. After its review, the TSB agreed to transmit this notification to the Textiles Committee (COM.TEX/SB/974).

#### Notifications under Article 11

33. The TSB took note of notifications received from Canada and Korea, in reply to the Chairman's letter requesting information, pursuant to Article 11<sup>2</sup> of the Arrangement, on restrictions maintained by participating countries.<sup>2</sup> These notifications will be submitted to the Textiles Committee at the time of the submission of the TSB's report for the Major Review.

#### Report on Article 3:5 measure examined by the TSB

##### United States/Korea

34. In accordance with its recommendation<sup>3</sup> concerning imports into the United States of man-made fibre luggage (Category 670 part) from Korea, the TSB heard reports from both parties that they had held consultations. These consultations had not resulted in an agreed solution, but further consultations were envisaged later in June. The TSB asked the parties to report on such consultations at the first TSB meeting in July.

##### Other business

##### Statement by Hong Kong

35. The TSB heard a statement from Hong Kong that it had received from the United States a request for consultations regarding imports of playsuits (Category 637), the restriction on which had earlier been rescinded in accordance with the TSB's recommendation.<sup>4</sup>

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<sup>1</sup> See COM.TEX/SB/841

<sup>2</sup> See COM.TEX/SB/921, paragraph 23

<sup>3</sup> See COM.TEX/SB/953

<sup>4</sup> See COM.TEX/SB/953 and 962