

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/978

1 August 1984

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## Textiles Surveillance Body

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

1. The Textiles Surveillance Body held its twelfth meeting of 1984 on 2-5 July.
2. The Chairman welcomed Mr. Gerard Boisson (EEC) as alternate appointed by Mr. Keck, to succeed Mr. Hugh Richardson.
3. Present at this meeting were the following members and/or alternates: Messrs. Bondad, Hyun/Cartland, Kawaguchi, Keck/Boisson, MacNeil/Westlund, Marques Porto, Puri and Shepherd.
4. The report of the eleventh meeting has been circulated in COM.TEX/SB/977.
5. The Chairman informed members that Norway had accepted the Arrangement as extended by the 1981 Protocol of Extension from 1 July 1984.

#### Notifications under Article 3:5

##### United States/Dominican Republic

6. The TSB reverted to the unilateral measure taken under Article 3:5 by the United States, on imports of man-made fibre suits for women, girls and infants (Category 644). It also began its review of another unilateral measure taken on imports of woollen sweaters for women, girls and infants (Category 446) when imported from the Dominican Republic.
7. Further to the interim report by the United States<sup>2</sup> on Category 644, the TSB received a report from both parties, that a further round of consultations had been scheduled with respect to both Category 644 and Category 446 on 18 July.
8. The TSB recommended that both parties report the result of these consultations by 27 July 1984.

##### United States/Peru

9. The TSB reverted to a notification made by the United States concerning a unilateral measure taken by the United States under Article 3:5 on imports of cotton duck (Category 319) from Peru.

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<sup>1</sup>Hundred and seventy-second meeting overall

<sup>2</sup>See COM.TEX/SB/964

10. Both parties informed the TSB of ongoing consultations and asked for the postponement of consideration of this case.

11. After considering these requests, the TSB agreed once more to defer its consideration of the notification, on the understanding that it may revert to the matter at any time, on its own decision or at the request of either party.

Sweden/Turkey

12. In accordance with its recommendation<sup>1</sup>, the TSB received reports from both Sweden and Turkey concerning consultations held on exports of knitted underwear, sweaters, etc. (Group 4/5) and trousers (Group 8). The consultations did not result in mutually agreed solutions. At the request of Turkey and with the agreement of Sweden, the TSB agreed to revert to the case at its next meeting.

United States/Turkey

13. With respect to the unilateral measure taken by the United States on imports of men's and boys' cotton knit shirts (Category 338) originating in Turkey, the TSB was informed by both parties that they had held consultations in the last week in June and consequently had been unable to submit full reports on these consultations by 30 June as required by the TSB.<sup>1</sup>

14. The TSB assumed, however, that the reports will be submitted in time for the TSB meeting scheduled in mid-July. The TSB accordingly decided to revert to this matter at its next meeting.

United States/Korea

15. In accordance with its recommendation<sup>2</sup> concerning imports into the United States of man-made fibre luggage (Category 670 part) from Korea and further to the reports it had received at an earlier meeting<sup>3</sup>, the TSB heard new reports from both parties. It noted that the consultations referred to in point (a) of its previous recommendation were scheduled for 10-13 July, prior to the consultations referred to in point (b) of that recommendation. With a view to avoiding any disruption of trade, the TSB reiterated that both parties take appropriate measures, such as administrative arrangements and suspension of the restraint, in order to ensure that imports of non-MFA products are not affected during the interim period.

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<sup>1</sup> See COM.TEX/SB/947

<sup>2</sup> See COM.TEX/SB/953

<sup>3</sup> See COM.TEX/SB/975

16. The TSB asked the parties to submit their definitive reports on this notification not later than 27 July 1984.

Notifications under Article 11:4

United States/India

17. The Textiles Surveillance Body received a complaint from India under Article 11, paragraph 4, of the Arrangement concerning invocation by the United States of provisions of the United States/India bilateral agreement to establish restraints on Categories 334, 445 and 446.

18. The TSB heard a statement from the Government of India stating inter alia that:

- (a) the calls were invalid and non-maintainable ab initio because the procedural and substantive requirements for initiating consultations as provided in the bilateral agreement and MFA were not fulfilled;
- (b) the request by the United States to hold export% from India during the ninety-day consultation period, in pursuance to paragraph 16(d) of the agreement, was unwarranted;
- (c) the data provided did not establish a situation of market disruption or real risk thereof;
- (d) the existence of the Group II limit covering exports of all apparel products was acting as an inhibiting factor and resulting in India suffering double jeopardy.

19. The TSB heard a statement from the Government of the United States stating inter alia that:

- (a) the calls had been initiated in January 1984 in accordance with the relevant provisions of the bilateral agreement and the MFA;
- (b) the United States had asked India to control exports during the ninety-day consultation period in a manner consistent with paragraph 16(d) of the bilateral agreement;
- (c) the data and background information provided by the United States portrayed real risk of market disruption;
- (d) the Group II limit is one aspect of a mutually acceptable bilateral agreement.

20. The TSB recommended that the United States rescind the restraints on Categories 334, 445 and 446.

21. In reaching its conclusion to make this recommendation the TSB took fully into account points made by the two parties in their respective presentations and the status and trade-inhibiting effect of the Group II limit.

22. With respect to the point raised in paragraphs 18(d) and 21 above, the TSB reaffirmed its previous intention to revert to a discussion of group and aggregate restraints, such discussion to be held as soon as possible.

United States/Pakistan

23. The TSB received a communication from Pakistan, regarding restraints introduced by the United States on Categories 334 and 350, under the terms of the consultation provisions contained in paragraph 6 (Consultation provisions) of the United States/Pakistan bilateral agreement. The TSB examined this complaint under Article 11:4 of the MFA.

24. The TSB was of the opinion that the information provided by the United States to Pakistan at the time of consultations and when the restraints were introduced was insufficient to sustain the claim of real risk of market disruption. The TSB therefore recommended that both parties consult as soon as possible with a view to rectifying the trade situation, and that the United States take the necessary steps to avoid dislocation of the normal flow of trade, preferably by terminating the restraints before such consultations.

25. The TSB further recommended that in such consultations the two parties should take full account of Articles 4 and 6 and other relevant provisions of the MFA, in particular Pakistan's position as a cotton supplier as well as a developing country.

26. The TSB requested both parties to report the results of their consultations as early as possible and in any case no later than 16 September 1984.