

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/987
17 October 1984

Special Distribution

Textiles Surveillance Body

REPORT OF THE FIFTEENTH MEETING (1984)¹

1. The Textiles Surveillance Body held its fifteenth meeting of 1984 on 10-14 September.
2. Present at this meeting were the following members and/or alternates: Mr. Bondad/Mrs. Sjahrudin, Messrs. Chae/Cartland, Kawaguchi, Keck/Boisson, MacNeil/Westlund, Marques Porto, Puri and Shepherd.
3. The report of the fourteenth meeting has been circulated in COM.TEX/SB/983.

Notification under Article 2:1

4. Having received additional information from China, the TSB reverted to its review of that country's notification under Article 2:1.
5. In reviewing the notification on restrictions maintained by China on imports of textiles and textile products, and having examined the information and clarifications provided by the Chinese Government, the TSB noted that China's import policy was determined by the following factors:
 - (a) the development of the man-made fibre industry was recent, and China considered its licensing system on man-made fibres and fabrics as a measure of necessary support for the industry; and
 - (b) the inadequate availability of foreign exchange reserves to meet China's needs for imports of capital goods and technology, or goods either not produced, or produced in inadequate quantities in the domestic market.
6. After its review, the TSB reiterated the importance it attaches to the provision of detailed and comprehensive notifications under Article 2:1, and recommended that China make a further detailed report not later than 31 May 1985, on the evolution of the textile industry, its relationship to the restrictions then in effect, the rationale for such restrictions, the way those restrictions are applied and the extent to which imports may be made by Chinese importers. (COM.TEX/SB/985).

Report of the TSB to the Textiles Committee for the Major Review

7. The TSB completed its report to the Textiles Committee prepared to assist the Committee for the Major Review of the operation of the Arrangement since 1 January 1982. The report shall be available to participating countries in time for the meeting of the Textiles Committee scheduled on 17 October 1984. (COM.TEX/SB/984)

¹Hundred and seventy-fifth meeting overall

Report on measures taken under Article 3:5

Sweden/Turkey

8. The TSB reverted to its consideration of the unilateral measures taken by Sweden under Article 3:5 on imports from Turkey of knitted underwear, sweaters, etc. (Group 4/5) and trousers (Group 8), in force from 7 March 1984 to 6 September 1984. The TSB had already considered this notification at the sixth, twelfth and thirteenth meetings of 1984¹ making on those occasions recommendations and observations.

9. In compliance with the request made by the Body at its thirteenth meeting of 1984², the TSB received reports from Sweden and Turkey on consultations held by them in August 1984.

10. From these reports, the TSB noted that Sweden, while maintaining the restrictions, had offered to Turkey, in the context of a negotiation for an Article 4 agreement, levels equal to 1983 imports, representing considerable increases over the reference period levels for the Article 3 measures. Turkey, while maintaining its position that restraints were not necessary for Group 4 products, had reduced by 2 percent the levels it had requested for accepting restraints for both Groups 5 and 8. The TSB was not clear from the reports whether in their consultations the two parties had taken fully into account the Body's recommendations that with a view to reaching a mutually acceptable solution, they should take into account the status of Turkey in terms of Article 6 and other relevant provisions of the MFA and the need to avoid damage to Sweden's minimum viable production.

11. However, having been informed by Sweden in the course of the meeting that the measures had expired on 6 September without being renewed, the TSB did not find it necessary to pursue the matter.

Notifications under Article 4

Sweden/Philippines

12. The TSB continued its review of the bilateral agreement concluded under Article 4 between Sweden and the Philippines for the period 1 November 1982 to 31 October 1987. The TSB will revert to this notification at a later date.

EEC/Macao

13. The TSB begun its review of notifications made by the EEC concerning modifications of its Article 4 agreement with Macao.

¹ COM.TEX/SB/947, 978 and 982

² COM.TEX/SB/982

Notification under Articles 7 and 8

EEC/China

14. The TSB reviewed a notification by the EEC concerning modifications to its bilateral agreement with China. Restraints were introduced for the 1983 agreement year on imports of underpants, briefs etc. (Category 13) into Ireland, and tents (Category 91) into Benelux. These modifications were made when China was not a participating country, and the TSB agreed to transmit the notification for the information of the Textiles Committee. (COM.TEX/SB/986).

Notifications under Article 11

15. The TSB took note of notifications received from Guatemala and India, in reply to the Chairman's letter requesting information, pursuant to Article 11, of the Arrangement, on restrictions maintained by participating countries.¹ These notifications will be submitted to the Textiles Committee in time for the Major Review.

Report under Article 11:8

16. In accordance with Article 11:8 the TSB received a report from the United States on its acceptance of the recommendations made by the Body in its twelfth meeting of 1984, on the matters referred to it under Article 11:4 by India.² The TSB agreed to review this report at its next meeting.

¹COM.TEX/SB/921, paragraph 23

²COM.TEX/SB/978