

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

COM.TEX/SB/1265  
25 May 1987  
Special Distribution

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### Textiles Surveillance Body

#### REPORT OF THE FOURTH MEETING (1987)<sup>1</sup>

1. The Textiles Surveillance Body held its fourth meeting of 1987 on 8-19 March.

2. Present at this meeting were the following members and/or alternates: Messrs. Kawaguchi, Keck/Boisson, Lau/Lee, Randhawa, Säilä, Salim and Shepherd.

3. The report of the third meeting has been circulated in COM.TEX/SB/1256.

#### Notifications under Article 4

##### Sweden/India, Sweden/Yugoslavia

4. The TSB received a notification from Sweden of six-month extensions of its agreements with India and with Yugoslavia. The growth provisions of the agreement applied in the case of India, while the extension of the agreement with Yugoslavia contained no growth.

5. According to Sweden, the extensions had been made in order to give more time for the parties concerned to negotiate new agreements which were intended to supersede the provisional extensions and would, when concluded, be notified to the TSB.

6. The TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1257 and 1258)

##### United States/Yugoslavia

7. The TSB received a notification from the United States of a further extension of its agreement with Yugoslavia, from 1 January 1987 to 31 December 1989, and of the introduction of restraints on three categories as of 1 November 1986.

8. In the extended agreement:

(a) the product coverage was expanded;

(b) besides the three categories placed under restraint on 1 November 1986, restraints on two merged categories were introduced effective 1 January 1987;

(c) increases in base levels for the categories mentioned in (b) above were lower than 6 per cent in one case, higher than 6 per cent in one case and substantially higher than 6 per cent in three cases;

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<sup>1</sup>Two hundred and ninth meeting overall

- (d) annual growth rates were unchanged from the previous agreement period, except that for one category it was lowered from 6.25 to 6 per cent; growth rates for the newly restrained categories were 1 per cent (wool) and 6 per cent (cotton or man-made fibre), resulting in compounded growth below 6 per cent in two cases and above 6 per cent in the others;
- (e) swing at 6 per cent for cotton and mmf categories and 5 per cent for wool categories was unchanged;
- (f) carryover/carry forward at 11/6 per cent were unchanged.

9. The TSB noted that the agreement contained provisions concerning possible changes in the United States textile category system resulting from the adoption of the Harmonized Commodity Code by the United States. Under these provisions, adjustments could be made to the Annexes of the agreement (dealing with product coverage and restraint levels). In this context, the TSB noted that "the intent of this conversion on the part of the United States Government will not be to diminish or alter overall trade in textiles with Yugoslavia".

10. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1259)

#### Austria/Macao

11. The TSB received a notification from Austria of a new agreement concluded with Macao for the period 1 January 1987 to 31 December 1990.

12. Under this agreement:

- (a) the product coverage was reduced;
- (b) one product previously under restraint was made subject to consultation;
- (c) the increases in the base levels of the two products remaining under restraint were 10.2 and 1 per cent; growth rates at 2.5 and 1 per cent respectively were, compared to the previous agreement, higher in one case and lower in the other;
- (d) swing was available at 5 per cent;
- (e) carryover/carry forward at 11/6 per cent were higher than in the previous agreement.

13. The TSB took note of a statement by Austria which made reference to exceptional circumstances in terms of Annex B, and to the fact that, in determining the growth and flexibility provisions, the parties had taken account of the reduction in product coverage and the removal of restraint on one product.

14. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1260)

#### Austria/Korea

15. The TSB received a notification from Austria of a new bilateral agreement concluded with Korea for the period 1 January 1987 to 31 December 1991.

16. In this agreement:

- (a) the coverage was reduced;
- (b) five clothing categories under restraint included one previously unrestrained; one category previously restrained was placed under administrative surveillance;
- (c) base levels for the categories already restrained were between 1 and 4 per cent above the previous restraint level; the base level of the newly restrained category was 33 per cent above the rollback level;
- (d) annual growth rates, between 1.2 and 4 per cent, were the same as or slightly higher than in the previous agreement;
- (e) swing available, after notification, at 5 per cent, was more favourable to Korea than in the previous agreement;
- (f) carryover/carry forward at 10/5 per cent were lower than in the previous agreement for two categories (previously 11/6 per cent);
- (g) previous limit on the cumulative use of flexibility was removed.

17. The TSB took note of a statement by Austria that the growth rates lower than 6 per cent and swing at 5 per cent were agreed due to the existing exceptional circumstances in terms of Annex B of the Arrangement.

18. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1261)

#### Austria/India

19. The TSB received a notification from Austria of a new bilateral agreement concluded with India for the period 1 January 1987 to 31 December 1991, with possibility of extension for one year.

20. In this agreement:

- (a) the coverage was reduced;
- (b) previous restraints on two clothing categories (woven blouses and shirts of cotton) were maintained, with the extension of fibre coverage in one case (woven blouses of man-made fibres). A product previously under restraint was placed under statistical surveillance;
- (c) the base level of the merged item was 12.7 per cent above the sum of the 1986 restraint level for cotton blouses and the rollback level for man-made fibre blouses, and the annual growth rate was 3.5 per cent, resulting in a compounded growth rate of 6 per cent; the base level for cotton shirts was 30.7 per cent higher than the 1986 restraint level, and the annual growth rate 3.5 per cent, resulting in a compounded rate above 6 per cent. Annual growth rates were 0.5 per cent higher than in the old agreement;
- (d) swing at 5 per cent, and carryover/carry forward at 10/6 per cent, were unchanged;

21. The TSB took note of a statement by Austria that swing at 5 per cent had been fixed in accordance with the provisions of paragraph 5 of Annex B of the Arrangement.

22. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1262)

United States/Malaysia

23. The TSB continued its review of a modification of the agreement between the United States and Malaysia.

Notification transmitted under Articles 7 and 8

Austria/Egypt

24. The TSB received a notification from Austria of a new Article 4 bilateral agreement with Egypt for the period 1 January 1987 to 31 December 1988.

25. The agreement succeeded a previous agreement concluded under Article 3:4, and covered one product (cotton yarn). The base level was 28.7 per cent above the previous level, with a growth rate of 3.5 per cent for the second agreement year, resulting in a compounded growth rate of 16.6 per cent. There was no provision for carryover/carry forward.

26. The TSB agreed to transmit this notification to the Textiles Committee under Articles 7 and 8. (COM.TEX/SB/1263)

Notification under Articles 7 and 8

Austria/Singapore

27. The TSB received a notification from Austria that its agreement with Singapore, which lapsed on 31 December 1986, has been replaced by an agreed export authorization system for woven blouses of cotton or of man-made fibres. The TSB agreed to transmit to the Textiles Committee, for its information, the text of the notes exchanged establishing the export authorization system. (COM.TEX/SB/1264)

EEC textile categorization

28. The TSB heard a presentation from the Commission of the European Communities on the new EEC textile categorization as adapted to the Harmonized System.

Information from participating countries under Article 11, paragraphs 11, 12 and 2

29. In order to fulfill its obligations under Article 11 of the Arrangement, the TSB requested the Chairman to invite all participating countries to provide information under Article 11, paragraphs 11, 12 and 2, on the status of restrictions maintained by them on textiles and textile products covered by the Arrangement.

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30. The Chairman, speaking on behalf of the Body, thanked Mr. Jörn Keck, who was leaving the TSB, for his contribution to its work.