

# GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1472

8 May 1989

# TARIFFS AND TRADE

Special Distribution

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Textiles Surveillance Body

REPORT OF THE THIRD MEETING (1989)<sup>1</sup>

1. The Textiles Surveillance Body held its third meeting of 1989 on 13-15 March.
2. Mr. Abdel-Fattah appointed Mr. Shalid Gulrez Yazdani (Pakistan) as his alternate for the meeting.
3. Present at this meeting were the following members and/or alternates: Messrs. Castro, Choi/Lau, Gero/Wentzel, Koda, Mazzocchi, Salim, Shepherd and Yazdani.
4. The report of the second meeting has been circulated in COM.TEX/SB/1467.

Notification under Article 3:5

United States/Dominican Republic

5. The TSB was informed by the United States and the Dominican Republic that consultations on Category 633 (man-made fibre coats) had resulted in an agreed solution, which would supersede the Article 3:5 measure notified by the United States on this product.<sup>2</sup>
6. The TSB, awaiting notification of the agreed solution, did not find it necessary to pursue the matter.

Report on measures reviewed under Article 3:5

United States/Thailand

7. The TSB was informed<sup>3</sup> that in accordance with its recommendation regarding Category 670-L,<sup>3</sup> technical consultations regarding the composition and pattern of trade had taken place between the United States and Thailand, and that formal consultations were scheduled for early April.

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<sup>1</sup>Two hundred and thirty-eighth meeting overall

<sup>2</sup>See COM.TEX/SB/1455 and COM.TEX/SB/1467

<sup>3</sup>See COM.TEX/SB/1455, paragraph 8

8. The TSB therefore agreed to the parties' request to defer further consideration of the case.

Notifications under Article 4

EEC/China

9. The TSB began its review of a notification by the EEC of a bilateral agreement concluded with China.

EEC/Indonesia

10. The TSB received a notification from the EEC of a further modification of its agreement with Indonesia. The parties agreed to a restraint on Category 4 (T-shirts and knitted shirts) when imported into the Community, for the period 23 November 1988 to 31 December 1991. The restraint level was substantially higher than the basket exit level, took into account the recent evolution of trade and was established in accordance with the relevant consultation provisions of the agreement. The annual growth rate was set at 4 per cent and the flexibility provisions of the agreement apply to this new limit.

11. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1468)

EEC/Philippines

12. The TSB received a notification from the EEC of a further modification of its agreement with the Philippines. The parties agreed to a restraint on Category 73 (knitted track suits) when imported into the Community, for the period 7 February 1989 to 31 December 1991. The restraint level was substantially higher than the basket exit level, took into account the recent evolution of trade and was established in accordance with the relevant consultation provisions of the agreement. Additional access was available, as five children's garments will be counted as three quota units for up to 5 per cent of the restraint limit. The annual growth rate was set at 5 per cent and the flexibility provisions of the agreement apply to this new limit.

13. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1469)

EEC/India

14. The TSB received a notification from the EEC of a further modification of its agreement with India. The parties agreed to a restraint on Category 5 (jerseys, pullovers, etc.) when imported into the Community, for the period 23 November 1988 to 31 December 1991. The restraint level was substantially higher than the basket exit level, took into account the recent evolution of trade and was established in accordance with the relevant consultation provisions of the agreement. The annual growth rate was set at 5 per cent and the flexibility provisions of the agreement apply to this new limit.

15. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1470)

United States/Dominican Republic

16. The TSB received a notification from the United States of a bilateral agreement concluded with the Dominican Republic for the period 1 June 1988 to 31 May 1992.

17. In this agreement:

- (a) the product coverage was reduced from all categories covering cotton, wool and man-made fibre products to thirteen clothing categories of cotton and man-made fibres;
- (b) previous restraints on two categories were liberalized, new restraints were introduced on two categories (of which one was merged with a previously restrained category) and three merged categories, resulting in restraints on one category and five merged categories;
- (c) guaranteed access levels were agreed for all categories under specific limit;
- (d) access provided under specific limits and guaranteed access levels in the first agreement year was in all cases higher or substantially higher than 6 per cent over the relevant reference levels (i.e. previous trade which included imports of products qualifying for guaranteed access levels, previous specific limits and previous guaranteed access levels);
- (e) growth rates for specific limits were set at 6 per cent for all categories; they are lower than in the previous agreement for the three categories which had then been under restraint;
- (f) swing and carryover/carry forward at 7 and 11/7 per cent respectively remained unchanged from the previous agreement.

18. During its review, the TSB paid particular attention to the provisions relating to co-operation in the prevention of circumvention and heard a statement of the United States that the provision in paragraph 19 B (II) of the agreement aimed at assuring effective administration of the Special Access Program, in accordance with any relevant domestic laws of either party.

19. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1471)

Report for the Major Review

20. The TSB had further discussions on its report to the Textiles Committee.

Other business

Canada/Brazil

21. The TSB received a notification from Canada of unilateral measures taken under Article 3:5 on imports of bedsheets and pillowcases from Brazil for the period 5 January 1989 to 4 January 1990.<sup>1</sup> These measures superseded the sixty-day action notified to the TSB under Article 3:6.<sup>2</sup> The TSB agreed to invite both parties to send delegations to present their respective cases at its next meeting.

Statement by Norway

22. The TSB heard a statement from the Government of Norway on its policy to liberalize restrictions maintained under the MFA.

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<sup>1</sup>The parties informed the TSB that the agreement they had concluded on two previous Article 3:5 measures (see paragraph 9 of COM.TEX/SB/1421) had been ad referendum of their respective governments, and although it was acceptable to Canada it had not been considered satisfactory by Brazil. The unilateral measures taken by Canada had, therefore, been kept in place until 4 January 1989.

<sup>2</sup>See COM.TEX/SB/1455, paragraph 15.