

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1530

9 April 1990

Special Distribution

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Textiles Surveillance Body

### REPORT OF THE FIRST MEETING (1990)<sup>1</sup>

1. The Textiles Surveillance Body held its first meeting of 1990 on 8 February.

2. The following members had been appointed:

<u>Members</u>	<u>Alternates</u>
Mr. John Gero (Canada)	Mr. Johannes Potocnik (Austria)
Mr. Wu Jiahuang (China)	Mr. Vasile Radu (Romania)
Ms. Danièle Smadja (EEC)	Mr. Gérard Boisson (EEC)
Mr. James H. Lau (Hong Kong)	Mr. Hyuck Choi (Korea)
Amb. Hassan Kartadjoemena (Indonesia)	Mr. Ahmad Pharmy (Malaysia)
Mr. Tadatsuna Koda (Japan)	Mrs. Naoko Saiki (Japan)
Mr. Munir Ahmad (Pakistan)	Mr. Cüneyt Elker (Turkey)
Amb. Stanislaw Patek (Sweden)	Mr. Kim Luotonen (Finland)
Mr. Robert E. Shepherd (United States)	

Brazil has not yet appointed a member.

3. Present at this meeting were the following members and/or alternates: Messrs. Gero/Potocnik, Koda, Lau, Munir/Elker, Patek/Luotonen, Shepherd, Ms. Smadja and Messrs. Wu/Radu.

4. The report of the eleventh meeting of 1989 had been circulated in COM.TEX/SB/1525.

### Reports on measures reviewed under Articles 3:5 and 11:4

#### United States/Thailand

5. The TSB received reports from Thailand and the United States of the results of their bilateral consultations held in accordance with the TSB recommendation made in October 1989.<sup>2</sup> The TSB noted that the parties reached agreement with respect to Categories 638/639 (man-made fibre knit shirts) and 647/648 (man-made fibre trousers), but could not find solutions with respect to the other categories subject to these consultations. The TSB understood that the agreements reached would be notified in due course.

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<sup>1</sup>Two hundred and forty-seventh meeting overall

<sup>2</sup>COM.TEX/SB/1523

Notifications under Article 4

Canada/Romania

6. The TSB received a notification from Canada of a bilateral agreement concluded with Romania for the period 1 January 1987 to 31 December 1991 and a notification of an amendment of the agreement. The TSB decided to review both notifications together.

7. In this agreement:

- (a) the product coverage was reduced by the exclusion of one textile product; all products covered were under restraint;
- (b) the restraint on the textile product not covered in the new agreement was removed; all other restraints were maintained. For one category, which covered an assortment of apparel items, limits for each sub-category were agreed, expressed as percentages of the limit for the category; the sum of the sub-limits exceeded the limit for the category;
- (c) increases in base levels from previous limits were lower than 6 per cent for four categories, 6 per cent for one category, higher than 6 per cent for one category and substantially higher than 6 per cent for another; there was a reduction in one sub-limit of the category mentioned in (b) above;
- (d) annual growth rates, between 3 and 6 per cent, were the same as in the previous agreement in four cases and higher in two cases;
- (e) swing at 5 per cent for one category and 6 per cent for all others, and carryover/carry forward at 10/5 per cent, with a cumulative use of flexibility limited to 12 per cent, provided somewhat improved flexibility possibilities for the exporting country;
- (f) additional access was available in all clothing categories, as five children's and infants' garments would be counted as three quota units.

8. Under the amendment, which was effective from 1 January 1988:

- (a) the product coverage was extended by the inclusion of three categories, all placed under restraint;
- (b) the limit on the category covering an assortment of apparel items (see 7(b) above) was eliminated; new limits for the sub-categories were agreed, at levels higher or substantially higher than 6 per cent over 1987 imports;

- (c) the base levels of the new restraints were substantially higher than the rollback levels;
- (d) the annual growth rates for these new restraints were set at 5 per cent;
- (e) swing for these new restraints was set at 6 per cent; the other flexibility provisions of the agreement applied;
- (f) two existing restraint levels were adjusted upwards; in one case the increase also included an adjustment resulting from changes in classification.

9. During its review, the TSB heard a statement by Canada that the lower than Annex B levels for growth and flexibility provisions had been agreed in the overall context of the agreement as amended.

10. After its review, the TSB agreed to transmit these notifications to the Textiles Committee. (COM.TEX/SB/1526)

#### Austria/Turkey

11. The TSB received a notification from Austria of its first bilateral agreement concluded with Turkey for the period 1 January 1990 to 31 December 1991, with the possibility of extension by mutual consent for one year.

12. In this agreement:

- (a) the product coverage was limited to two cotton categories, both under restraint;
- (b) the base levels were negotiated by taking into account the evolution of imports;
- (c) the growth rate was set at 5 per cent;
- (d) swing was set at 5 per cent;
- (e) carryover and carry forward were available at 11 and 6 per cent, respectively.

13. During its review, the TSB heard a statement by Austria that the lower than Annex B levels for growth and swing had been agreed in the overall context of the agreement.

14. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1527)

#### Sweden/Sri Lanka

15. The TSB received a notification from Sweden of a bilateral agreement concluded with Sri Lanka for the period 1 August 1988 to 31 July 1993.

16. In this agreement:

- (a) the product coverage was reduced from fourteen categories to three clothing categories, all under restraint;
- (b) the Rest Group (except for one clothing category, now subject to a specific restraint) and one clothing category were liberalized; babies' woven garments are no longer included in the restraints;
- (c) increases in base levels over previous restraint or reference levels were at 1.5 per cent in one case and 2 per cent in the other cases;
- (d) the annual growth rates for the second agreement year, at 1.75 per cent (one category) and 2.25 per cent (two categories), were higher than in the previous agreement for the two categories previously under specific limit; for the subsequent agreement years the annual growth rates increase annually by 0.25 per cent to reach 2.5 or 3 per cent in the final agreement year;
- (e) swing, carryover and carry forward, at 3 per cent each remained unchanged from the previous agreement;
- (f) a cumulative use of flexibility, previously set at 3 per cent, was increased to 6 per cent.

17. With respect to the growth and flexibility provisions, Sweden made reference to paragraph 2 of Annex B and to paragraph 12 of the 1986 Protocol of Extension.

18. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1528)

Notification under Articles 7 and 8

19. The TSB received a notification from Canada of an amendment of its bilateral agreement with Bulgaria. This notification had been made in accordance with the request of the Textiles Committee that agreements with non-participants be notified. The TSB agreed to forward this notification for the information of the Textiles Committee. (COM.TEX/SB/1529)

Notifications under Article 11

Austria and the Philippines

20. The TSB agreed to review at a later date the reports received from Austria and the Philippines on the status of restrictions maintained by them on imports of textile products. These reports have been made in reply to the Chairman's request, made in 1989, for information under Article 11.<sup>1</sup>

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<sup>1</sup>COM.TEX/SB/1467

Notification under Article 3:5

United States/Bangladesh

21. The TSB received a notification from the United States of unilateral measures taken under Article 3:5 with respect to imports from Bangladesh of Categories 351/651 (cotton and man-made fibre knitwear) and 847 (trousers of silk and/or vegetable fibres other than cotton) for the period 30 July 1989 to 29 July 1990.

22. The TSB, decided to invite both parties to present their respective cases at its next meeting.

Notifications under Article 3:5 and Article 11:4

United States/Thailand

23. The TSB received a notification from the United States of unilateral measures taken under Article 3:5 with respect to Categories 313 (cotton sheeting) and 315 (cotton printcloth) when imported from Thailand. The applicable restraint period for each category was 31 March 1989 to 30 March 1990.

24. The TSB also received a notification from Thailand in which it referred under Article 11:4 outstanding matters with the United States as well as certain requests for consultations made by the United States under Article 3:3.

25. The TSB decided to invite both parties to present their respective cases at its next meeting.