

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1542

28 June 1990

Special Distribution

Textiles Surveillance Body

REPORT OF THE THIRD MEETING (1990)¹

1. The Textiles Surveillance Body held its third meeting of 1990 on 19 April.
2. Present at this meeting were the following members and/or alternates: Messrs. Castro, Koda, Lau, Patek/Luotonen, Phamy, Potocnik, Shepherd, Ms. Smadja and Mr. Wu.
3. The report of the second meeting of 1990 has been circulated in COM.TEX/SB/1531.

Notification under Article 3:8

United States/Thailand

4. The TSB received a notification from the United States regarding restraints agreed with Thailand under Article 3:8 on cotton sheeting (Category 313) and cotton printcloth (Category 315) for an additional one-year period ending on 30 March 1991. The levels agreed included a 6 per cent increase over previous levels. The TSB recalled that it had already reviewed the initial restraints² imposed under Article 3:5 for the period 31 March 1989 to 30 March 1990.
5. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1532)

Notifications under Article 4

Sweden/Indonesia

6. The TSB received a notification from Sweden of a bilateral agreement concluded with Indonesia for the period 1 January 1988 to 31 December 1992.
7. In this agreement:
 - (a) the product coverage was reduced from twenty to five product categories, all placed under restraint;
 - (b) previous restraints on one category and babies' woven garments were liberalized; a restraint was introduced on a clothing category;

¹Two hundred and forty-ninth meeting overall

²See COM.TEX/SB/1531, paragraphs 8 and 12(ii).

- (c) increases in base levels over previous restraint levels were at 2 per cent for one merged category and at 1.5 per cent for two categories; the base level for the new restraint was set at 1 per cent over the agreed reference level;
- (d) the growth rates were higher than in the previous agreement and increased annually, reaching between 2 and 3 per cent in the final agreement year;
- (e) flexibility provisions for which no specific rates had been set in the previous agreement, were available at 3 per cent for each of swing, carryover and carry forward;
- (f) the cumulative use of flexibility was limited to 6 per cent.

8. During its review, the TSB noted that with respect to the growth and flexibility provisions Sweden made reference to Annex B, paragraph 2 and paragraph 12 of the 1986 Protocol of Extension.

9. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1533)

Austria/Hong Kong

10. The TSB received a notification from Austria of a bilateral agreement concluded with Hong Kong for the period 1 February 1990 to 31 January 1993.

11. Under this agreement:

- (a) the product coverage was reduced from nineteen to twelve clothing categories;
- (b) the previous restraint on one category was liberalized, leaving four clothing categories under restraint;
- (c) the increases in base levels over previous restraint levels were higher than 6 per cent in all cases;
- (d) growth rates were set at 6 per cent in two cases and at 4 per cent in the other two cases;
- (e) swing and carryover/carry forward, available at 5 and 11/6 per cent respectively, were unchanged from the previous agreement.

12. During its review, the TSB took note that Hong Kong may request consultations with a view to modifying the agreement for the last agreement period to take into account the international arrangement for trade in textile products which would succeed or replace the MFA.

13. After its review the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1534)

United States/Turkey

14. The TSB received a notification from the United States of an amendment of its agreement with Turkey, effective for the period 30 September 1988 to 30 June 1991.

15. Under this amendment:

- (a) the product coverage was increased by a merged category, which was placed under restraint;
- (b) the base level was substantially higher than the relevant rollback level;
- (c) the growth rate was much higher than 6 per cent for the second agreement period and at 6 per cent for the last agreement year;
- (d) the flexibility provisions of the agreement, namely 7 per cent swing and 11/6 per cent carryover/carry forward applied, except that carryover into the 1989-1990 agreement year could not exceed an agreed specific number.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1535)

United States/Bangladesh

17. The TSB received a notification from the United States of an extension of its agreement with Bangladesh until 31 January 1992 with respect to those categories which had been under restraint until 31 January 1989.

18. Under this extension:

- (a) the limit on one category, and the sub-limit on a part category, were liberalized, resulting in the extension of restraints on nine categories or merged categories;
- (b) increases in base levels over previous restraints were higher than 6 per cent for six categories and at 6 per cent for three categories; base level increases for two sub-limits were substantially higher than 6 per cent;
- (c) the growth rates for all categories remained unchanged at 6 per cent;
- (d) swing was set at 6 per cent, with additional swing possible for two categories; for the first agreement period of the extension special swing was possible between two merged categories;
- (e) carryover/carry forward were available at 11/6 per cent.

19. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1536)

United States/Mexico

20. The TSB received a notification from the United States of a further amendment to its agreement with Mexico, scheduled to expire on 31 December 1991.

21. Under this amendment:

- (a) the specific limits for Categories 342/642 and 666, which included Special Régime provisions, were converted into Designated Consultation Levels (DCLs) at the same levels as those of the 1989 restraints, the percentages not subject to special régime remaining unchanged;
- (b) for 1989 only, the DCLs for both Categories were adjusted;
- (c) new provisions were agreed regarding automatic implementation of the flexibility provisions of the agreement.

22 After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1537)

Notifications under Articles 7 and 8

Austria/Egypt

23. The TSB received a notification from Austria of an export surveillance agreement with Egypt concerning cotton yarn. This agreement replaced the restraint agreement on the product, which had expired on 31 December 1988, and the notification was made for the information of participating countries.

24. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1538)

Austria/Japan

25. The TSB received a notification from Austria of an export surveillance and consultation agreement with Japan. This notification was made for the information of participating countries.

26. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1539)

Austria/Malaysia

27. The TSB received a notification from Austria of an export surveillance and consultation agreement with Malaysia concerning woven shirts of discontinuous synthetic fibres. This notification was made for the information of participating countries.

28. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1540)

United States/USSR

29. The TSB received a notification from the United States of a bilateral agreement concluded with the USSR for the period 1 January 1990 to 31 December 1992. A restraint was agreed on merged Category 313/315.

30. This notification was made pursuant to the request made by the Textiles Committee that agreements concluded with non-participants be notified. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1541)

Notifications under Article 11

Philippines

31. The TSB received a notification from the Philippines in reply to the request made in 1989¹ for information under Article 11 on the status of restrictions maintained by it on imports of textile products.

32. The Philippines stated that the liberalization programme referred to in its previous report had been completed, and that it maintained no measures on imports of textiles and textile products having a restrictive effect.

33. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1489/Add.28)

Austria

34. The TSB received a notification from Austria, in reply to the request made in 1989¹ for information under Article 11 on the status of restrictions maintained by it on imports of textile products, according to which all restrictions maintained by Austria have already been notified and reviewed by the TSB.

35. The Body agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1489/Add.29)

Thailand

36. The TSB received a report from Thailand on the recommendation made by the Body regarding the import ban on certain textile products, notified by Thailand, under Article 11, in 1989.²

37. In its communication, Thailand stated that the ban on certain unfinished garments, parts and components thereof had been abolished with effect from 23 March 1990 and that the importation of those products had been made subject to the automatic import licensing procedure, where approval of the application is freely granted.

38. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1489/Add.30)

¹COM.TEX/SB/1467

²See COM.TEX/SB/1525, paragraphs 12 to 15.

Other business

United States/Thailand

39. The TSB received a notification from the United States stating that in the absence of agreement under Article 3:8, it had invoked the provisions of paragraph 8 of the 1986 Protocol of Extension to extend for the twelve-month period ending 30 March 1991, the unilateral restraint on man-made fibre knit shirts and blouses (Category 638/639) imported from Thailand.

40. Pursuant to the procedures concerning measures taken under paragraph 8 of the 1986 Protocol of Extension,¹ the TSB decided to invite the United States and Thailand to its meeting scheduled on 30-31 May 1990 to present their respective cases.

Notification under Article 3:5

United States/Turkey

41. The TSB received a notification from the United States of a unilateral measure taken under Article 3:5 for the period 29 November 1989 to 28 November 1990 with respect to imports of cotton and man-made fibre pyjamas and sleepwear (Category 351/651) from Turkey.

42. The TSB decided to invite the United States and Turkey to present their respective cases at its meeting scheduled on 30-31 May 1990.

Request for information under Articles 2:4 and 11

43. In order to fulfil its obligations under Article 11 paragraphs 11 and 12 the TSB requested the Chairman to invite all participants to report under Article 2:4 or Article 11 on the status of restrictions maintained by them on imports of textiles and textile products.

¹COM.TEX/SB/1201