

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1797
25 September 1992

Special Distribution

Textiles Surveillance Body

REPORT OF THE SEVENTH MEETING (1992)¹

1. The Textiles Surveillance Body held its seventh meeting of 1992 on 31 July.
2. Present at this meeting were the following members and/or alternates: Messrs. Buencamino/Pangaribuan, Donaghy, Kumar/Abdel-Fattah, Prates/Ms. Deustua, Ms. Saiki, Mr. Shepherd, Ms. Smadja, Messrs. Wang, Wentzel and Wong/Kang.
3. The report of the sixth meeting has been circulated in COM.TEX/SB/1793.

Notifications under Article 4

United States/Philippines

4. The TSB received a notification from the United States of an amendment of its agreement with the Philippines, effective for the period 1 January 1990 to 31 December 1991.
5. Under this amendment:
 - a) adjustments were made to the quota levels of two existing specific limits;
 - b) a limit was introduced on Group I (cotton, wool and man-made fibre apparel and non-apparel products subject to specific limits) at a level lower than the sum of the specific limits; limits were also introduced on a merged category from 1 January 1990, on another category from 1 June 1990 and on two categories from 1 July 1990;
 - c) the base levels of the specific limits were higher or substantially higher than the relevant rollback or reference levels;
 - d) the growth rates were 5.5 per cent for one category and 6 per cent for the other categories;

¹Two hundred and sixth-ninth meeting overall.

- e) swing and carryover/carry forward at 7 and 11/6 per cent applied; special carry forward for 1990 was provided for two existing specific limits.

6. The TSB also received a notification from the United States of an extension with modifications of this agreement. The agreement was extended to 31 December 1993, effective from 1 January 1991.

7. Under this extension as modified:

- a) product coverage was extended by the inclusion of certain fabrics and made-up items of fibres covered by Paragraph 24 of the 1986 Protocol of Extension;
- b) two previous limits were liberalized and three new specific limits were established;
- c) the revised 1991 levels for the existing specific limits were given the applicable growth rates in eighteen cases, in seven cases these levels were more or substantially more than the growth rates; there were reductions in six cases; the Group II limit (products not in Group I nor subject to designated consultation levels) was increased by substantially more than the growth rate, the Group I limit was increased by the growth rate; the Group I limit was liberalized from the 1992 agreement year;
- d) the new restraints were higher or substantially higher than the rollback levels;
- e) the growth rates for previous restraints remained unchanged except in one case where it was raised from 5.5 to 6 per cent; for the new restraints, growth of 6 per cent applied; for Category 359-C/659-C it was agreed that the 1991 limit would be utilized during the period 1 June to 31 December 1991, and that the 6 per cent growth provided for it would not apply;
- f) the flexibility provisions remained unchanged; provision was made for special swing into Group II from Group I and for certain specific limits.

8. During its review of the two notifications, the TSB was informed that the Group I limit referred to in paragraph 5(b) was part of a solution agreed to resolve problems of overshipments in some categories. It was also informed that the decreases in base levels referred to in sub-paragraph 7(c) above, were agreed in the context of (a) adjustments resulting from the application of the Harmonized System and (b) increases in certain base levels, including the limit for Group II.

9. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1794 and 1795)

Canada/Colombia

10. The TSB received a notification from Canada of an extension of its agreement with Colombia for the period 1 January to 31 December 1992. The 1992 level for the only product under restraint was 6 per cent higher than the 1991 notional annual level. Provision for carryover/carry forward was made at 11/6 per cent.

11. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1796)

Matter referred under Articles 11:4 and 11:5

Brazil/United States

12. In accordance with the decision taken at its previous meeting,² the TSB reviewed the matter referred by Brazil under Article 11, paragraphs 4 and 5, concerning the introduction of a restraint by the United States on men's and boys' suits (Category 443) when exported by Brazil. The restraint was introduced under the consultation provisions of the Brazil/United States agreement, with effect from 30 April 1992.

13. The TSB heard presentations by delegations from both governments.

14. After reviewing all the information presented by the delegations, the TSB was not able to reach a conclusion on the existence of a real risk of market disruption, on the factors which had contributed to the current situation in the United States market for the product and on the rôle of Brazil's exports therein.

15. In its review, the TSB looked also at the treatment of imports from other suppliers into the US market and agreed on the need for Brazil to be treated with equity in relation to such suppliers.

16. In concluding its review, the TSB recommended that the parties resume their consultations promptly with a view to finding a mutually acceptable solution, keeping in mind the need referred to in paragraph 15.

17. The TSB recommended also that the parties report back not later than 14 September 1992.

Notification under Article 11

United States

18. The TSB received a report from the United States in response to the request made by the Body for information under Article 11, paragraphs 11,

²COM.TEX/SB/1793.

12 and 2, on the status of restrictions maintained by participating countries on imports of textiles and textile products.³

19. This report, together with all other replies received from participants, will be transmitted in due course to the Textiles Committee.

³See COM.TEX/SB/1680.