

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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COM.TEX/76
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(93-2179)

Textiles Committee

REPORT OF THE COMMITTEE MEETING
HELD ON 9 DECEMBER 1993

Chairman: Mr. Peter D. Sutherland

1. The Textiles Committee held its first meeting under the 1992 Protocol on 9 December 1993. The Agenda for the meeting, set out in GATT/AIR/3518 of 18 November 1993, was adopted as follows:

- (a) Request for observer status by the Representative of Chinese Taipei.
- (b) The Annual Review of the operation of the Arrangement Regarding International Trade in Textiles (MFA) as extended by the 1986 Protocol and as maintained in force by the 1992 Protocol.
- (c) Continuation of the discussion on the future of the MFA.
- (d) Membership of the TSB for 1994.
- (e) Other business.

Participation in the Arrangement

2. The Chairman informed the Committee that there were currently forty-four members, counting the EEC as one. The list of signatories was contained in document COM.TEX/75/Rev.1 while their notifications were set out in COM.TEX/74 and Add.1.

Agenda Item "A": Request for Observer Status by Chinese Taipei

3. The Chairman recalled that a request by the representative of Chinese Taipei for observer status in the Textiles Committee had been circulated in COM.TEX/W/259. He referred in this respect to the GATT Council draft decision on observers of July 1993 (C/W/748 and C/M/265). As no objections to this request had been received and none were raised during the meeting, the request for observer status was agreed by the Committee.

Agenda Item "B": Review of the Operation of the Arrangement

4. The Chairman explained that, under Article 10:4 of the MFA, the Committee was required to carry out, once a year, a review of the Arrangement and to report thereon to the GATT Council.

The last annual review had been held in December 1992 and the report on it was set out in COM.TEX/73. The Committee had before it the following documents to assist in this review:

- (i) a report by the Textiles Surveillance Body on its activities during the period 1 August 1992 to 31 July 1993 (COM.TEX/SB/1873 and Add.1); and
- (ii) a statistical report by the GATT Secretariat on recent developments in demand, production and trade in textiles and clothing (COM.TEX/W/261).

5. As regards proceedings, the Chairman suggested that the Committee consider the two reports together. He then invited Ambassador Raffaelli, Chairman of the Textiles Surveillance Body, to introduce the report of the Body.

6. Ambassador Raffaelli said that since last year's report was a comprehensive document covering developments over a six year period, the current report was a brief and factual presentation of the Body's work in the past year, and he had no further comments on it.

7. The Committee took note of the reports.

Agenda Item "C": Continuation of the Discussion on the Future of the MFA

8. The Chairman said that consultations among delegations on the future of the MFA during the past several weeks had enabled him to put before the Committee a draft Protocol of Extension and a draft Decision of the Textiles Committee (see Annexes I and II respectively). These, he pointed out, would maintain in force the MFA and the 1986 Protocol for a twelve month period from 1 January 1994 to 31 December 1994.

9. The Protocol and the Decision of the Textiles Committee were adopted by the Committee.

10. The Chairman informed the Committee that after adoption, the Protocol would be open for acceptances.

Agenda Item "D": Membership of the Textiles Surveillance Body for the Year 1994

11. The Chairman said that pursuant to the decision which the Committee had just taken to extend the MFA, it then became necessary to consider the membership of the TSB for the year 1994. As a result of consultations which had been held in this regard, he was able to propose that the TSB be composed of members designated by the following parties: Canada, China, EEC, Hong Kong, Japan, Norway, Pakistan, Thailand, United States, and Uruguay. This proposal was adopted by the Committee. In concluding the agenda item, he urged those governments which would be naming members to the TSB to accede promptly to the Protocol, so that their designated members could assume their responsibilities from January next year.

12. On the appointment of the Chairman of the TSB he advised that he had not been able to hold the necessary consultations. The reason had not only been the preoccupation with the Uruguay Round; it also pertained to the earlier uncertainty as to the length of the extension of the Multifibre Arrangement, the need to prepare for the implementation of the MTO and the Agreement on Textiles and Clothing thereunder, and the need to coordinate this with the organization of the post-Uruguay Round Secretariat structure as a whole. Accordingly, he proposed to hold the consultations on the subject early in 1994. In the meantime, he asked the Committee to agree that Ambassador Raffaelli should remain in post

for the time being, after the expiry of his present term at the end of this year. The Committee agreed with this proposal.

Agenda Item "E": Other Business

13. The Chairman observed that the Protocol of Extension which had just been approved gave the MFA one more year to exist; its final lease of life. However, pending a final decision on the precise date of entry into force of the MTO and the multilateral agreements thereunder, he found it a necessary formality to remind the Committee that, pursuant to MFA Article 10:5, the Committee was required to meet not later than one year before the expiry of this Arrangement to consider whether it should be extended, modified or discontinued. Since the new Protocol would expire on 31 December 1994, it was advisable that he raise this item with the Committee now as a formal requirement. The Committee took note of this requirement.

Date of next meeting

14. The Chairman said that the date for the next meeting would be fixed in consultation with delegations.

ANNEX I

PROTOCOL MAINTAINING IN FORCE THE ARRANGEMENT REGARDING
INTERNATIONAL TRADE IN TEXTILES

The PARTIES to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the Arrangement" or "MFA").

ACTING pursuant to paragraph 5 of Article 10 of the Arrangement,

REAFFIRMING that the terms of the Arrangement regarding the competence of the Textiles Committee and the Textiles Surveillance Body are maintained, and

FOLLOWING the Decision of the Textiles Committee adopted on 9 December 1993;

HEREBY AGREE as follows:

1. The Arrangement, including the Conclusions of the Textiles Committee, adopted on 31 July 1986, as amended by the 1989 Protocol Amending the 1986 Protocol Extending the Arrangement Regarding International Trade in Textiles, shall be maintained in force for a further period of twelve months until 31 December 1994.
2. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade. It shall be open for acceptance, by signature or otherwise, by the Parties to the Arrangement, by other governments accepting or acceding to the Arrangement pursuant to the provisions of Article 13 thereof and by the European Economic Community.
3. This Protocol shall enter into force with effect from 1 January 1994 for the parties which have accepted it by that date and it shall enter into force for a party which accepts it on a later date as of the date of such acceptance. It shall be applied provisionally, taking into account their constitutional and/or legislative procedures for ratification, as from 1 January 1994, by parties which have signed it subject to completion of constitutional procedures, or notified the depositary of their intention to apply it provisionally, by that date, and by other parties from the date of their signature or notification of provisional application.

DONE at Geneva this ninth day of December one thousand nine hundred and ninety-three, in a single copy, in the English, French and Spanish languages, each text being authentic.

ANNEX II

DECISION BY THE TEXTILES COMMITTEE TO MAINTAIN IN FORCE THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES FOR A PERIOD OF TWELVE MONTHS

1.1.94 to 31.12.94

1. The Textiles Committee met on 9 December 1993 to resume the discussion that it had begun at its meeting on 9 December 1992 on the future of the Arrangement Regarding International Trade in Textiles (MFA), in accordance with the provisions of Article 10.5 of the Arrangement.
2. The Committee decided to maintain in force the existing MFA, as extended by the 1986 Protocol, and as maintained in force by the 1992 Protocol, for a further period of 12 months from 1 January 1994 to 31 December 1994 in view of the fact that the Uruguay Round has not been completed.
3. The Committee reaffirmed the Conclusions of the Textiles Committee adopted on 31 July 1986 and the obligations contained therein.
4. As to the necessary legal steps in this regard, the Textiles Committee drew up the attached text of a Protocol Maintaining in Force the MFA for a further period of 12 months. The Protocol would enter into force on 1 January 1994.