

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
COM.TEX/SB/1954
1 September 1994
Special Distribution

(94-1762)

Textiles Surveillance Body

REPORT OF THE FIFTH MEETING (1994)¹

1. The Textiles Surveillance Body held its fifth meeting of 1994 on 14 July.
2. The United States appointed Mr. William Tagliani to succeed Mr. Shepherd as member; Mr. Fujioka appointed Mr. Kazuo Sunaga as his alternate.
3. Present at the meeting were the following members and/or alternates: Messrs. Cheung, Fujioka, Onaner, Pangaribuan, Saint-Jacques/Glantschnig, Tagliani, Vanerio/Prado and Wang.
4. The report of the fourth meeting has been circulated in COM.TEX/SB/1937.

Matter referred under Article 11:4 and 11:5
El Salvador/United States

5. The TSB received a communication under Article 11, paragraphs 4 and 5, from El Salvador, in which it referred to a request for consultations made by the United States under Article 3 with respect to Category 340/640 (men's and boys' cotton and man-made fibre shirts).
6. Invited to send a delegation to enable the TSB to review the matter at the present meeting, the United States requested that the review be deferred; El Salvador concurred with this request in the understanding that the review would take place before the end of July.
7. The TSB agreed to the request and decided to review this notification at its meeting of 26 July 1994.

Notifications under Article 4
Canada/Hong Kong

8. The TSB received a notification from Canada of an extension of its agreement with Hong Kong for the period 1 January 1994 to 31 December 1995.
9. Under this extension:
 - (a) the product coverage remained unchanged and existing restrictions were maintained, except that the restriction on one category was removed;
 - (b) the base levels for 1994 were in all cases increased over previous levels by the applicable growth rate;

¹Two hundred and eighty-sixth meeting overall.

- (c) the growth rates remained unchanged;
- (d) swing was increased to 7 per cent for three categories and remained unchanged for all others; carry over and carry forward were increased from 8/5 per cent to 10/5 per cent for two categories and remained unchanged for all other categories; the limit on the combined use of flexibility was abolished.

10. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1938)

Canada/Indonesia

11. The TSB received a notification from Canada of an extension of its agreement with Indonesia for the period 1 January 1994 to 31 December 1995.

12. Under this extension:

- (a) the product coverage remained unchanged although the number of categories which include fibres added to the MFA by Paragraph 24 of the 1986 Protocol of Extension was reduced to two;
- (b) the base levels were increased by more than 6 per cent over previous restraint levels in four cases and by 6 per cent in all other cases;
- (c) the growth rates remained unchanged at 6 per cent;
- (d) swing was increased to 7 per cent except in the case of four categories for which it was already at 7 per cent; carry over and carry forward was increased in all cases to 10 plus 5 per cent; the cumulative use of flexibility was increased in all cases to 19 per cent;
- (e) the definition of cottage industry products was amended.

13. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1939)

Canada/Macau

14. The TSB received a notification from Canada of an extension of its agreement with Macau for the period 1 January 1994 to 31 December 1995.

15. In this extension, all the terms of the agreement remained unchanged; the 1994 restraint levels were increased over 1993 levels by the applicable growth rates.

16. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1940)

Canada/Pakistan

17. The TSB received a notification from Canada of an extension of its agreement with Pakistan for the period 1 January 1994 to 31 December 1995.

18. Under this extension:

- (a) the product coverage remained unchanged and existing restrictions were maintained, except that the restriction on one part category was removed;
- (b) the base levels were increased over the previous levels by the applicable growth rate, except in three cases where they were increased by more than the applicable growth rate;
- (c) the growth rates remained unchanged;
- (d) swing, carry over and carry forward remained unchanged.

19. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1941)

Canada/Singapore

20. The TSB received a notification from Canada of an extension of its agreement with Singapore for the period 1 January 1994 to 31 December 1995.

21. Under this extension:

- (a) the product coverage remained unchanged and existing restrictions were maintained;
- (b) the base levels were increased over the previous levels by the applicable growth rate, except in one case where the base level was increased by substantially more than the applicable growth rate;
- (c) the growth rates remained unchanged;
- (d) swing, carry over and carry forward remained unchanged.

22. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1942)

Canada/Thailand

23. The TSB received a notification from Canada of an extension of its agreement with Thailand for the period 1 January 1994 to 31 December 1995.

24. Under this extension:

- (a) the product coverage remained unchanged and existing restrictions were maintained;
- (b) the base levels were increased over the previous levels by 6 per cent, except in the case of one category (and its sub-category) where it was increased by substantially more than 6 per cent;

- (c) the growth rates were increased from 4 to 6 per cent for 3 categories, from 4.5 to 6 per cent for one category, from 5 to 6 per cent for 3 categories, and remained at 6 per cent for the other categories;
- (d) swing was increased to 7 per cent for seven categories and remained at 7 per cent for all other categories; carry over and carry forward remained unchanged.

25. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1943)

Canada/Turkey

26. The TSB received a notification from Canada of an extension of its agreement with Turkey for the period 1 January to 31 December 1994.

27. In this extension, all the terms of the agreement remained unchanged; the 1994 restraint levels were increased over 1993 levels by the applicable growth rates.

28. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1944)

United States/Hungary

29. The TSB received a notification from the United States of an extension of its agreement with Hungary for the period 1 January 1994 to 31 December 1995.

30. Under this extension:

- (a) the product coverage remained unchanged;
- (b) the base levels were increased by the applicable growth rates, except in one case where it was increased by more than the applicable growth rate, and in another case where it was reduced;
- (c) the growth rates remained unchanged;
- (d) swing, carry over and carry forward remained unchanged, and special shift was agreed with respect to one category;
- (e) new provisions with respect to circumvention were agreed².

31. The TSB heard a statement by the United States that the reduction in base level for one category had been agreed in exchange for more access for one category of greater export interest to Hungary.

32. After its review, the TSB agreed to transmit this notification to the Textiles Committee. (COM.TEX/SB/1945)

²See COM.TEX/SB/1910

Notifications notified under Article 4 and transmitted under Articles 7 and 8

33. The TSB received four notifications under Article 4 with respect to countries which had participated in the MFA until 31 December 1993, but had not as yet accepted the 1993 Protocol maintaining in force the Arrangement. The TSB decided to transmit these notifications for the information of participating countries under Articles 7 and 8. The TSB understood that it would review any of these notifications under Article 4, after the acceptance of the 1993 Protocol by any of the countries concerned, at the request of either party involved in the notification. The notifications are outlined below:

Canada/Dominican Republic

34. The agreement between Canada and the Dominican Republic was extended and amended for the period 1 January 1993 to 31 December 1994. (COM.TEX/SB/1946)

Canada/Poland

35. The agreement between Canada and Poland was extended for the period 1 January to 31 December 1994. (COM.TEX/SB/1947)

Canada/Romania

36. The agreement between Canada and Romania was extended for the period 1 January 1994 to 31 December 1995. (COM.TEX/SB/1948)

United States/Poland

37. The agreement between the United States and Poland was extended and amended for the period 1 January 1994 to 31 December 1995. (COM.TEX/SB/1949)

Notifications under Articles 7 and 8**Notifications concerning non-participants**

38. In accordance with the request by the Textiles Committee, the TSB received three notifications concerning a statement of intent and agreements with non-participants and agreed to forward them to participating countries for their information. These notifications were:

- (a) an extension of the Statement of Intent between Canada and Chinese Taipei for the period 1 January 1993 to 31 December 1995; (COM.TEX/SB/1950)
- (b) an extension with modifications of the agreement between Canada and Mauritius for the period 1 January 1994 to 31 December 1995; (COM.TEX/SB/ 1951) and
- (c) an extension of the agreement between Canada and South Africa for the period 1 January to 31 December 1994. (COM.TEX/SB/1952)

Notifications under Article 11

Brazil, Costa Rica, Macau, Singapore, Thailand and Turkey

39. In response to its request for information on the status of restrictions maintained by participating countries on imports of textile products³, the TSB received the following information:

- (a) Brazil, Costa Rica, Macau, Singapore and Turkey notified that they maintained no restrictions on imports of products covered by the Arrangement Regarding International Trade in Textiles and the 1986 Protocol of Extension;
- (b) Thailand notified that it maintained non-automatic import licensing on imports of natural fibre bags and automatic import licensing on unfinished garments and certain parts or components of garments.

40. The TSB agreed to forward these notifications to the Textiles Committee (COM.TEX/SB/1953 and Addenda 1 to 6).

Annual Report to the Textiles Committee

41. The TSB continued its discussion of the outline of its report to be presented to the Textiles Committee.

³COM.TEX/SB/1910, paragraph 29.