

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
COM.TEX/SB/1975
16 November 1994
Special Distribution

(94-2384)

Textiles Surveillance Body

**REPORT OF THE TEXTILES SURVEILLANCE BODY
TO THE TEXTILES COMMITTEE**

1994

I. Introductory Remarks

1. This report is submitted by the Textiles Surveillance Body to the Textiles Committee pursuant to the provisions of Articles 10:4 and 11:12 of the Arrangement Regarding International Trade in Textiles (MFA). It covers the period 1 August 1993 to 14 October 1994, during which the TSB held eight meetings: the reports of these meetings are contained in COM.TEX/SB/1879, 1893, 1900, 1910, 1937, 1954, 1955 and 1974.

2. On 31 December 1993, forty-four signatories participated in the Arrangement under the 1992 Protocol: Argentina, Austria, Bangladesh, Brazil, Canada, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, European Community, Egypt, El Salvador, Fiji, Finland, Guatemala, Honduras, Hong Kong, Hungary, India, Indonesia, Jamaica, Japan, Korea, Lesotho, Macau, Malaysia, Mexico, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Singapore, Slovak Republic, Sri Lanka, Switzerland, Thailand, Turkey, United States and Uruguay.

3. On 14 October 1994, the MFA as extended and maintained in force by the 1993 Protocol had thirty-eight participants: Austria, Bangladesh, Brazil, Canada, China, Colombia, Costa Rica, Czech Republic, European Community, Egypt, El Salvador, Fiji, Finland, Guatemala, Honduras, Hong Kong, Hungary, India, Indonesia, Jamaica, Japan, Kenya, Korea, Macau, Mexico, Norway, Pakistan, Panama, Peru, Philippines, Singapore, Slovak Republic, Sri Lanka, Switzerland, Thailand, Turkey, United States and Uruguay.

4. The TSB continued to work under the chairmanship of Ambassador Marcelo Raffaelli. The membership of the Body for the period covered by this report is listed in Annex I.

**Closing Date:
14 October 1994**

II. Notifications Reviewed by the TSB

A. Unilateral Measures and Matters Referred to the Body

5. The TSB received notifications of unilateral measures, and matters were referred to the Body for its appropriate recommendations or observations. They are listed below, with the TSB recommendation or observation in each case. The relevant TSB report is mentioned after the relevant information.

(a) Unilateral measures taken under Article 3:5

6. A notification had been received from the United States of a unilateral measure taken under Article 3:5 with respect to wool trousers for men and boys (Category 447) when imported from Costa Rica, for the period 25 February 1993 to 24 February 1994. As reported in the TSB's report for 1993 (see COM.TEX/SB/1873, paragraph 7(iii)), the Body had invited the parties to present their cases at its meeting scheduled for September 1993; at that meeting, however, the TSB received a request from Costa Rica for the Body to defer its consideration of the case; the United States was in agreement with the request, to which the TSB agreed, on the understanding that it might revert to the matter at the request of either party, or on its own initiative. (COM.TEX/SB/1879)

7. Neither party made any further reference to this measure. The next meeting of the TSB was held on 28 February and 1 March, when the measure had already expired.

(b) Emergency measures taken under Article 3:6

8. Further to its notification of an interim measure taken under Article 3:6 on imports of underwear from Jamaica (see COM.TEX/SB/1873, paragraph 8), Canada notified the TSB that consultations with Jamaica had been delayed and that the interim measure had been extended to 30 September 1993 to allow an opportunity for the necessary consultations to take place. The TSB was also informed that bilateral consultations had been scheduled for the last week of September. The Body took note of the information and requested Canada to report on the results of the consultations.

9. At its first meeting of 1994, the Body received two notifications from Canada of further extensions of its interim measure to 31 January 1994 and of the introduction of a unilateral measure under Article 3:5 for the period 1 February to 15 March 1994. Noting the expiry date, the TSB decided not to examine this particular Article 3:5 measure, and agreed that if any new measure were imposed by Canada under the provisions of Article 3 on imports of the same product from Jamaica, the TSB would schedule a prompt review.

10. At its second meeting of 1994, the TSB received a notification from Canada informing that in the absence of an agreement from Jamaica to extend the restraint on imports of underwear under Article 3:8 for one year, Canada had requested Jamaica for consultations pursuant to Article 3, pending the results of which it had imposed a two-month restraint, again under Article 3:6, with effect from 15 March 1994. The Body, in view of its decision at the previous meeting as well as the request by Jamaica (see paragraph 15 below), decided to invite the parties to present their respective cases at its next meeting.

11. At its third meeting of 1994, the Body received a request from Jamaica to defer consideration of the matter in view of ongoing consultations with Canada. During the same meeting the Body was informed that an agreed solution had been found in the consultations and that it would be notified in due time. (COM.TEX/SB/1879, 1893, 1900 and 1910)

12. The TSB received a notification from Canada of a temporary restraint introduced under Article 3:6 on imports of underwear from Costa Rica for the period 2 September to 31 December 1993. During its first meeting of 1994, the TSB was informed that Canada had made a further notification, under Article 3:4, of an agreement with Costa Rica which had superseded the Article 3:6 measure. The TSB decided not to review the measure under Article 3:6 and to review the agreement at its next meeting. (COM.TEX/SB/1893)

(c) Measures taken under Article 3:8

13. As described in paragraph 10 above, upon the expiration on 15 March 1994 of the unilateral measure imposed under Article 3:5, Canada requested Jamaica, under Article 3:8, to agree to a twelve-month extension of the measure. Jamaica did not agree to such request. (COM.TEX/SB/1900)

(d) Measures notified under Article 8:4

14. Under Article 8:4, the TSB received a notification from the United States of adjustments of quotas made by the United States under its bilateral agreement with China. These adjustments concerned Categories 339 and 352 and, according to the notification, had been made in response to transshipments of goods produced in China which had entered the United States customs territory incorrectly identified as products of third countries. The TSB agreed to transmit this notification to the Textiles Committee bearing in mind that it had not been requested by either party to make a report or recommendation regarding these measures. (COM.TEX/SB/1974)

(e) Measures referred to the TSB under Article 11

15. At its second meeting of 1994, the TSB received a notification from Jamaica requesting it to review under Article 11 the emergency measure imposed under Article 3:6 by Canada with effect from 15 March 1994. In view of this request and of its decision at the previous meeting (see paragraph 10 above), the Body agreed to invite the parties to present their respective cases at its next meeting, but on that occasion the TSB received a request from Jamaica to defer consideration of the matter in view of ongoing consultations. During the same meeting, the TSB was informed that an agreed solution had been found in the consultations and that it would be notified in due time. During the fourth meeting of 1994 the TSB received a communication from Jamaica stating that, in view of the parties having reached an agreement, it was withdrawing its request for consideration of the matter under Article 11. (COM.TEX/SB/1900, 1910 and 1937).

16. At its fifth meeting of 1994, the Body received a communication from El Salvador, under Article 11, paragraphs 4 and 5, 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).

17. At its sixth meeting of 1994, held on 26 July, the TSB reviewed the notification. El Salvador and the United States sent delegations which presented their respective cases.

18. During the review, the TSB was informed that a restraint had been placed under Article 3:5(i) by the United States on 15 July.

19. The TSB recalled that under Article 3:3 the text of a request for consultations and the accompanying market statement should be communicated to the Chairman of the TSB at the same time the request was issued, and noted that in this case this had been done on 15 July.

20. After hearing the presentations by both delegations and examining all the information submitted to it, the TSB concluded that market disruption had not been demonstrated and therefore recommended that the restraint be rescinded. (One member did not join the consensus.)

21. The TSB further recalled that it was open for any participating country to refer to the Body any matter covered by the MFA. (COM.TEX/SB/1954 and 1955)

B. Notifications Reviewed under Article 3:4

22. A notification of a bilateral agreement between Canada and Costa Rica was reviewed under Article 3:4, and is listed in the following table, together with notifications reviewed under Article 4.

C. Notifications Reviewed under Article 4

23. With regard to some notifications made by the United States under Article 4, the TSB made an observation during its third meeting of 1994 regarding the "Circumvention Clause in the Extensions of United States Agreements". (COM.TEX/SB/1910)

24. Under Article 4, the TSB reviewed fifty-four notifications of bilateral agreements, amendments and extensions of agreements. The reports of the TSB have outlined the main elements of each notification and include observations the Body found appropriate to make in relation to some notifications. The notifications so reviewed, the nature of each, the number of the document containing it, as well as the number of the relevant report on the TSB review, are listed in the following table.

Importing Participant	Exporting Participant	Nature of Notification	Validity	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Austria	China	Agreement	1.1-31.12.94 ¹	1882	1893
	India	Agreement	1.1-31.12.94 ¹	1883	1893
Canada	Bangladesh	Amendment	1.1.93-31.12.94	1911	1937
	Bangladesh	Amendment	1.12.93-30.6.94	1911	1937
	Bangladesh	Amendn. ...	1.1.-31.12.94	1956	1974
	Bangladesh	Extension	1.1.-31.12.99	1956	1974
	China	Extensions ²	1.1.93-31.12.94	1912	1937
	Costa Rica	Agreement	1.12.93-30.6.94	1894	1900
	Hong Kong	Extension	1.1.94-31.12.95	1938	1954
	Hungary	Extension ²	1.1-31.12.93	1881	1893
	Hungary	Extension	1.1-31.12.94	1913	1937
	India	Extensions ²	1.1.93-31.12.94	1914	1937
	Indonesia	Extension ²	1.1-31.12.93	1874	1879
	Indonesia	Extension	1.1.94-31.12.95	1939	1954
	Jamaica	Agreement	1.1.94-31.12.95	1915	1937
	Korea	Extension ²	1.1.93-31.12.94	1903	1910
	Macau	Extension ²	1.1-31.12.93	1875	1879
	Macau	Extension	1.1.94-31.12.95	1940	1954
	Pakistan	Extension ²	1.1-31.12.93	1876	1879
	Pakistan	Extension	1.1.94-31.12.95	1941	1954

¹With possibility of a twelve-month extension.

²Extension with amendments.

Importing Participant	Exporting Participant	Nature of Notification	Validity	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Canada(cont'd)	Singapore	Extension	1.1.94-31.12.95	1942	1954
	Sri Lanka	Extension ²	1.1.93-31.12.94	1916	1937
	Thailand	Extension	1.1.94-31.12.95	1943	1954
	Turkey	Extension	1.1.94-31.12.94	1944	1954
European Community	China	Amendment	25.3.94-31.12.95	1957	1974
	China	Amendment	25.3.94-31.12.95	1958	1974
	China	Amendment	8.2.94-31.12.95	1959	1974
	Indonesia	Amendment	24.2.94-31.12.95	1960	1974
	Pakistan	Extension ²	1.1.93-31.12.94 ¹	1880	1893
Finland	China	Extension ²	1.1-31.12.94 ¹	1884	1893
	Hong Kong	Extension ²	1.1-31.12.94 ¹	1885	1893
	India	Extension ²	1.1-31.12.94 ¹	1886	1893
	Pakistan	Extension ²	1.1-31.12.94 ¹	1887	1893
Norway	China	Extension ²	1.1.94-31.12.95	1917	1937
	Hong Kong	Extension ²	1.1.94-31.12.95	1918	1937
	Hungary	Extension ²	1.1.94-31.12.97	1901	1910
	India	Extension ²	1.1.94-31.12.95	1919	1937
	Indonesia	Extension ²	1.1.93-31.12.95	1920	1937
	Korea	Extension ²	1.1.94-31.12.95	1921	1937
	Macau	Extension ²	1.1.94-31.12.95	1922	1937
	Pakistan	Extension ²	1.1.94-31.12.95	1923	1937
	Philippines	Extension ²	1.1.94-31.12.95	1924	1937
	Singapore	Extension	1.1.94-31.12.95	1925	1937
	Slovak Rep.	Agreement	1.1.93-31.12.94	1902	1910
	Sri Lanka	Extension ²	1.1.94-31.12.95	1926	1937
	Thailand	Extension ²	1.1.94-31.12.95	1927	1937
United States	Brazil	Extension	1.4.94-31.3.96	1969	1974
	Guatemala	Amendment	28.3.93-31.12.94	1970	1974
	Hungary	Extension	1.1.94-31.12.95	1945	1954
	Korea	Extension ²	1.1.94-31.12.95	1928	1937
	Philippines	Extension ²	1.1.94-31.12.95	1929	1937
	Philippines	Amendment	1.1.94-31.12.95	1971	1974
	Slovak Rep.	Agreement	1.6.93-31.5.93	1930	1937
	Turkey	Extension ²	1.1.94-31.12.95	1931	1937

¹ With possibility of a twelve-month extension.² Extension with amendments.D. Notifications Transmitted under Articles 7 and/or 8(a) Concerning participants(i) Notifications received under Article 4

25. In the course of 1994, the TSB received some notifications under Article 4 with respect to countries that had participated in the MFA until 31 December 1993 but had not yet accepted the 1993 Protocol at the time of the review of the notification. Some of the exporting parties involved

in these notifications had not accepted the 1993 Protocol by the closing date of this report. The Body decided to forward such notifications under Articles 7 and 8 on the understanding 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. These notifications are listed below, together with the number of the relevant report of the Body:

Importing Participant	Exporting Participant	Nature of Notification	Validity	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Canada	Dominican Rep.	Extension	1.1.93-31.12.94	1946	1954
	Lesotho	Agreement	1.1.93-31.12.94	1961	1974
	Malaysia	Extension	1.1.93-31.12.94	1895	1900
	Philippines	Extension	1.1.93-31.12.94	1896	1900
	Poland	Extension	1.1.93-31.12.93	1888	1893
	Poland	Extension	1.1.94-31.12.94	1947	1954
	Romania	Extension	1.1.93-31.12.93	1889	1893
	Romania	Extension	1.1.94-31.12.95	1948	1954
	Singapore	Extension	1.1.93-31.12.93	1890	1893
Norway	Czech Rep.	Agreement	1.1.93-31.12.94	1906	1910
	Malaysia	Extension	1.1.94-31.12.95	1932	1937
	Poland	Extension	1.1.94-31.12.95	1907	1910
	Romania	Extension	1.1.94-31.12.95	1908	1910
United States	Czech Rep.	Agreement	1.6.93-31.5.95	1933	1937
	Guatemala	Agreement	1.1.93-31.12.94	1904	1910
	Malaysia	Extension	1.1.93-31.12.94	1972	1974
	Poland	Extension	1.1.94-31.12.95	1949	1954
	Romania	Extension	1.1.94-31.12.94	1905	1910
	Romania	Amendment	1.1.94-31.12.94	1973	1974

(ii) Notifications received under Articles 7 and 8

26. Notifications of agreements which concerned participants but contained no restraints were received and transmitted under Articles 7 and 8; they are listed below:

Importing Participant	Exporting Participant	Nature of Notification	Validity	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Finland	Romania	Consultation agreement	Until 31.12.94	1891	1893
	Singapore	Monitoring agreement	1.1.94-31.12.94	1892	1893
Norway	China	Licensing agreement	3.12.93-	1934	1937

(b) Concerning non-participants

27. The TSB received and transmitted a number of notifications concerning measures relating to non-participants, as listed below:

Importing Participant	Exporting Non-Participant	Nature of Notification	Validity	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Canada	Bulgaria	Extension	1.1.94-31.12.95	1935	1937
	Cambodia	Unilateral Restraints	1.1.-31.12.94	1964	1974
	Laos	Unilateral Restraints	1.1.-31.12.94	1964	1974
	Lebanon	Agreement	1.1.94-31.12.03	1962	1974
	Mauritius	Extension	1.1.93-31.12.93	1877	1879
	Mauritius	Extension	1.1.94-31.12.95	1951	1954
	Nepal	Unilateral Restraints	1.1.-31.12.94	1964	1974
	North Korea	Unilateral Restraints	1.1.-31.12.94	1964	1974
	Oman	Agreement	1.1.94-31.12.95	1963	1974
	Qatar	Unilateral Restraints	1.1.-31.12.94	1964	1974
	South Africa	Extension	1.1.94-31.12.94	1952	1954
	Swaziland	Unilateral Restraints	1.1.-31.12.94	1964	1974
	Syria	Unilateral Restraints	1.1.-31.12.94	1964	1974
	Chinese Taipei ¹	Extension	1.1.93-31.12.95	1950	1954
	U.A.E.	Unilateral Restraints	1.1.-31.12.94	1964	1974
Norway	North Korea	Extension	1.1.94-31.12.95	1965	1974
	Vietnam	Agreement	1.1.94-31.12.95	1936	1937
United States	Bahrain	Agreement	1.1.93-31.12.95	1878	1879
	Bulgaria	Agreement	1.1.93-31.12.95	1897	1900
	Chinese Taipei	Agreement	1.1.90-31.12.95	1909	1910
	Fiji	Agreement	1.1.93-31.12.94	1898	1900
	Nepal	Agreement	1.1.94-31.12.97	1966	1974
	Oman	Agreement	1.1.93-31.12.95	1899	1900
	U.A.E.	Agreement	1.1.94-31.12.95	1967	1974

¹Agreement notified as having been concluded with the Taiwan Textiles Federation.

E. Status of Restrictions Maintained by Participants, Notified under Article 11

28. In response to the request made by the TSB for participants to report on the status of restrictions maintained by them on textile products covered by the MFA, the TSB received replies from several countries. The contents of their replies have been summarized in the TSB reports listed below:

Participant	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Austria	1953/Add.7	1955
Brazil	1953/Add.1	1954
Canada	1953/Add.19	1974
Costa Rica	1953/Add.2	1954
Czech Republic	1953/Add.13	1974
Finland	1953/Add.8	1955
Hong Kong	1953/Add.9	1955

Participant	Document of Notification COM.TEX/SB/-	TSB Report COM.TEX/SB/-
Hungary	1953/Add.20	1974
Indonesia	1953/Add.21	1974
Japan	1953/Add.10	1955
Korea	1953/Add.22	1974
Macao	1953/Add.3	1954
Norway	1953/Add.11	1955
Panama	1953/Add.14	1974
Philippines	1953/Add.15	1974
Singapore	1953/Add.4	1954
Slovak Republic	1953/Add.16	1974
Switzerland	1953/Add.17	1974
Thailand	1953/Add.5	1954
Turkey	1953/Add.6	1954
United States	1953/Add.18	1974
Uruguay	1953/Add.12	1955

29. Out of all participants listed in paragraphs 2 and/or 3 above, the following did not provide during the life of MFA IV, under either Article 2 or Article 11, information on the status of restrictions maintained on products covered by the MFA: Bangladesh, Honduras, Kenya, Lesotho, Malaysia and Paraguay.

ANNEX 1**Membership of the TSB****1 August to 31 December 1993**

MEMBER	ALTERNATE
Mr. Alcides Prates (Brazil)	Mr. Gustavo Vanerio (Uruguay)
Mr. John Donaghy (Canada)	Mr. Johannes Potocnik (Austria)
(Replaced by Mr. Jean Saint-Jacques from 27 August 1993)	
Mr. Dorian Prince (EC)	Mr. David Daly (EC)
Mr. Maamoun Abdel-Fattah (Egypt)	Mr. Munir Ahmad (Pakistan)
Mr. Kim Luotonen (Finland)	Mr. Otto Wentzel (Norway)
Mr. Makoto Fujioka (Japan)	Mrs. Naoko Saiki (Japan)
	(Replaced by Mr. Masaru Tsuji from 3 August 1993)
Mr. Jae Gil Lee (Korea)	Mr. Andrew Wong (Hong Kong)
Mrs. Wanda Rosa (Macau)	Mr. Wang Shichun (China)
Mr. Suboh M. Yassin (Malaysia)	Mr. Thawatchai Sophastienphong (Thailand)
Mr. Robert E. Shepherd (United States)	

1 January 1994 to 30 September 1994

MEMBER	ALTERNATE
Mr. Jean Saint-Jacques (Canada)	Mr. Johannes Potocnik (Austria)
	(Replaced by Mr. Ewald Glantschnig from 30 March 1994)
Mr. Wang Shichun (China)	Mr. Syed Jamaluddin (as of 8 August 1994)
Mr. Dorian Prince (EC)	Mr. David Daly (EC)
Mr. Andrew Wong (Hong Kong)	Mr. Jae Gil Lee (Korea)
(Replaced by Mr. Peter Cheung from 22 February 1994)	
Mr. Makoto Fujioka (Japan)	Mr. Masaru Tsuji (Japan)
	(Replaced by Mr. Kazuo Sunaga from 7 July 1994)
Mr. Otto Wentzel (Norway)	Mr. Kim Luotonen (Finland)
Mr. Munir Ahmad (Pakistan)	Mr. Mehmet S. Onaner (Turkey)
Mr. Thawatchai Sophastienphong (Thailand)	Mr. Malino Pangaribuan (Indonesia)
Mr. Robert E. Shepherd (United States)	Mr. William Tagliani (United States)
(Replaced by Mr. William Tagliani from 1 May 1994)	
Mr. Gustavo Vanerio (Uruguay)	Mr. Victor Luis do Prado (Brazil)