

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED
MTN.GNG/NG4/6
8 March 1988
Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Textiles and Clothing

NEGOTIATING GROUP ON TEXTILES AND CLOTHING

Meeting on 9 February 1988

Note by the Secretariat

1. The agenda, set out in GATT/AIR/2539, dated 21 January 1988, was adopted.
2. The Chairman referred the Group to document MTN.GNG/NG4/5/Rev.1, which contained the main points raised during the last meeting, held on 10/11 December 1987, and drew attention to paragraph 10 thereof, setting out the summing up of the discussion. Turning to the agenda for the present meeting, the Chairman proposed that the Group should first focus its discussion on the main tasks required of it during this phase, namely, the examination of techniques and modalities for achievement of the objectives set out in this area, in the light of proposals made by participants, as provided in the Negotiating Plan. Thereafter, the Group might take up other matters which had previously been under discussion, including the scope of the negotiations and the requirements for additional documentation.
3. As regards proposals on techniques and modalities, one delegation, speaking on behalf of a group of developing countries, indicated that they were preparing proposals which they intended to submit for the next meeting. Some developing countries also indicated that they would be formulating proposals for submission to the Group, either individually or collectively. A number of delegations from developed countries stated that they would participate actively in the work of the Group; some expressed the opinion that the work in this phase should include an examination of the current situation in textile and clothing trade in order to arrive at a convergence of views on: (a) the difficulties faced by participants and possible solutions; (b) the overall economic conditions affecting this trade and the prospects for its development; and (c) how the rules and disciplines of the GATT could be strengthened in order to resolve the current problems in the textiles and clothing sectors and avoid their recurrence. One delegation suggested that the Group should consider a transitional phase to facilitate the passage from the MFA to GATT rules involving progressive liberalization, a fixed timetable and sufficient duration to permit the required structural adjustments.

4. One specific proposal was made available to the Group during the meeting (circulated in document MTN.GNG/NG4/W/10), outlining a framework of modalities in four phases to integrate the textiles and clothing sectors into the GATT.

5. With respect to the objectives of the Group, the view was expressed that the aim of the negotiations was to integrate the textiles and clothing sectors into the GATT for the purpose of liberalization of trade, and that such integration and liberalization were not considered to be mutually exclusive but were complimentary concepts. Another delegation suggested that any modalities for integration that did not contribute to the goal of liberalization would be inconsistent with the negotiating objective, and therefore, the Group should focus initially on modalities leading to liberalization of trade, whether or not this process would ultimately arrive at integration. The point was made that the provision in the negotiating objective referring to "strengthened GATT rules and disciplines" concerned the overall exercise of the Uruguay Round and that liberalization of trade in the textiles and clothing sectors would be pursued independently and would not be contingent on agreement on other subjects. Another view was that the provision for "strengthened GATT rules and disciplines" constituted an important condition of the negotiating objectives of this Group and, therefore, the eventual integration of textiles and clothing trade into the GATT could depend on the achievements in other areas of the Round, particularly safeguards. In this connexion, it was stated that while recognizing the importance of the work being carried out in other groups to strengthen GATT rules and disciplines, it would be necessary for this Group to focus its attention on its own mandate, particularly in view of the fact that the channels of communication available to delegations would enable them to be kept abreast of progress in other areas.

6. On the question of documentation, one delegation, speaking on behalf of a group of developing countries, stated that their analysis of the studies which they had previously submitted to the Group showed an improving performance in the textiles and clothing industries of the developed countries which should facilitate the task of integrating these sectors into the GATT. Also, a member of this Group provided an explanation of the statistical methodology applied in these studies pointing out that the use of value terms and constant prices in these papers was considered to be the most reliable and comparable basis available.

7. With respect to the future meetings, the Group agreed that it would meet in the weeks beginning 2 May and 13 June 1988.