

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/645
18 February 1981

Special Distribution

Textiles Surveillance Body

REPORT OF THE FIRST MEETING (1981)^{1/}

1. The Textiles Surveillance Body held its first meeting of 1981 on 20 and 21 January.
2. The Chairman welcomed the following members and alternates for the year 1981:

Members

Mr. C.A. Rego Santos-Neves (Brazil)
Mr. D.E.R. Hobson (Canada)
Mr. J.R. Beck (EEC)
Mr. T.H. Chau (Hong Kong)
Mr. A. Hussain (India)
Mr. Safioen (Indonesia)
Mr. K. Kujirai (Japan)
Mr. R.E. Shepherd (United States)

Alternates

Mr. S. Delgado (Mexico)
Mr. J. Scheele (EEC)
Mr. D.M. McPhail (Hong Kong)^{2/}
Mr. M.A. Bajwa (Pakistan)
Mr. Siraj Haron (Malaysia)
Mr. Tadashi Imai (Japan)

3. Present at this meeting were the following members and/or alternates: Messrs. Bajwa, Beck/Scheele, Chau/McPhail, Hobson, Kujirai, Safioen, Santos-Neves/Delgado, Shepherd.

4. The report of the twentieth (last) meeting of 1980 was adopted and has been circulated as COM.TEX/SB/637.

Review of notifications

Article 4

(a) EEC/Indonesia (two notifications)

5. In August 1980, the TSB had received a notification from the EEC concerning unilateral limits established on imports of Categories 6, 7 and 8 from Indonesia into the regional market of the United Kingdom. These unilateral limits were provisionally introduced, under the consultation procedures set out in the

^{1/} Hundred-and-sixteenth meeting overall.

^{2/} It has been agreed between Hong Kong and Korea that, until an alternate from Korea is appointed, Mr. McPhail will sit as alternate to Mr. Chau.

original bilateral agreement between the two parties, pending the resumption of consultations. The TSB had also received a copy of the note verbale addressed by the Commission of the EEC to Indonesia with respect to consultations held in November 1979, April 1980 and June 1980, which did not result in a mutually agreed solution. Having been informed by the two parties concerned that consultations were continuing, the TSB had deferred its review of this notification pending the outcome of such consultations.

6. At this meeting, the TSB was informed that consultations were still continuing between the two parties. The TSB took the view that after such a period, the parties should see their way to a settlement and requested that a status report be communicated to it for consideration at the next meeting scheduled for 4-6 February 1981.

7. The TSB also reviewed a notification from the EEC concerning a modification to its bilateral agreement with Indonesia concerning new limits for exports of one category to Benelux, as well as the establishment of a double-checking system for trade. This notification was transmitted to the Textiles Committee (COM.TEX/SB/638).

(b) EEC/Korea

8. The TSB had received a notification from the EEC of a modification to its bilateral agreement with Korea, relating to exports to the United Kingdom. This modification included the introduction of a new limit on one category, as well as changes in quota levels for 1980 in a number of other categories.

9. The TSB took note of the undertaking made by the Korean authorities, in response to a request from the EEC, to use appropriate means at their disposal in order to achieve an increase in the price of a particular category. The TSB questioned the appropriateness of a reference to price in the context of an MFA agreement.

10. After its review, the TSB transmitted this notification to the Textiles Committee (COM.TEX/SB/639).

(c) EEC/Philippines

11. The TSB reviewed a notification by the EEC of a modification to its bilateral agreement with the Philippines, in which new limits were introduced for two categories exported into Ireland. The TSB transmitted this modification to the Textiles Committee (COM.TEX/SB/640).

(d) EEC/Thailand

12. The TSB reviewed a notification by the EEC of a modification to its bilateral agreement with Thailand, in which new limits were introduced for three categories exported to the United Kingdom. The TSB transmitted this modification to the Textiles Committee (COM.TEX/SB/641).

(e) United States/Singapore

13. The TSB reviewed a notification by the United States of an amendment to its bilateral agreement with Singapore, in which consultation levels for 1980 were increased for two categories. The TSB transmitted this amendment to the Textiles Committee (COM.TEX/SB/642).

(f) United States/Mexico

14. The TSB reviewed a notification by the United States of an amendment to its bilateral agreement with Mexico, in which consultation levels for 1980 were increased for three categories. The TSB transmitted this amendment to the Textiles Committee (COM.TEX/SB/643).

Articles 7 and 8

United States/Costa Rica

15. The TSB took note of a notification by the United States, under Articles 7 and 8 of the Arrangement, of two new bilateral agreements with Costa Rica, establishing, in one case, a limitation on one category and, in the other case, a consultation mechanism concerning trade in other textile products. The TSB transmitted these agreements to the Textiles Committee for information (COM.TEX/SB/644).

Articles 11

Philippines

The TSB had received from the Philippine authorities a notification under Article 11, paragraphs 11, 12 and 2, concerning restrictions on imports of textiles. This notification related to a moratorium on the issuance of letters of credit/foreign exchange applications covering the import of a range of textile items. These restrictions were submitted as foreign exchange regulatory measures necessary for balance of payments and/or development purposes and applied to all countries.

The TSB took note of the fact that consultations on trade measures taken for balance-of-payments purposes by the Philippines had recently taken place in GATT. The conclusions of the Balance-of Payments Committee are contained in document BOP/R/115 of 30 October 1980. The TSB transmitted this notification to the Textiles Committee (COM.TEX/SB/605/Add.29).