

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/144
4 February 1976

Special Distribution

Textiles Surveillance Body

REPORT OF THE SEVENTEENTH MEETING¹

1. The TSB held its seventeenth meeting of 1975 on 15-19 December. The report of the sixteenth meeting was approved and has been circulated as COM.TEX/SB/143.
2. The TSB noted with regret reports from Australia and Singapore which indicated that they had been unable to find a basis on which to take up consultations in accordance with the advice of the TSB. This being so, and in accordance with a formal request from the Government of Singapore, the TSB resumed its consideration of the case as required by Article 3:5(iii). Its findings and recommendations have been circulated to the Textiles Committee in document COM.TEX/SB/142 and to the GATT Council in document L/4285.
3. The TSB considered, at the request of Pakistan, a problem concerning the unilateral maintenance by the European Economic Community of certain residual restrictions following the conclusion of a bilateral agreement under Article 4 between Pakistan and the EEC. The TSB heard statements by the representatives of Pakistan and the EEC and is still examining the case. In the interim, in order to avoid the possibility of damage to those involved in the trade, the TSB urged the Community and Pakistan, in the spirit of Article 3:7, to enter into consultations promptly so as to ensure that trade would not be frustrated during the period in which this matter is under consideration by the TSB.
4. The TSB was informed by Canada in a letter dated 11 December that in consultations with Hong Kong held last June a practical problem had arisen as a result of differences over the interpretation of Annex B, paragraph 1(a). Canada therefore requested the TSB to consider this matter and make appropriate recommendations so as to facilitate the formal conclusion of the bilateral agreement initialled between the two countries. The ensuing discussions in the TSB revealed divergent views as to the date from which the base period in terms of this paragraph should be calculated where there were domestic procedures of the type described therein.

¹Thirty-first meeting.

5. In the view of some, the relevant provisions were intended to provide such countries with an additional two months, or, where data were not available, three months, to conduct their domestic enquiries without being penalised in so far as the base period was concerned. The existence of the phrase "whichever period is the later" would ensure that such countries could not roll back to a period earlier than that ending two months or three months (when data were not available), preceding the date of institution of such enquiries.
6. Others were of the view that the relevant date was the date of institution of such procedures, or two months or, where data were not available, three months prior to the month in which a request for consultations was made as a result of domestic procedure, whichever period was the later. Thus, in no such case could the base period be earlier than that ending three months prior to the date of the request. An earlier period would exacerbate difficulties faced by exporters as a result of trade uncertainties caused by the institution of domestic procedures.
7. In the light of the different views expressed, the TSB was at the present time unable to reach any conclusion on this matter, but recommended that the two parties concerned should make every effort to seek to resolve bilaterally the practical difficulties which had given rise to the reference. The TSB could revert to the question of interpretation of this paragraph should difficulties continue to exist.
8. The TSB had received notifications under Article 3:8 concerning the renewal for a further period of agreements under Article 3. In considering these notifications the TSB discussed the procedural steps to be followed in such cases. The TSB recommended that at the time when a request for consultations with a view to renewal is made by an importing country, the Chairman of the TSB should be so informed and a detailed factual statement of the reasons for the continuing necessity for the restraints should be sent to him for his information. In reviewing any renewed agreements reached, the TSB would follow the relevant procedures.
9. The Chairman informed the TSB that the response of participating countries to his letter of 11 August requesting the submission of information on imports surveillance systems had been unsatisfactory. Replies have been received to date from only twelve countries. The TSB confirmed the desirability of collecting this information and urged all those participating countries which had so far failed to supply it to do so as soon as possible.
10. It was agreed that the next meeting should be held on 27-29 January 1976.