

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/197
17 November 1976

Special Distribution

Textiles Surveillance Body

REPORT OF THE ELEVENTH MEETING (1976)¹

1. The TSB held its eleventh meeting of 1976 on 21-24 September. The report of the tenth meeting was approved and has been circulated as COM.TEX/SB/188.
2. The TSB reviewed a bilateral agreement under Article 3:4 between Austria and Korea and found it to be in conformity with the Arrangement. It has been circulated as COM.TEX/SB/192.
3. The TSB also reviewed and agreed to circulate a bilateral agreement between Austria and Singapore under Article 4. This has been circulated in document COM.TEX/SB/193.
4. The TSB reviewed an agreement concluded under Article 4 between Norway and Korea and agreed to circulate it to the Textiles Committee. This has been done in document COM.TEX/SB/194. In this connexion the TSB recalled its earlier comments on the denomination of quotas in terms of value.
5. The TSB conducted a first examination of the evidence submitted by the European Economic Community concerning a unilateral restriction, under Article 3, paragraph 5, on imports into the Benelux countries of cotton yarn from Mexico. The TSB also heard a statement made by a delegation of Mexico on its position on this matter. The TSB was not able, at this stage, on the basis of the evidence put before it by both parties, to arrive at a conclusion concerning the conformity of the measure with the provisions of the MFA. During the course of the TSB consideration it became clear that both parties were willing to continue consultations. In order to avoid damage to trade, the TSB urged both parties to resume the consultations with a view to arriving promptly at a means of avoiding such damage. The TSB requested both parties to report on the results by 30 November and, if possible, before that date.

¹Forty-second meeting

6. The TSB received a notification from the EEC under Article 3:6 concerning an extension, following failure to reach a mutually acceptable solution in further consultations, of the interim measure taken in December 1975 with regard to imports into the United Kingdom of cotton yarn from Spain. It had been the view of the TSB in its earlier consideration of this case that such further consultations should be held.¹ In the course of its examination of the extended measure, the TSB was informed that such consultation had not been held within the framework of the MFA, but on the basis of the bilateral agreement of 1970 between the EEC and Spain. In the light of this, and having due regard to the continued willingness of both parties to consult, the TSB urged the Community to conduct consultations with Spain in conformity with the provisions of the Textiles Arrangement, with a view to reaching a mutually acceptable solution. The TSB requested both parties to report the results of their consultations by 10 November 1976 at the latest.

7. The TSB considered a memorandum submitted by Mexico in compliance with the TSB's request for an up-to-date report on the state of Mexico's textile industry and the justification for the maintenance of import restrictions. It was agreed that the memorandum, together with additional statistical material supplied by Mexico, should be circulated to the Textiles Committee for information. This has been done in COM.TEX/SB/195. The TSB requested a second report from Mexico by the end of 1976.

8. Work continued on the preparation of the TSB's report to the Textiles Committee in connexion with the major review.

¹See COM.TEX/SB/160.