

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Textiles Surveillance Body

### REPORT OF THE FIFTEENTH MEETING<sup>1</sup> (1977)

1. The TSB held its fifteenth meeting on 21 and 22 November 1977. The report of its fourteenth meeting was approved and has been circulated in COM.TEX/SB/278.
2. The TSB reviewed an amendment notified by the EEC with respect to its bilateral agreement previously concluded under Article 4 of the Arrangement with Hong Kong. The amendment covered imports of a certain textile product into the market of the Community constituted by the F.R. of Germany. It was agreed to circulate this notification to the Textiles Committee for information (COM.TEX/SB/279).
3. The TSB also took cognizance of two notifications by the EEC regarding measures on imports of certain textile items from Morocco and Tunisia into France, on the one hand, and into France and the Benelux member countries of the Community, on the other. These notifications have been made in accordance with the decision of the Textiles Committee that actions taken vis-à-vis non-participants in the Arrangement should be notified. The TSB is circulating these notifications under Articles 7 and 8 to participating countries for their information in documents COM.TEX/SE/280 and 281.
4. The TSB had received ten notifications from the EEC of action taken under Article 3:5 with respect to textile products in certain markets of the Community from six exporting countries: Colombia, Egypt, India, Macao, Pakistan and the Philippines.
5. In the course of its preliminary examination of these measures it was pointed out that the negotiations presently being conducted in Brussels between the aforementioned countries and the European Community could possibly include consideration of these measures. It was also pointed out that under Article 3:5 of the Arrangement Regarding International Trade in Textiles, the TSB is required to promptly conduct the examination of the matter and make appropriate recommendations to the parties directly concerned within thirty days from the date on which the matter is referred to it. Before formulating its recommendation it is mandatory for the TSB to invite participation of the parties concerned in accordance with Article 11:6. The TSB therefore decided that, in accordance with the provisions of Article 11:6, it would ask the Chairman to contact the delegations of the above countries and the EEC, by

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<sup>1</sup>Sixty-third meeting.

telephone and by letter, to ascertain whether the countries concerned would wish to have the TSB conduct its examination of the notifications in question at this juncture, and whether the countries concerned would wish to appear before the TSB in connexion therewith or whether they would wish the TSB to defer its examination of these notifications pending the outcome of the negotiations between the countries concerned and the EEC in Brussels.

6. The TSB also received two notifications from the European Community regarding action taken under the EEC/Spain agreement<sup>1</sup> with respect to imports from Spain of cotton yarn, T-shirts and similar articles into certain markets of the Community.

7. In the course of the TSB's preliminary examination of this matter, it was also pointed out that the negotiations presently being conducted in Brussels between Spain and the EEC could possibly include consideration of the provisional measures referred to in the notifications. It was further noted that the measures taken with respect to cotton yarn were almost identical to a previous reference made by Spain before the TSB with regard to the unilateral restriction of cotton yarn imports into the United Kingdom from Spain. At that time, the TSB recommended<sup>2</sup>, inter alia that consultations should be conducted in conformity with the provisions of the MFA and that, in order to facilitate consultations, the restrictions should be lifted as soon as possible and not later than 31 December 1977. In the present context, the TSB noted that Spain had not referred the actions covered by the notifications in question, to the TSB. For reasons analogous with those described in paragraph 5, the TSB likewise requested the Chairman to contact Spain and the EEC to ascertain whether the parties in question would wish to have these notifications reviewed by the TSB at this juncture, whether they wished to appear before the TSB in connexion therewith, or whether they would wish the TSB to defer its examination of these notifications pending the outcome of the negotiations in question, in Brussels.

8. With regard to the dispute between the EEC and India<sup>3</sup> and the report on the recommended consultations which the TSB had asked to receive by 31 October 1977, the Body was informed that consultations had taken place on 11 October 1977. The two parties had agreed to continue these consultations within the broad framework of the bilateral negotiations currently being conducted in Brussels. The TSB took note of the fact that a letter to this effect would be transmitted to the Chairman in the near future.

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<sup>1</sup>For details see L/3427.

<sup>2</sup>See COM.TEX/SB/260, paragraphs 2-4.

<sup>3</sup>See COM.TEX/SB/260, paragraphs 8-18.