

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/67

7 January 1991

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Textiles Committee

REPORT OF THE COMMITTEE MEETING HELD ON 14 DECEMBER 1990

Chairman: Mr. A. Dunkel

1. The Textiles Committee held its ninth meeting under the 1986 Protocol of Extension on 14 December 1990. The agenda for the meeting, set out in GATT/AIR/3139 of 12 November 1990, was adopted as follows:

- A. The Annual Review of the operation of the Arrangement as extended by the 1986 Protocol;
- B. Membership of the Textiles Surveillance Body for the period beginning 1 January 1991;
- C. Continuation of discussion on the future of the MFA;
- D. Other business.

2. The Chairman informed the Committee that, as of the date of the Committee's meeting, forty parties, counting the EEC as a single signatory, had accepted the MFA as extended by the 1986 Protocol. The list of members was set out in document COM.TEX/52/Rev.4.

Agenda Item A: Annual Review of the Operation of the Arrangement

3. The Chairman noted that the Committee was required under Article 10:4 of the MFA to carry out a review of the Arrangement each year and to report thereon to GATT Council. He went on to say that, to assist in the Review, the Committee had before it a report by the Textiles Surveillance Body covering the period 1 July 1989 to 31 July 1990 (COM.TEX/SB/1550 and Add.1), as well as reports by the Secretariat on textiles and clothing statistics (COM.TEX/W/230) and on demand, production and trade in textiles and clothing (COM.TEX/W/231). The Chairman suggested that the two subjects be taken up together and invited Ambassador Raffaelli, Chairman of the TSB, to introduce the Body's report.

4. The Chairman of the Textiles Surveillance Body, referring to the notifications under Article 11 (pages 23 and 24 of the TSB report), noted that since the closing date of the report, the TSB had received notifications from Argentina, Czechoslovakia, the EEC, Japan, Norway, Sweden and the United States. These reports provided the following information: a) Japan continued to maintain no restrictions, agreements or measures having a restrictive effect; b) Argentina and Czechoslovakia have

indicated the following liberalization actions in their import régimes: Argentina no longer had non-tariff measures affecting imports of textile products; and imports into Czechoslovakia no longer required prior licensing; c) Norway notified some further liberalization of restraints under its bilateral agreements, additional to liberalizing measures already reviewed by the TSB; d) Sweden and the United States notifications included restrictions still to be notified to the TSB and that of the EEC included restrictions not notified under other provisions of the MFA. Speaking on his own responsibility, he drew attention to delays which had been experienced in notifications, and to lack of notifications. He pointed out that the provision of notification of agreements within thirty days, contained in Article 4, paragraph 4, had never been fully respected; however, in the period covered by the report, notifications had been made of agreements concluded two or three years before. He considered that participating countries should be more aware of their obligations under the Arrangement, even those of a procedural nature.

5. He also referred to notifications to the TSB under Article 11 and pointed out that, of forty participating countries, only fourteen had replied to the TSB in time for inclusion in the report. While this was a poor record, he expressed the hope that in 1991, the participating countries which had not yet replied would do so. He also noted that the TSB had not received a notification from China under Article 2:4. Since early 1984, when China's accession to the MFA became effective, four notifications made under Article 2 had been reviewed by the TSB, but the Body still had not been able to determine whether or not all restrictions maintained by this important participant in international trade in textiles were in conformity with the Arrangement. It was his hope that the reply to the 1990 request would be forthcoming and would allow the TSB to conclude their consideration of this matter. He also expressed concern at the circulation of TSB confidential documents, which are for members only, to other delegations and even organizations which had no right of access to such documents. He said that the confidentiality of TSB deliberations, disappeared if members were indiscrete and made documents available to others.

6. He drew the attention of participants to the liberalization of imports of MFA products which had occurred in exporting countries during MFA IV. When MFA IV entered into force, only eight participants notified that they maintained no restrictions; namely, El Salvador, Guatemala, Hong Kong, Japan, Macao, Singapore, Switzerland and Uruguay. These had since been joined by Argentina, Costa Rica (which had since acceded to the MFA), Czechoslovakia, Hungary, Jamaica, Korea, Mexico, the Philippines and Turkey; Indonesia, Malaysia and Thailand maintained minimal restrictions, on just one or very few products. He said that perhaps other countries had also taken steps to liberalize their textile imports, but they would be among those which had not sent notifications under Article 11. In any case, it was encouraging that out of forty participants in the Arrangement, there were at least twenty which had notified that they had no restrictions, or for all practical purposes no restrictions, on MFA products.

Agenda Item B: Membership of the Textiles Surveillance Body

7. The Chairman said that, pursuant to consultations among participants regarding the membership of the TSB for the period beginning 1 January 1991, it had been proposed that the Body be composed of members designated by the following parties: Canada, EEC, Finland, Hungary (for the first 6 months, thereafter an ITCB member country), Japan, Korea, Peru, Thailand, Turkey, United States. This proposal was endorsed by the Committee.

Agenda Item C: Continuation of discussion on the future of the MFA

8. The Chairman suggested, and the Committee agreed, that in view of the present circumstances in the negotiations, this item should be temporarily deferred until such time as the situation becomes clearer. Similarly, it was agreed that the date of the next Textiles Committee meeting would not be fixed, but would be established later in consultation with delegations.