

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1573
13 February 1991

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

REPORT OF THE NINTH MEETING (1990)¹

1. The Textiles Surveillance Body held its ninth meeting of 1990 on 14 December.
2. Present at this meeting were the following members and/or alternates: Messrs. Boisnon, Castro, Gero/Potocnik, Ishimaru, Kartadjoemena/Kasimir, Lau, Patek, Ms Rosa and Mr. Shepherd.
3. The report of the eighth meeting of 1990 has been circulated in COM.TEX/SB/1565.

Notification under Article 8:2

United States/Macao

4. In October 1990, the TSB had received a notification from the United States, under Article 8:2, referring problems of circumvention of its bilateral agreement with Macao for which the parties had been unable to find a mutually satisfactory solution.
5. At the meeting, the Body was informed by both the United States and Macao that they had found a mutually satisfactory solution to the problem. The United States stated it would notify the agreed solution in due course. The TSB decided, therefore, that there was no need to go into the matter.

Notifications under Article 4

United States/Bangladesh

6. The TSB received a notification from the United States of a further amendment of its selective agreement with Bangladesh. The validity of the amendment was for the period 1 August 1989 to 31 January 1993.
7. Under this amendment:
 - a) the product coverage was increased by one category and two merged categories, all placed under restraint;

¹Two hundred and fifty-fifth meeting overall.

- b) the base-levels were substantially higher than the relevant rollback levels;
- c) the annual growth rate was set at 6 per cent;
- d) the flexibility provisions of the agreement applied (i.e., 6 per cent swing, 11/6 per cent carryover/carry forward).

8. During its review the TSB recalled that two restraints (Categories 351/651 and 847) replaced unilateral measures which the United States had notified under Article 3:5.²

9. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/1566)

10. The TSB received a further notification from the United States of an extension of its agreement with Bangladesh until 31 January 1993, with respect to four merged categories which had been subject to restraint until 31 January 1990.

11. Under this extension:

- a) the base-levels were increased by more than 6 per cent over the levels of the period ending on 31 January 1990;
- b) the growth rates remained unchanged at 6 per cent;
- c) swing at 6 per cent and carryover/carry forward at 11/6 per cent continued to apply.

12. The TSB was informed by the United States that with the extension of the restraints on these four merged categories, all restraints covered by the agreement now had the same termination date.

13. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/1567).

United States/Egypt

14. The TSB received a notification from the United States of the extension of the restraints agreed under its cotton agreement with Egypt, for the period 1 January 1990 to 31 December 1991.

15. Under this extension:

- a) the product coverage and categories under restraint remained unchanged;

²COM.TEX/SB/1530.

- b) increases in base-levels were substantially higher than 6 per cent for a clothing category, and higher than 6 per cent for the fabric group and two fabric sub-limits; there was no increase in the other cases;
- c) growth rates for the second year of the extension were unchanged at 6.4 or 6.3 per cent, except for two fabric sub-limits where no growth was provided;
- d) the flexibility provisions of 6 per cent swing and 11/6 per cent carryover/carry forward continued to apply;
- e) consultation provisions regarding the introduction of new restraints were revised;
- f) consultation provisions relating to problems of circumvention were agreed.

16. The TSB took note of a statement from the United States that the absence of increase in certain base-levels and the absence of growth for two sub-categories were agreed taking into account other features of the agreement.

17. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/1568).

Sweden/India

18. The TSB received a notification from Sweden of a bilateral agreement concluded with India for the period 1 January 1987 to 31 December 1991, superseding the six-month extension of the previous agreement.

19. In this agreement:

- a) coverage was reduced from seventeen to eight product categories;
- b) previous restraints on the Rest Group (except one category), and three categories were liberalized; two categories would be liberalized for the last two agreement years;
- c) limitation of access for products made from handloom fabrics continued to apply for certain clothing categories, but was lifted for made-up items;
- d) increases in base levels over previous restraint levels were less than 6 per cent, except for products from handloom fabrics for one category;
- e) the growth rates were higher than in the previous agreement and increased annually to reach between 2 and 4 per cent;

- f) swing, carryover and carry forward were available at 3 per cent each, except for two categories, where they were available at 5 per cent each;
- g) the cumulative use of flexibility, limited at 6 and 10 per cent, were more favourable than in the previous agreement.

20. During its review, the TSB noted that with respect to the growth and flexibility provisions, Sweden made reference to Annex B, paragraph 2, of the Arrangement and paragraph 12 of the 1986 Protocol of Extension.

21. The TSB noted that the restraint limits in Annex II of the agreement included handmade clothing items made of handloom fabrics and understood from Sweden that the parties had not established a certification system as set out in Article 12:3 of the arrangement for the products concerned.

22. After its review, the TSB agreed to transmit the notification to the Textiles Committee (COM.TEX/SB/1569).

Notifications under Article 7 and/or 8

23. In accordance with a request made by the Textiles Committee that participating countries notify bilateral agreements concluded with or actions taken against non-participants, the TSB received notifications of:

a) EEC/Soviet Union

A bilateral agreement concluded between the EEC and the Soviet Union for the period 1 January 1990 to 31 December 1992;

b) Canada/South Africa

A bilateral agreement between Canada and South Africa for the period 1 January 1989 to 31 December 1991, replacing previous unilateral measures;

c) Canada/United Arab Emirates

A restraint established by Canada on imports from the United Arab Emirates of winter outerwear for the period 25 January 1990 to 31 December 1991.

24. The TSB agreed to forward the notifications to the Textiles Committee for its information (COM.TEX/SB/1570, 1571 and 1572).

Notifications under Article 11

Yugoslavia, Austria and Macao

25. The TSB received three notifications under Article 11 from Yugoslavia, Austria and Macao. The TSB noted the following:

- a) Yugoslavia had liberalized previous restrictions on several products;
- b) Austria maintained no other restrictions apart from those already notified to the Body; and
- c) Macao applied no restrictions on imports of textile products.

26. The TSB agreed to transmit the notifications to the Textiles Committee (COM.TEX/SB/1549/Add.15, 16 and 17).

Reports on matter reviewed under Article 11:4

Brazil/United States

27. In accordance with its request,³ the TSB received reports from Brazil and the United States on the results of their consultations regarding the restraint introduced by the United States on Category 351/651 (cotton and man-made fibre nightwear).

28. The TSB was informed that: (a) due to declining exports of the product from Brazil, the United States agreed to remove the restraint; (b) Brazil had agreed that Categories 351 and 651 constituted one product in the United States market.

Notification under paragraph 8 of the 1986 Protocol and Article 3:8

United States/Thailand

29. The TSB received a notification from the United States of twelve-month extensions of restraints on imports from Thailand of Categories 614 (man-made fibre poplin and broadcloth), 336/636 (cotton knit dresses) and 647/648 (man-made fibre trousers). These measures were taken pursuant to paragraph 8 of the 1986 Protocol of Extension.

30. During the meeting the TSB was informed that in bilateral consultations the parties had found agreed solutions with respect to Categories 614 and 647/648. The TSB therefore decided to invite both the United States and Thailand to its first meeting in 1991, to present their respective cases on Category 336/636.

³COM.TEX/SB/1565