

# GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1604

10 May 1991

## TARIFFS AND TRADE

Special Distribution

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### Textiles Surveillance Body

#### REPORT OF THE SECOND MEETING (1991)<sup>1</sup>

1. The Textiles Surveillance Body held its second meeting of 1991 on 14-15 March.
2. Mrs. Deustua appointed Mr. Alcides Prates (Brazil) as her alternate.
3. Present at this meeting were the following members and/or alternates: Mr. Boisson, Mrs. Deustua/Mr. Prates, Messrs. Elker/Sajjanhar, Gero/Potocnik, Hagfors/Wentzel, Ishimaru, Lakatos, Oh/Wong, Shepherd, Somchin/Buencamino.
4. The report of the first meeting of 1991 has been circulated in COM.TEX/SB/1579.

#### Notifications under Paragraph 8 of the 1986 Protocol and Article 3:8

##### United States/Thailand

5. Pursuant to its decision regarding the extension of a unilateral measure taken by the United States on imports of Category 336/636 (cotton and man-made fibre dresses) from Thailand,<sup>2</sup> the TSB reverted to its examination of the case.
6. The Body received a communication from Thailand, requesting it to defer consideration of the case, since Thailand had had to postpone consultations scheduled with the United States following a change in its government.
7. In view of this exceptional circumstance, the TSB agreed to Thailand's request, on the understanding that it could revert to the matter on its own initiative or at the request of either party.

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<sup>1</sup>Two hundred and fifty-seventh meeting overall.

<sup>2</sup>COM.TEX/SB/1579.

Notifications under Article 4

Austria/Macau

8. The TSB received a notification from Austria of a bilateral agreement concluded with Macau for the period 1 January 1991 to 31 December 1994.

9. Under this agreement:

- a) the product coverage was reduced from three to two clothing categories, of which one was made subject to consultations;
- b) the base level for the restrained category was more than 6 per cent higher than the previous level;
- c) growth was set at 6 per cent;
- d) carryover/carry forward was set at 11/6 per cent with the possibility of 4 per cent carryover from the previous agreement.

10. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1580)

Amendments of certain agreements of Norway

11. The TSB received several notifications from Norway of amendments of agreements concluded with its trading partners, resulting in all cases in the liberalization of its textile import régime. Details of these liberalizing measures, together with other elements, are outlined in the following paragraphs.

Norway/Poland

12. Norway notified two amendments of its agreement with Poland. The first amendment was effective for the period 1 January 1990 to 31 December 1991, while the second amendment became effective on 1 January 1991.

13. Under the first amendment:

- a) the product coverage was reduced further by the deletion of four product categories, with the consequent liberalization of restraints on these categories;
- b) restraint levels on two categories were increased;
- c) the restraint level for one category previously merged to a liberalized category was effectively increased, as it was maintained at the level previously valid for the merged category.

14. Under the second amendment:

- a) certain sizes of clothing for children were excluded from the coverage of the agreement and consequently from restraint;
- b) all four restraint levels were increased for the 1991 agreement year.

15. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1581 and 1582)

Norway/Hungary

16. Norway notified an amendment of its agreement with Hungary, effective for the period 1 January 1990 to 31 December 1991.

17. Under this amendment:

- a) the product coverage was reduced by the exclusion of: (i) four product categories and (ii) certain sizes of garments for children, with consequent liberalization of restraints on all these products;
- b) the levels of restraint on three categories were increased.

18. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1583)

Norway/Romania

19. Norway notified an amendment of its agreement with Romania, effective for the period 1 January 1990 to 31 December 1991.

20. Under this amendment:

- a) the product coverage was reduced by: (i) the deletion of four product categories and (ii) the exclusion of certain sizes of garments for children, with consequent liberalization of restraints on all these products;
- b) the levels of restraint on two categories were increased.

21. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1584)

Norway/Czech and Slovak Federal Republic

22. Norway notified an amendment of its agreement with the Czech and Slovak Federal Republic, effective for the period 1 March 1990 to 30 June 1992.

23. Under this amendment:

- a) the product coverage was reduced by: (i) the deletion of five product categories and (ii) the exclusion of certain sizes of children's garments, resulting in the liberalization of restraints on all these products;
- b) the levels of restraint on two categories were increased.

24. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1585)

Norway/Indonesia

25. Norway notified an amendment and extension of its agreement with Indonesia. The agreement was amended with effect from 1 October 1990, and its expiry date was extended from 30 September 1991 to 31 December 1991.

26. Under this amendment:

- a) the product coverage was reduced by: (i) the deletion of four product categories, and (ii) the exclusion of certain sizes of children's garments, resulting in the liberalization of all these products;
- b) the levels of all four categories remaining under restraint were increased.

27. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1586)

Norway/India

28. Norway notified an amendment of its agreement with India, effective from 1 October 1990 to 31 December 1991.

29. Under this amendment:

- a) the product coverage was reduced by: (i) the deletion of four product categories and (ii) the exclusion of certain sizes of children's clothing, resulting in the liberalization of the products concerned;
- b) the limit on the cumulative use of flexibility was eliminated.

30. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1587)

Norway/China

31. Norway notified an amendment of its agreement with China, valid until 31 December 1991. With effect from 1 January 1991 the product coverage was reduced by two product categories and by the exclusion of certain sizes of

children's clothing items, resulting in the liberalization of the products concerned.

32. During its review, the TSB noted that the parties had "addressed the problem of overshipments of certain categories as well as transshipments of Chinese products covered by the Agreement through other countries or territories for import into Norway". It also noted that, as a result of these consultations, "the Chinese authorities would continue to do its (sic) utmost to secure an effective administration of quotas as well as to implement the necessary regulations to cope with the problem of transshipments."

33. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1588)

Norway/Korea; Norway/Sri Lanka

34. Norway notified amendments of its agreements with Korea and Sri Lanka, respectively. In each case the amendment became effective for the period 1 January to 31 December 1991.

35. Under both amendments:

- a) the product coverage of both agreements was reduced by: (i) the deletion of four product categories and (ii) the exclusion of certain sizes of children's garments, resulting in the liberalization of the products concerned;
- b) the restraint level for one category previously merged with a liberalized category was effectively increased, as it was maintained at the level previously valid for the merged category.

36. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1589 and 1590)

Norway/Macau; Norway/Malaysia; Norway/Philippines; Norway/Singapore

37. Norway notified amendments of its agreements with Macau, Malaysia, the Philippines and Singapore, respectively. In each case, the relevant amendment became effective for the period 1 January to 31 December 1991.

38. Under these amendments, the product coverage in each agreement was reduced by: (a) the deletion of four product categories and (b) the exclusion of certain sizes of children's garments, resulting in the liberalization of all these products.

39. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1591, 1592, 1593 and 1594)

Norway/Thailand

40. Norway notified an extension with amendment of its agreement with Thailand. The agreement was extended for the twelve-month period ending on 31 December 1991, with the continued possibility of a further one-year extension; the amendment became effective on 1 January 1991.

41. Under this extension, as amended:

- a) the product coverage was reduced by the exclusion of four product categories and of certain sizes of children's garments, resulting in the liberalization of these products;
- b) the restraint levels for the last agreement period were increased over those of the previous year by more than the relevant growth rates;
- c) the flexibility rates for one category were increased.

42. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1595)

Sweden/Turkey

43. The TSB received a notification from Sweden of its first bilateral agreement concluded with Turkey, valid for the period 16 May 1988 to 15 May 1991.

44. The TSB noted that this notification was received three months before the expiry of the agreement and recalled the provisions of Article 4, paragraph 4, as well as its more recent observation with respect to timely notification.<sup>3</sup>

45. In this agreement:

- a) the product coverage was limited to three clothing categories and bed linen, all placed under restraint;
- b) all base levels were substantially higher than the relevant reference levels;
- c) additional quantities were agreed for all four categories for the first agreement period;
- d) growth rates for the second and third agreement years were set at 1.25 and 1.5 per cent, respectively;
- e) swing, carryover and carry forward were each available at 3 per cent, with their cumulative use limited to 6 per cent.

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<sup>3</sup>COM.TEX/SB/1547.

46. With respect to the growth and flexibility provisions, Sweden made reference to Annex B and paragraph 12 of the 1986 Protocol of Extension.

47. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1596)

United States/Peru

48. The TSB received a notification from the United States of an extension and amendment of its agreement with Peru for the period 1 May 1989 to 31 December 1991.

49. The specific limits for three categories were reduced, while they were increased for the three other categories under restraint. The applicable growth rates in all cases were reduced from 7 to 6 per cent.

50. The number of categories falling within the wool and cotton groups were reduced, and the designated consultation levels for these groups, as well as for specific categories, were increased.

51. The TSB heard statements from both parties that the changes outlined in paragraphs 49 and 50 above were agreed taking into account the overall terms of the agreement.

52. The TSB also received notification of a further amendment of the agreement, under which, in the absence of agreement to a request from Peru to increase the restraint level of a category and eliminate its sub-limit, the sub-limit was increased.

53. After its review, the TSB agreed to transmit the notifications to the Textiles Committee. (COM.TEX/SB/1597 and 1598)

United States/Indonesia

54. The TSB received a notification from the United States of two amendments of its agreement with Indonesia, affecting the period 1 July 1989 to 30 June 1992.

55. Under the first amendment:

- a) the limit on Group I was eliminated;
- b) the product coverage of the two Groups was modified by the migration of certain categories from one Group to the other and by other adjustments necessitated by the application of the Harmonized System;
- c) some restrained categories were merged, without altering their restraint levels;

- d) the Group II limit was decreased to take account of the restraint or trade levels of categories referred to in sub-paragraph (b) above;
- e) new restraints were introduced on some categories or categories merged with previously restrained categories and one merged category;
- f) the new restraints were set at levels higher or much higher than the reference levels;
- g) growth rates for all specific limits were set at 6 per cent and for Group II at 10 per cent;
- h) adjustments to the swing provisions were made to take account of the liberalization of the Group II limit.

56. Under the second amendment, special carry forward for the agreement year ending 30 June 1990 was provided for eleven categories or merged categories. Furthermore, it was agreed that this special carry forward and any overshipments would be deducted from the agreement year 1 July 1990 to 30 June 1991, during which period Indonesia would forego the use of all flexibility provisions applicable to the categories concerned.

57. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1599)

#### Notifications under Articles 7 and 8

##### Finland/Indonesia

58. The TSB received a notification from Finland of an export authorization agreement covering two clothing items, concluded with Indonesia, originally valid from 1 January 1986 to 31 December 1989 and subsequently extended and amended by the deletion of one clothing item for the period 1 January 1990 to 31 December 1991.

59. The TSB agreed to forward the notification to the Textiles Committee. (COM.TEX/SB/1600)

##### Norway/North Korea; Norway/Malta

60. The TSB received two notifications from Norway concerning imports from non-participating countries:

- a) a bilateral agreement concluded with North Korea for the period 1 January 1990 to 31 December 1991; and
- b) an amendment of its bilateral agreement with Malta, under which certain children's garments were liberalized with effect from 1 January 1991.

61. These notifications were made pursuant to a request made by the Textiles Committee that bilateral agreements concluded with non-participants be notified. The TSB agreed to forward the notifications to participating countries for their information. (COM.TEX/SB/1602 and 1603)

Notification transmitted under Articles 7 and 8

Finland/Romania

62. The TSB received a notification by Finland of an export authorization agreement covering certain clothing items, concluded with Romania for the period 1 January 1991 to 31 December 1993.

63. The TSB noted a statement by Finland that this notification had been made under Article 11, paragraphs 11, 12 and 2, because it replaced a restraint agreement.

64. After its review, the TSB decided to forward the notification to the Textiles Committee under Articles 7 and 8. (COM.TEX/SB/1601)

Notifications under Article 11

Canada, Peru

65. In response to its request made in 1990<sup>4</sup> for information on the status of restrictions maintained by participating countries, the TSB received reports from Canada and Peru:

- a) Canada listed all restrictions already notified and reviewed by the TSB, as well as restrictions which will be notified shortly;
- b) Peru notified the liberalization of all non-tariff restrictions previously notified to the Body.

66. The TSB agreed to forward these notifications to participating countries. (COM.TEX/SB/1549/Add.18 and 19)

Report on measures reviewed under Article 11:4

Brazil/United States

67. Further to the oral reports received on the bilateral consultations held between Brazil and the United States on Category 351/651 (cotton and

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<sup>4</sup>COM.TEX/SB/1542.

man-made fibre nightwear),<sup>5</sup> Brazil informed the TSB of the terms of the notes exchanged by the parties on the results of those consultations.

68. These notes confirmed that the United States had agreed to drop the request for consultations made in February 1990, and that the parties had agreed that Categories 351 and 651 will be merged for textile visa purposes.

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<sup>5</sup>COM.TEX/SB/1573.