

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/72

27 January 1992

TARIFFS AND TRADE

Special Distribution

Textiles Committee

REPORT OF THE COMMITTEE MEETING HELD ON 6 DECEMBER 1991

Chairman: Mr. A. Dunkel

1. The Textiles Committee held its first meeting under the 1991 Protocol on 6 December 1991. The Agenda for the meeting, set out in GATT/AIR/3271 of 26 November 1991, was adopted as follows:

- (a) The Annual Review of the operation of the Arrangement Regarding International Trade in Textiles (MFA) as extended by the 1986 Protocol and as maintained in force by the 1991 Protocol.
- (b) Membership of the TSB for the year 1992.
- (c) Other business.

In addition, the Chairman proposed a further item; namely, the initiation of discussion of the future of the MFA, as required by its Article 10:5.

Participation in the Arrangement

2. The Chairman recalled that the 1991 Protocol had been opened on 31 July 1991 to extend the MFA and the 1986 Protocol until 31 December 1992, and informed the Committee that there were currently thirty-one members, counting the EEC as a single signatory. The list of signatories, up to 25 November, was contained in document COM.TEX/71 while the texts of their notifications were set out in COM.TEX/70. Since the circulation of these documents, India had accepted the Protocol.

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

3. The Chairman noted that, under Article 10:4 of the MFA, the Committee was required to carry out, once a year, a review of the Arrangement and to report thereon to the GATT Council. He pointed out that the Committee had before it the following documents to assist in this review:

- (i) a report by the Textiles Surveillance Body on its activities during the period 1 August 1990 to 1 October 1991 (COM.TEX/SB/1648 and Add. 1); and
- (ii) a statistical report by the GATT Secretariat on recent developments in demand, production and trade in textiles and clothing (COM.TEX/W/239).

4. As regards the proceedings under this item, he suggested that the Committee take up both the TSB report and the statistical report together. He then invited Ambassador Marcelo Raffaelli, Chairman of the Textiles Surveillance Body, to introduce the Body's report.

5. Referring to paragraphs 8 to 12 and the footnote to paragraph 9 of the TSB report concerning disputes between Thailand and the United States, Ambassador Raffaelli pointed out that the Body had reviewed the new agreement between these countries at its November meeting and had transmitted the notification to the Textiles Committee without any observations. He advised the Committee that, in view of the extension of the Arrangement until the end of 1992, the TSB intended to circulate, in early 1992, a request to all participating countries for information under MFA Article 11 on the status of restrictions maintained by them on textile products covered by the MFA. He urged that this request be seriously addressed by all MFA members, especially those which had not sent such information throughout the life of MFA IV, as this information was needed in order to provide a better picture of conditions prevailing in the textiles universe. Further, he suggested that this would be an occasion for each country to rehearse for the preparation of information which it would be required to send to the GATT at the beginning of the implementation of the future GATT textile regime, currently under negotiation in the Uruguay Round.

6. Ambassador Raffaelli noted that the report of the Body covered the eight meetings held in the period 1 August 1990 to 1 October 1991 and since the closing date of the report, the Textiles Surveillance Body had held one more meeting, in November. He also pointed out that, since the report had been concluded, the following countries had accepted the 1991 Protocol and should be added to the list in its paragraph 3: Austria, China, Colombia, Dominican Republic, Egypt, India, Norway, the Philippines and Yugoslavia.

7. He advised that certain notifications received under Article 4 had been transmitted by the TSB to the Textiles Committee under MFA Articles 7 and 8 because they concerned countries which had been parties to the Arrangement until 31 July 1991, but had not accepted the 1991 Protocol at the time the TSB had reviewed these notifications. This referred to new agreements, extensions or amendments of agreements; most of which appeared in the table in paragraph 25 of the report. To them should be added the following notifications, transmitted by the Body to the Textiles Committee during its meeting of last November; namely, those of the the EEC with Colombia, Czechoslovakia, India, Indonesia, Malaysia, Mexico and Poland; as well as of the United States with Fiji. The TSB Chairman said that, in all cases the Body had understood that after acceptance of the 1991 Protocol by any of these former MFA participants, the Body would review any such notification under Article 4, if so requested by either of the parties concerned.

Agenda Item B: Membership of the TSB for the Year 1992

8. The Chairman said that, in the light of consultations with delegations regarding the membership of the TSB for 1992, it had been proposed that the Body be composed of members designated by the following parties: Brazil, Canada, China, EEC, Hong Kong, India, Japan, Norway, Philippines and the United States. This proposal was endorsed by the Committee.

Additional Agenda Item: Initiation of Discussions On the Future of the MFA

9. Turning then to the additional agenda item, the Chairman noted that the Committee was required pursuant to MFA Article 10:5 "to meet not later than one year before the expiry of this Arrangement to consider whether the Arrangement should be extended, modified or discontinued". He recalled that the current Protocol would expire on 31 December 1992.

10. He said that, while Article 10:5 made it mandatory to have this item on the agenda of this meeting, in view of the ongoing negotiations in the Uruguay Round, it might be difficult to undertake a meaningful discussion at this point. The Committee noted this agenda item.

Agenda Item C: Other Business

11. The Chairman recalled that it had been his practice at previous annual meetings of the Committee to inform members of progress in the Uruguay Round negotiations on textiles and clothing. On this occasion, given the recent reports he had made to participants in other fora, including the TNC, he considered that a further report would not add to the information already available. The Committee noted his comments.

Date of next meeting

12. The Chairman advised that, at the present moment, he had no date to suggest for the next meeting of the Committee but said that he would keep in close touch and would fix such a date in consultation with delegations.