

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1728

3 June 1992

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

REPORT OF THE THIRD MEETING (1992)¹

1. The Textiles Surveillance Body held its third meeting of 1992 on 9 and 10 April.
2. Mr. Wang appointed Mrs. Anikó Ivanka (Hungary) as his alternate until 30 June 1992 and Mr. Wong appointed Mr. Sung-Joo Lee (Korea) to succeed Mr. Oh as his alternate.
3. Present at this meeting were the following members and/or alternates: Messrs. Buencamino, Donaghy/Potocnik, Ishimaru, Prates, Sajjanhar/Shalaby, Shepherd, Ms. Smadja, Mr. Wang/Ms. Ivanka, Messrs. Wentzel and Wong.
4. The report of the second meeting has been circulated in COM.TEX/SB/1724.

Matter Referred under Article 11:4

Indonesia/United States

5. In response to its invitation to Indonesia and the United States to present their respective cases on the matter referred under Article 11:4 by Indonesia,² the TSB received a request from Indonesia for deferral of the examination of the case to the following meeting of the Body. There was no objection by the United States to this request. The TSB agreed to defer its examination of the case.

Matter Referred under Article 11:5

Hong Kong/United States

6. The TSB received a notification under Article 11:5 from Hong Kong referring to the question of the categorization of certain garments exported from Hong Kong to the United States under their bilateral agreement. Hong Kong stated that as a result of the new US Customs guideline concerning these garments, effective 1 January 1992, exports

¹Two hundred and sixty-fifth meeting overall.

²See COM.TEX/SB/1724.

previously subject to the Export Authorization system were entering the United States under categories subject to specific limits.

7. The TSB heard presentations by delegations from Hong Kong and the United States on the issuance of a new guideline on the definition of "tightness" by the competent US Government body, and was of the opinion that this was an action which resulted in a change in the sense of paragraph 18 of the 1986 Protocol of Extension.

8. The Body noted that the United States Government had taken steps to avoid disruption to trade during 1991, inter alia, by issuing the new guideline in September 1991 and making it effective only on 1 January 1992. As to avoidance of disruption to trade in the period starting on 1 January 1992, the United States had offered Hong Kong amounts additional to the quotas for categories 348 and 648; such offer would be limited to calendar year 1992, the parties holding a review of the matter before the end of the year. Hong Kong had not agreed to this offer, as the results of the review being aleatory, trade would be subjected to uncertainty.

9. In making the following recommendation, the TSB took into account that, although it was important to avoid the disruption to trade in the short-term, it was of equal importance to have certainty regarding the conditions under which trade would be conducted during the remainder of the life of the agreement. The TSB recommended, therefore, that the parties renew their consultations promptly, in order to reach as soon as possible a definitive and mutually satisfactory settlement in this regard.

10. The TSB requested the parties to report back to it on the results of their consultations no later than 18 May.

Notifications under Article 4

Austria/China

11. The TSB received a notification from Austria of a bilateral agreement concluded with China for the period 1 January to 31 December 1992, with the possibility of an extension to 31 December 1993.

12. Under this agreement:

- a) the product coverage was increased from three categories in the previous agreement to six product categories;
- b) a restraint on one category was liberalized; two previous restraints were maintained, and limits introduced on two categories;
- c) the base levels were more than 6 per cent above previous restraint levels or relevant reference levels;

- d) the growth rate was set at 6 per cent for all categories, in the event the agreement were to be extended; this rate was higher than in the previous agreement;
- e) swing, carryover and carry forward were each available at 5 per cent.

13. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1725)

Austria/India

14. The TSB received a notification from Austria of a bilateral agreement concluded with India for the period 1 January to 31 December 1992, with the possibility of an extension to 31 December 1993.

15. Under this agreement:

- a) the product coverage was increased from nine categories in the previous agreement to ten categories;
- b) restraints continued to apply to two categories; their base levels were more than 6 per cent higher than the previous restraint levels;
- c) the growth rate of 6 per cent, in the event the agreement were to be extended, was higher than in the previous agreement;
- d) swing continued to be set at 5 per cent;
- e) carryover and carry forward were available at 10 and 6 per cent, respectively, with their combined utilization limited to 11 per cent.

16. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1726)

Austria/Thailand

17. The TSB received a notification from Austria of a bilateral agreement concluded with Thailand for the period 1 January to 31 December 1992.

18. Under this agreement:

- a) the product coverage at eight categories remained unchanged from the previous agreement;
- b) one restraint was liberalized, so that only one category continued under restraint;

- c) the base level was 6 per cent higher than the previous restraint level; this figure was higher than the growth rate in the previous agreement.

19. After its review, the TSB agreed to transmit the notification to the Textiles Committee. (COM.TEX/SB/1727)

Notifications under Article 11

Costa Rica, Japan, Singapore, Thailand, Turkey

20. The TSB received reports from Costa Rica, Japan, Singapore, Thailand and Turkey in response to the request made by the Body for information under Article 11, paragraphs 11, 12, and 2, on the status of restrictions maintained by participating countries on imports of textile and textile products.³

21. These reports, together with all other replies received from participants, will be transmitted in due course to the Textiles Committee.

Report on Measure Reviewed under Article 11:4

India/Canada

22. In a communication received from Canada, the TSB was informed that pursuant to the TSB's recommendation made in January 1992,⁴ on a matter referred by India under Article 11:4, Canada had in February 1992 withdrawn the restraint imposed on imports of underwear from India.

23. With respect to the restraint on winter outerwear, the TSB was informed that bilateral consultations had not as yet been completed.

³See COM.TEX/SB/1680.

⁴COM.TEX/SB/1688.