

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG4/W/3

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Group of Negotiations on Goods (GATT)

Negotiating Group on Textiles and Clothing

PREPARATORY WORK TO BE UNDERTAKEN  
BY THE SECRETARIAT

Note by the Secretariat

1. At the first meeting of the Group on 11 February 1987, a number of requests were made for preparatory work to be undertaken by the Secretariat and these were summarized in MTN.GNG/NG4/1. Subsequently, the Secretariat issued a note outlining its proposals as to how these requests would be carried out (MTN.GNG/NG4/W/1). The discussion of the preparatory work continued at the second meeting of the Group on 29 April 1987, and further views were expressed in respect of the work previously requested together with additional proposals being made (MTN.GNG/NG4/2). In the light of these discussions, it was suggested that the Secretariat should consult further with delegations. Such consultations have been held and the approaches which have emerged with respect to the preparatory work to be carried out by the Secretariat are set out below.

2. The 1984 Study, "Textiles and Clothing in the World Economy", is to be updated as follows:

(a) The statistical profiles of the textile and clothing industries in the main countries and geographical areas in Chapter 2 of the Study<sup>1</sup>, comprising information on such subjects as production, employment, demand, trade and investment will be updated through the compilation of the most up-to-date data for the period subsequent to that set out in the 1984 Study. Adjustments will be made in the data as appropriate, to take into account recent developments, such as the expansion of the membership of the EEC. An additional set of tables, regrouping by country, the data on production, demand, trade, investment, etc., will be added at the end of the updated Chapter II material, together with a commentary on these tables.

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<sup>1</sup> In those cases where a Chapter II table refers to an Appendix table, the latter will also be up-dated.

(b) The information on trade policies in Chapter 3 of the Study will be updated, including such areas as tariffs, tariff quotas, non-tariff measures, outward processing, safeguards, anti-dumping and countervailing actions, with reference being made in the text, where appropriate, to relevant GATT documents setting out a listing or inventory of such measures. Also, in respect of MFA IV an historical narrative on the negotiation process and a comparison with the provisions of MFA III will be included along the lines of the information on the other Protocols in the original Study. In addition the tables on pages 84-91 of the Study, setting out the evolution of restrictions under the MFA will be updated to include that portion of MFA III not covered by the 1984 Study, plus whatever data may be available on MFA IV. Finally, this section will include, subject to the necessary statistics being available, tables prepared by the Secretariat showing the value of trade in products affected by the extended product coverage under MFA IV.

(c) In respect of the material prepared for the Working Party on Textiles and Clothing, a chapter will be included in the updated Study dealing with the establishment of the Working Party, the work it carried out and its final report. A fully annotated list of all documents prepared for the Working Party will be attached.

The information set out in (a), (b) and (c) above will be compiled into a single document, to be made available by the end of this year.

3. The information requested in regard to other subjects is to be made available separately as follows:

(a) A short, narrative summary of the restrictions maintained under MFA IV

While recognizing that the number of bilateral agreements so far notified by participating countries under MFA IV and reviewed by the Textiles Surveillance Body is limited, it was felt that these could provide a sampling of the developments under the new Protocol. Accordingly, it is proposed that a brief, interim summary of these measures be prepared, comprising such areas as products under restraint, restraint levels, rates of growth and flexibility. This summary is being prepared by the Secretariat and will be made available possibly by the next meeting of the Group.

(b) A study of the state of the textiles and clothing industries in individual country markets

At the first and second meetings of the Group it was proposed that a concise study be prepared of the state of the industries in the countries which maintain restrictive measures under the MFA, separate from the other preparatory work, and be proceeded with on an urgent

basis. It was, however, pointed out that such a study should not be limited only to countries applying MFA restrictions but should cover all participants. The updated tables, together with the commentary could be expected to give some broad indications of the general state of the industries in a number of countries covered by the Textiles Study. For a more complete and detailed study, however, it would be necessary to seek information from the participating countries. Much of the information needed is being currently sought through questionnaires issued by the Sub-Committee on Adjustment and should be available towards the early part of 1988. This information could be consolidated with data available from other sources for a separate study which would be presented by mid-1988 if it were thought that such a study was still required for the purposes of the Group.

(c) Developments in other groups, including the effects on textiles and clothing of the implementation of the Harmonized System

It was generally felt that, since the work in other groups was still in the early stages and as the Harmonized System had not yet been implemented, the most appropriate course of action at this point would be to hold this proposal in abeyance and to revert to it at an appropriate future date when a more meaningful report could be prepared by the Secretariat.

4. The Group may wish to note that it would be open to delegations to submit any information or data which they may consider relevant, for examination in connection with the preparatory work (see MTN.GNG/NG4/1, paragraph 6(c)).