

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG4/4
30 October 1987

Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Textiles and Clothing

NEGOTIATING GROUP ON TEXTILES AND CLOTHING

Meeting on 20 October 1987

Note by the Secretariat

1. The agenda set out in GATT/AIR/2482, dated 7 October 1987, was adopted.
2. The Chairman referred the Group to document MTN.GNG/NG4/3 containing the main points raised during the third meeting, held on 1 July 1987. He also drew attention to the three documents which had been circulated since the last meeting; namely, MTN.GNG/NG4/W/4.Add.1, which sets out an additional summary of restrictions maintained under MFA IV; MTN.GNG/NG4/W/5 containing a study commissioned by a group of developing countries, entitled "The Evolution of the State of the Textiles and Clothing Industries in the United States and the European Economic Community"; and MTN.GNG/NG4/W/6 which contains a paper from the Brazilian delegation outlining a tariff reduction formula.
3. On the subject of documentation, the Group was informed that, as a further contribution to the preparatory work, a study along the lines of the paper contained in MTN.GNG/NG4/W/5, had been commissioned by the same group of developing countries with respect to the textile and clothing industries in Austria, Canada and the Nordic countries. It was agreed that this paper will be circulated as a NG document when made available to the Secretariat. It was also mentioned that a similar study, relating to Japan, was in the process of preparation and would be available, possibly for the next meeting. In connexion with the preparatory work, reference was again made to a previous proposal that a study should be undertaken by the Secretariat of the state of the textile and clothing industries in countries applying MFA restrictions. The Chairman recalled the discussions which had taken place on this subject and that the approaches which had emerged from such discussions and subsequent consultations were set out in paragraph 3(b) of MTN.GNG/NG4/W/3 and were agreed to by the Group.
4. As regards the pace of the work in the Group, it was generally agreed that the work was proceeding on track, and that the material which had been made available along with that which was expected to be available before the end of the year would provide a useful data base to move into the next phase. A concern was expressed, however, that the work in this Group was not being

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given the prominence that this subject warranted. Commenting on this, a number of delegations noted that although progress in the preparatory phase in this Group might be less tangible than in some others, this was partly attributable to the differing orientations in the groups. They made it clear that textiles and clothing would be a key element in the Uruguay Round and should not be relegated to a secondary position. It was also observed that progress in the work of this Group would ultimately be influenced by the progress of work in other groups since an important factor in the integration of textiles and clothing trade into the General Agreement would be the shape of the strengthened GATT rules and disciplines as referred to in the negotiating objective, particularly the work being done in the Safeguards Group. The point was made that the two processes could proceed in parallel but there would be some degree of sequence in reaching the target.

5. With respect to the scope of the work to be taken up in this Group, some delegations reiterated the view expressed in earlier meetings that the negotiations should be concerned solely with the dismantling of the MFA and the integration of textiles trade into the GATT, with other aspects of textiles trade such as tariffs and NTM's being dealt with in their respective groups. In this regard, it was observed that there were two concepts in the negotiating objective, namely, the return of textiles to GATT and further liberalization of trade, both tending more or less in the same direction. It was also pointed out that it would be necessary to have as complete a picture as possible at this stage of factors affecting trade in textiles and clothing, in order to proceed with the search for modalities to return textiles and clothing to the GATT.

6. With respect to the next meeting, the Chairman noted that a schedule of meetings had been agreed in the GNG for the period up to 18 December 1987. In respect of this Negotiating Group, the schedule provided for a further meeting of one and one-half days starting at 3.00 p.m. on 10 December 1987.