

Textiles Monitoring Body

REPORT OF THE TWENTY-THIRD MEETING

1. The Textiles Monitoring Body held its twenty-third meeting on 17 to 19 December 1996.
2. Present at this meeting were the following members and alternates: Messrs. Berz; Kacar/Rey; Kim; Malik; Ms. Orozco Jaramillo; Mr. Saeki; Ms. Shahin/Mr. Mukerji; Messrs. Tagliani; Wentzel/Saint-Jacques.
3. The TMB adopted the report of its twenty-second meeting (G/TMB/R/21).

Notifications under Articles 2.6 and 2.7(b) of the Agreement on Textiles and Clothing (ATC)

4. The TMB reviewed under paragraph 21 of Article 2 the notifications made, pursuant to paragraphs 6 and 7(b) of Article 2, by Liechtenstein (G/TMB/N/203) and South Africa (G/TMB/N/197/Rev.1). During this review the TMB noted that, in accordance with paragraph 6 of Article 2, the volume of products integrated amounted to the following percentages of the 1990 imports of the products falling under the coverage of the Agreement: Liechtenstein, 16.19 per cent;¹ and South Africa, 16 per cent. The TMB also noted that, in accordance with paragraph 6 of Article 2, the products integrated included products from each of the four groups: tops and yarns, fabrics, made-up textile products and clothing.

Notifications under Article 2.17 of the ATC

5. The TMB started its review of several administrative arrangements notified by the European Communities pursuant to paragraph 17 of Article 2 and decided to revert to this review at its next meeting.

Notification under Article 3.1 of the ATC

6. The TMB reverted to its consideration of the notification made under paragraph 1 of Article 3 by Morocco. In this notification, Morocco stated that, solely for reasons of public health, the importation of worn clothing and other worn articles from all sources had been suspended. This measure did not apply to gifts made to private charitable institutions or to the non-commercial public sector, and was, in the view of Morocco, consistent with the provisions of Article XX(b) of the GATT 1994. The TMB requested further clarification, and was informed that Morocco intended to notify this measure to the appropriate body of the WTO. The TMB took note of this notification, with the expectation that it would be informed by Morocco when this notification would be made to the appropriate WTO body (G/TMB/N/188).

¹The data provided refers to imports by Switzerland and Liechtenstein, as separate data for Liechtenstein are not collected.

Notification under Article 6.11 of the ATC

7. The TMB considered the issue the provisional safeguard measures introduced by Brazil on 1 June 1996, pursuant to paragraph 11 of Article 6, on imports of products of several textile categories from Korea. These measures had been notified to the Textiles Monitoring Body by Brazil, in accordance with the provisions of paragraph 11 of Article 6, and subsequently also by Korea. Both Members had subsequently decided to resume consultations on this matter, and requested the TMB to defer its consideration, scheduled for the meeting of the TMB on 9 to 11 September 1996. The matter, including the outcome of such consultations, had eventually been scheduled to be reviewed by the TMB on 17 to 19 December 1996. Subsequently, the TMB had been informed by Korea that it accepted Brazil's request for a postponement of the review until the next meeting of the TMB "so that Brazil may conduct domestic consultations on the bilateral agreement between Brazil and Korea". The TMB understood, therefore, that an agreement on restraints remained subject to such consultations.

8. The TMB considered and accepted the above request. However, bearing in mind, *inter alia*, the provisions of paragraph 11 of Article 6, it decided to convey to the interested Members its concern that, in contradiction with these provisions, the TMB was still not in a position to review these measures. The TMB, therefore, invited representatives of Brazil and Korea to its meeting on 13 to 15 January 1997, when it intended to conduct an examination of this matter, in case the agreement between Brazil and Korea on restraints had not materialized. In the case where an agreed solution would have been reached, the TMB urged these Members to notify it, so that it could be reviewed by the Body at that meeting.

Notification under Article 8.6 of the ATC

9. At the request of Korea, the TMB had decided at its meeting on 25 and 26 November 1996 to conduct an examination, at its subsequent meeting on 17 to 19 December 1996, of safeguard measures introduced by Ecuador, referring to the provisions of the Agreement on Textiles and Clothing, on imports of several textiles and clothing products from Korea and Hong Kong, and to invite representatives of Ecuador and the two WTO Members affected by the measures to this examination (G/TMB/R/21, paragraph 9). Korea subsequently requested that this examination be postponed until February 1997, reflecting the view which had been expressed by Ecuador that more time was necessary for an adequate examination of the case. Both Ecuador and Hong Kong had been informed of this request. However, the TMB was concerned that, contrary to the requirements of paragraph 11 of Article 6, it was not in a position to review this issue despite the fact that the measures had been in place for almost five months. It therefore decided to invite representatives of Ecuador, Korea and Hong Kong to its meeting on 13 to 15 January 1997, when it intended to consider this matter.

Notification under Article 8.10 of the ATC

10. The TMB received a notification from Hong Kong, pursuant to paragraph 10 of Article 8, that it considered itself unable to conform with the recommendation made by the TMB at its meeting on 4 to 6 November 1996 regarding the transitional safeguard measures applied by Brazil to imports of category 618 (woven artificial filament fabric) from Hong Kong (G/TMB/R/20, paragraph 26). Hong Kong, therefore, requested the TMB to re-consider the matter and to issue revised recommendations. At the request of Hong Kong, the TMB decided to review this matter in February 1997.

Communication received from Brazil

11. The TMB took note of a communication received from Brazil that "in accordance with paragraph 9 of Article 8 of the ATC, the Brazilian Government shall endeavour to accept in full the recommendations of the TMB concerning transitional safeguards applied to imports of categories 618

(woven artificial filament fabrics) and 838 (men's and boys' shirts, knitted or crocheted, of other textile materials) from Hong Kong, contained in document G/TMB/9". The Government of Brazil also "reserved its rights under paragraph 12 of Article 6 of the ATC in relation to such recommendations".

Communication received from El Salvador

12. The TMB considered a communication received from El Salvador, related to the TMB's examination of the notifications by El Salvador and the United States of a restraint measure agreed between the two Members, pursuant to paragraph 9 of Article 6, on imports into the United States of cotton and man-made fibre skirts (US category 342/642) from El Salvador. In this communication, dated 22 November 1996, El Salvador, *inter alia*, urged the TMB to be invited to present its observations on this matter, "so that they will be taken into account if the TMB decides to make recommendations or observations on this case". In view of the fact that this agreed restraint measure had been reviewed by the TMB on 29 and 30 October 1996 (G/TMB/R/19, paragraphs 6 to 12), the TMB decided to seek clarification from El Salvador regarding this communication.

Communication received from Colombia

13. The TMB considered under paragraph 21 of Article 2, as decided at its last meeting (G/TMB/R/21, paragraph 5), a communication from Colombia, on behalf of several WTO Members, relating to particular aspects pertaining to the implementation by WTO Members of the programme of integration of the ATC (G/TMB/N/211). The TMB, having considered the issues raised in this communication, addressed them in a written reply to Colombia (G/TMB/N/212).

Discussion on availability of information pertaining to the application of GATT 1994 rules and disciplines and the implementation of some other provisions of the ATC

14. The TMB had a further discussion related to the availability of information pertaining to the application of GATT 1994 rules and disciplines as defined in Article 7 of the ATC, in the context of the comprehensive report the TMB is due to submit to the Council for Trade in Goods in 1997 on the implementation of the ATC during its first stage. It decided to request the TMB secretariat to prepare a draft reminder to WTO Members regarding the notification requirements under paragraph 2 of Article 7 of the ATC.

15. In the course of the discussion the TMB identified some other provisions of the ATC which either do not contain explicit notification requirements or do not specify deadlines for submitting notifications, but with respect to which information, if provided by WTO Members, could assist the TMB in drawing-up the comprehensive report mentioned above. The TMB, therefore, decided to ask the TMB secretariat to prepare a draft request for information that could be sent to WTO Members regarding the implementation of such provisions.

Observations with respect to late notifications

16. With respect to notifications addressed to the TMB after the respective deadlines foreseen in the ATC, the TMB reiterated that its taking note of late notifications was without prejudice to the legal status of such notifications.

Working Procedures

17. The TMB took note of the decision of the Dispute Settlement Body on 3 December 1996 to adopt the Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes (WT/DSB/RC/1), in view of the fact that such Rules apply, *inter alia*, to the Chairman

of the TMB and other members of the TMB secretariat called upon to assist the TMB in formulating recommendations, findings or observations pursuant to the ATC, as well as, to the extent prescribed in the relevant Section of the Rules, to members of the TMB.