

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

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Group of Negotiations on Goods (GATT)
Negotiating Group on Textiles and Clothing

NEGOTIATING GROUP ON TEXTILES AND CLOTHING

MEETING OF 10/11 DECEMBER 1987

Note by the Secretariat

Revision*

1. The Negotiating Group on Textiles and Clothing held its fifth meeting on 10 and 11 December 1987. In the absence of Ambassador L. Duthie, the meeting was chaired by Mr. M. Mathur, Deputy Director-General of GATT.
2. The agenda, set out in GATT/AIR/2526 was adopted.
3. The Chairman stated that since this was the last meeting of the year, it might be an appropriate occasion to take stock of the situation reached during the initial phase on the basis of the documentation made available to the Group and to exchange views on matters which had been raised in earlier meetings on the scope of the Group's work and the possible approaches to the negotiating process, and on the next stage of the Group's work.
4. On the subject of documentation, the Chairman recalled that the approaches to the preparatory work to be undertaken by the Secretariat, which were developed earlier in the year by the Group, were set out in MTN.GNG/NG4/W/3. He first referred to the documents prepared by the Secretariat for the Group, namely, MTN.GNG/NG4/W/4 and Addendum 1 which was provided earlier in the year in response to a request for a narrative summary of the restrictions under MFA IV; and document MTN.GNG/NG4/W/8 entitled "Updating the 1984 GATT Secretariat Study 'Textiles and Clothing in the World Economy'". This document, it was noted, brought together the Secretariat's response to a number of requests made by delegations and set out statistical profiles of the textiles and clothing industries in the main countries and geographical areas, information on trade policies including material on MFA IV, and information on material prepared for the Working Party on Textiles and Clothing.

* The text of this Note remains unchanged. However, paragraphs 10, 11 and 12 have been combined into one.

5. Second, the Chairman noted that four documents which had been prepared for the Textiles Committee had also been made available to the Group, namely: COM.TEX/SB/1316 and Addendum 1 setting out the report on the activities of the Textiles Surveillance Body during the period August 1986 to September 1987; COM.TEX/54 containing the original submissions to the Sub-Committee on Adjustment from twenty-five participating countries; and COM.TEX/W/197 and W/198 reviewing recent developments in production, demand, trade, etc., in textiles and clothing, and providing relevant statistics. In this regard, the Chairman pointed out that the data in the documents concerning the updated Study and those prepared in the context of the MFA were not strictly comparable. Reference was made to Chapter 7 of the TSB's report and attention was drawn to the fact that the measures so far reviewed by the Body were not sufficient to provide a definite picture of the way in which the 1986 Protocol was being applied. Moreover, the documentation relating to adjustment was incomplete, additional submissions were expected and further work would be carried out in due course.

6. Third, addressing contributions by participants, the Chairman remarked that three documents had been submitted to the Group on behalf of a number of developing countries setting out reviews of the evolution of the state of the textile and clothing industries over the 1973-1986 period. The first, MTN.GNG/NG4/W/5 referred to the EEC and the United States; the second, MTN.GNG/NG4/W/7 addressed Austria, Canada and the Nordic countries; and the third, MTN.GNG/NG4/W/9 related to Japan and Switzerland. Also, a communication had been submitted by Brazil containing a statement made to the Negotiating Group on Tariffs, which was circulated in MTN.GNG/NG4/W/6.

7. A number of delegations, referring to the documentation currently before the Group, expressed appreciation for the useful work done by the Secretariat in assembling an extensive array of material, and for the valuable contributions made in this area by some participants. In the course of the discussion, certain comments were made on the documentation before the Group. Some delegations felt that more time was needed to go into the various aspects and elements contained therein. Some participants noted that the information before the Group remained incomplete with absence of submissions from a number of participants and gaps in some areas and should, therefore, be further supplemented. In this regard a number of delegations commented that the requirements for documentation would be of a continuing character, and should respond to any new needs that might arise in the course of future work in addition to the need to fill any existing gaps. Bearing this in mind, several participants expressed the view that sufficient material had been made available to the Group to permit it to proceed to the next phase of its work as set out in the Negotiating Plan. It was generally agreed that, at the next stage of its work, the Group should focus on "the examination of techniques and modalities for achievement of the objectives set out in this area in the light of proposals made by participants". In this respect, reference was made to the importance of progress being achieved in this area for the mid-term review.

8. The Group had some discussion on the scope of its work. In this regard, participants reiterated the views which they had expressed at earlier meetings and which were reflected in the reports thereon. It was pointed out, however, that although the scope of the Group's work had to be addressed, it might not be essential to arrive at a common understanding on this matter at the present time since this might evolve from the discussions of the various proposals on techniques and modalities anticipated from participants.

9. A number of delegates also referred to the relationship of the progress of the work in this Group to that in other groups, and in this regard noted the reference in the Negotiating Plan to "strengthened GATT rules and disciplines". Some delegations were of the opinions that this should not be taken to imply the need either to involve the Group in the work on strengthening GATT rules and disciplines or vice versa. Rather, the work in this Group should centre, during the next phase, on the examination of techniques and modalities. In this connexion, it was stressed that negotiations in the textiles and clothing sector should not be isolated from other sectors and attention was drawn to the provisions of the Ministerial Declaration in Section G, paragraph (iii). Some delegations concluded that the work of the Group would have to take account of work in other relevant areas of the negotiations. One delegation reiterated its understanding that the modalities to be formulated for the liberalization of trade in this sector would be pursued independently and would not be contingent upon agreement on other subjects. The point was also made that the work could proceed in parallel but would require a degree of sequence in the final stages of the negotiating process.

10. In summing up the discussion of this agenda item, the Chairman said that:

"During the initial phase, the Group has focussed its attention on preparatory work in the area of textiles and clothing. In this connection, the Group has given preliminary consideration to the documentation made available to it by the Secretariat and to information presented by a number of participants on the state of the textiles and clothing industries in certain countries. The Group has also had an exchange of views on possible approaches to work in the future, including the scope of negotiations in this area.

Some participants felt there was a considerable need for further information and that efforts should be made to provide it. The Group agreed that it would continue to address requirements for additional information.

The Group agreed that in carrying out further work in the subsequent negotiating process, it should focus its attention on the examination of techniques and modalities for achieving the objectives in this area, on the basis of proposals submitted by participants."

11. With respect to the date for the next meeting the Chairman suggested that, subject to confirmation by the GNG, the Group should begin its work in the New Year in the week starting 8 February.