ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Communication from Turkey

Note by the Chairman

Attached is a communication from Turkey concerning the measures taken by Sweden with respect to imports of underwear (Group 4/5), overcoats and jackets (Group 6), trousers (Group 8) and bed linen (Group 13) from Turkey.
Dear Mr. Ambassador,

At the request of the Swedish government, consultations have taken place between Turkey and Sweden on the possible limitation of exports from Turkey to Sweden of certain textile and clothing items. In the consultations which took place in Istanbul between 5 and 9 November 1984, the Turkish side reduced substantially the proposals which it had originally made. The initial and final proposals are listed as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Initial Proposal</th>
<th>Final Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 and 5</td>
<td>2,950,000 pieces</td>
<td>2,750,000 pieces</td>
</tr>
<tr>
<td>6</td>
<td>1,000,000 pieces</td>
<td>900,000 pieces</td>
</tr>
<tr>
<td>8</td>
<td>2,450,000 pieces</td>
<td>2,300,000 pieces</td>
</tr>
<tr>
<td>13</td>
<td>500 tons</td>
<td>450 tons</td>
</tr>
</tbody>
</table>

However, in spite of the well-intentioned efforts of the Turkish side which were accompanied by improvements in the Swedish offer, it was not possible to reach an agreement, owing to a substantial difference in the levels envisaged by the two delegations. The two sides therefore separated without an agreement, although they expressed their desire to continue consultations at some future date and in the framework of the MFA.

The position of the Turkish government with respect to textile and clothing negotiations with Sweden has already been set out in our earlier communications to the TSB which related to the previous unilateral restriction measure imposed by the Swedish government.

H.E. Mr. Marcelo RAFFAELLI  
Ambassador  
Textiles Surveillance Body  
GATT  
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imports of Turkish origin in the Swedish market is in our opinion too small to justify the Swedish view that it provokes market disruption. Moreover, the Turkish government believes that Turkey as a new entrant into the Swedish market, a cotton producer and a developing country should benefit from the provisions of the MFA and its Protocol of Extension which require more favourable treatment for countries in that position. However, it is felt that the offers made by Sweden do not sufficiently take into account these provisions. They also do not take into consideration the fact that Turkey has a chronic balance of payments deficit with Sweden and that the textiles and clothing sector employs an important proportion of the Turkish workforce and accounts for a substantial share of its exports. The Turkish government therefore believes that the unilateral restriction measure imposed by Sweden for the period 21 September 1984 to 20 September 1985 and which covers the categories under discussion is incompatible with the commitments contained in the MFA and its Protocol of Extension. It therefore requests the TSB to recommend that the restriction measure be lifted.

Please accept, Dear Mr. Ambassador, the assurances of my highest consideration.

Ilter TÜRKMEN
Ambassador
Permanent Representative