ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:6

United States/Pakistan

Note by the Chairman

Attached is a notification received from the United States of a request under Article 3:6 to Pakistan to cooperate on an emergency bilateral basis with respect to exports of Category 613-C (lightweight plainweave polyester/cotton fabric) to the United States during the six-month period beginning 27 April 1986.
June 17, 1986

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1221 Geneva

Dear Ambassador Raffaelli:

I am instructed to inform the Textiles Surveillance Body that on June 12, 1986 pursuant to Article 3.6 of the Arrangement, the United States requested the government of Pakistan to cooperate immediately on an emergency basis to insure that exports of cotton/polyester fabric (Category 613c) from Pakistan to the United States not exceed 7,375,185 square yards during the six month period beginning April 27, 1986. The U.S. also informed Pakistan that if no suitable mutually satisfactory interim arrangement had been reached within one week, the U.S. would impose the six-month restraint cited above.

The United States had earlier (April 27, 1986) requested consultations with Pakistan on this product pursuant to Article 3.3. The sharp increase in imports since that date gave rise to the subsequent request under Article 3.6.

A copy of the Article 3.6 request is enclosed. A copy of the April 27 request under Article 3.3 was notified on May 6, 1986.

Sincerely,

Robert E. Shepherd
Minister-Counselor

Enclosures
I HAVE THE HONOR TO REFER TO MY GOVERNMENT'S NOTE DATED APRIL 27, 1985, DELIVERED IN ISLAMABAD WHICH REQUESTS CONSULTATIONS UNDER ARTICLE 3 OF THE MULTIFIBER ARRANGEMENT (THE ARRANGEMENT) ON AN APPROPRIATE LEVEL OF RESTRICITIONS FOR PAKISTANI EXPORTS OF LIGHTWEIGHT, PLAYWATER POLYESTER/COTTON FABRIC IN CATEGORY 613-C TO THE UNITED STATES. I ALSO REFER TO ARTICLE 3, PARAGRAPH 5 OF THE ARRANGEMENT. MY GOVERNMENT IS OF THE VIEW THAT IMPORTS OF THIS PRODUCT ARE CAUSING SERIOUS MARKET DISRUPTION GIVING RISK TO DAMAGE DIFFICULT TO REPAIR UNLESS URGENT ACTION IS TAKEN TO AVOID SUCH DAMAGE.

THE AVERAGE RATE OF U.S. RECENT MONTHLY IMPORTS OF THIS PRODUCT FROM PAKISTAN HAS BEEN OVER SIX MILLION SQUARE YARDS. BASED ON THIS TREND, MY GOVERNMENT FINDS IT NECESSARY TO REQUEST THAT THE GOVERNMENT OF PAKISTAN IMPLEMENT IMMEDIATELY ON AN EMERGENCY BILATERAL BASIS TO AVOID DAMAGE TO THE U.S. MARKET BY ENSURING THAT PAKISTANI EXPORTS DURING THE SIX MONTHS FOLLOWING THE DATE OF THE REQUEST FOR CONSULTATIONS DO NOT EXCEED 7,375,193 SQUARE YARDS. THE GOVERNMENT OF THE UNITED STATES REQUESTS THE SIX-MONTH PERIOD TO PROVIDE AMPLE TIME FOR CONSULTATIONS ON THIS VITAL MATTER.

YOUR GOVERNMENT'S ASSURANCE THAT THIS REQUEST WILL BE HONORED WOULD BE APPRECIATED. DUE TO THE URGENT NATURE OF THIS REQUEST, YOUR GOVERNMENT'S RESPONSE WOULD BE APPRECIATED BY ONE WEEK FROM THE DATE OF THIS NOTE. IN THE EVENT THAT A MUTUALLY SATISFACTORY INTERIM ARRANGEMENT IS NOT REACHED WITHIN ONE WEEK OF THE DATE OF THIS NOTE, THE GOVERNMENT OF THE UNITED STATES, PURSUANT TO THE PROVISIONS OF ARTICLE 3, PARAGRAPH 5 OF THE ARRANGEMENT, WILL IMPOSE TEMPORARY RESTRAINT MEASURES ON CATEGORY 613-C FOR THE SIX-MONTH PERIOD BEGINNING APRIL 27, 1985 AT THE LEVEL OF 7,375,193 SQUARE YARDS. THIS LEVEL IS CONSISTENT WITH THE PROVISIONS OF ARTICLE 3, PARAGRAPH 5, WHICH PROVIDES THAT A TEMPORARY RESTRAINT MEASURE MAY BE APPLIED AT A LEVEL HIGHER THAN INDICATED IN ANNEX B OF THE ARRANGEMENT, WHICH IS NOT LESS THAN THE LEVEL OF ACTUAL IMPORTS OF SUCH PRODUCTS DURING THE TWELVE-MONTH PERIOD TERMINATING TWO MONTHS PRECEDING THE MONTH IN WHICH THE REQUEST FOR CONSULTATIONS WAS MADE.

ACTION TAKEN ON AN EMERGENCY BASIS SHALL BE WITHOUT PREJUDICE TO OUR CONSULTATIONS UNDER ARTICLE 3. MY GOVERNMENT IS SENDING A COPY OF THIS LETTER TO THE CHAIRMAN OF THE TEXTILES SURVEILLANCE BODY.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION.

FOR THE SECRETARY OF STATE:

HIS EXCELLENCY

EJAZ AZIM,
AMBASSADOR OF PAKISTAN