ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Matter referred under Article 11:4

Indonesia/United States

Note by the Chairman

Attached is a communication received under Article 11:4 from Indonesia, referring a unilateral restraint introduced by the United States on men's and boys' wool suits (Category 443) when imported from Indonesia.

*English only/Anglais seulement/Inglés solamente
Dear Mr. Raffaelli,

I have the honour, upon instruction from my Government, to bring to your kind attention the unilateral restraint which the United States Government has adopted in respect of Indonesian exports of textile product of category 443 (men's and boys wool suits).

Upon the invitation of the United States Government, bilateral consultations have been conducted during meetings held on November 21-22, 1991 in Washington, D.C. and on February 4-6, 1992 in Nusa Dua, Bali, however, the mutually satisfactory solution was not reached.

Paragraph 6(A) of the Bilateral Agreement between the United States and the Republic of Indonesia provides that the United States may request consultations on textile imports that "are, due to market disruption or real risk thereof, threatening to impede the orderly development of trade between the two countries .... with a view of easing or avoiding such market disruption or the real risk thereof". The bilateral agreement also requires the United States to provide "the Government of Indonesia at the time of the request with a detailed and factual statement of reasons for its request for consultation which, in view of the United States, demonstrates: (1) the existence of market disruption, or the real risk thereof, and (2) the role of exports from Indonesia in that disruption or real risk thereof".

The statement of reasons presented by the United States Government does not, in the view of the Indonesian Government adequately prove the existence of such disruption, or the real risk thereof, nor the role of exports from Indonesia in that disruption.

The Honourable
Ambassador Marcelo Raffaelli
Chairman of the Textiles Surveillance Body
GATT
Centre William Rappard
154, rue de Lausanne
1202 Geneva
The Government of Indonesia considers the unilateral restraint adopted by the United States Government to be inconsistent with the Multi Fibre Arrangement, particularly Articles 1, 3, 4, 5 and 6 thereof, with the Protocol Extending the Arrangement of 1986, particularly paragraphs 2, 6, 7 and 13 thereof, and with the Bilateral Agreement between the United States and the Republic of Indonesia, particularly paragraph 6.

In view of the fact that despite the extended period of consultations no agreement could be reached on the category 443 and in the meantime serious difficulties have been encountered in our trade in this product, the Indonesian Government has decided, on the basis of Article 11.4 of the Multi Fibre Arrangement to bring the matter to the attention of the Textile Surveillance Body and to request that the matter be considered by the Body at its next meeting.

The Indonesian Government will send a representative to the meeting and will submit a detailed explanation of its position. In the interim the Mission will supply the Body with further documentation on the matter.

Sincerely,

Soemadi D.M. BROTDIWINAGRAT