ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Unilateral measure introduced by the United States in certain textile products imported from Bangladesh

Note by the Chairman

Attached is a notification received from the United States of a unilateral measure taken under Article 3:5 with respect to imports of cotton and man-made fibre dressing gowns (Category 350/650) imported from Bangladesh.

Also attached is a copy of the request for consultations made by the United States under Article 3:3.

*English only/Anglais seulement/Inglés solamente
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
General Agreement on Tariffs and Trade
Rue de Lausanne 154
1211 Geneva

Dear Ambassador Raffaelli:

This is to confirm my oral notification that, effective November 2, 1992, the United States invoked the provisions of article 3.5 of the MFA to impose restraints on imports of cotton and mmf dressing gowns (category 350/650) from Bangladesh. The restraint period is from August 30, 1992 to August 29, 1993. The restraint level is set at 87,280 dozen.

Sincerely,

Robert E. Shepherd
Minister Counsellor
The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
General Agreement on Tariffs and Trade  
Rue de Lausanne 154  
1211 Geneva 

Dear Ambassador Raffaelli: 

Pursuant to the provisions of paragraph 3 of Article 3 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform you that, on August 30, 1992, the United States requested consultations with Bangladesh with respect to cotton and mmf dressing gowns and robes (category 350/650). A copy of the request for consultations and the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of the Bangladesh at the time of the request is enclosed. 

Sincerely,  
Robert E. Shepherd  
Minister Counsellor  

Enclosure

During recent months, the Government of the United States has noted the rapidly increasing level of exports from Bangladesh to the United States of products in category 360/50 (cotton and man-made fiber robes and dressing gowns). After careful review, the Government of the United States has concluded that these exports from Bangladesh are contributing to disruption of the market for these products in the United States. A detailed, factual statement of the reasons and justification for this conclusion, with current data, is included as an appendix and is an integral part of this note.

In order to avoid further disruption, the Government of the United States hereby requests consultations with the Government of the People's Republic of Bangladesh to discuss an appropriate level of restraint for exports of products in category 350/650 to the United States. This request for consultations is being taken pursuant to Article 3 of the Arrangement and Section 204 of the U.S. Agricultural Act of 1956, as amended.
If the representatives of the Government of Bangladesh and the Government of the United States are not able to agree to a mutually satisfactory solution within 60 days of the date of receipt of this note, the Government of the United States reserves its right to restrain such imports produced in Bangladesh and exported to the United States, during the twelve month period beginning on the date of the Government of the People's Republic of Bangladesh's receipt of this note. Such annual specific limits will be calculated on the basis of United States imports from Bangladesh of products in category 350/650, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen months preceding the month in which this request was made. For category 350/650 the level is 87,280 dozen, based on the year ending May, 1992. This formulation is in accordance with the Provisions of Article 3 of the Arrangement.

The Government of the United States would appreciate the views of the Government of the People's Republic of Bangladesh with respect to the setting of mutually convenient dates and a venue for these consultations.

Department of State,

Washington,

Enclosure: Market Statement Summary
MARKET STATEMENT

Bangladesh

Cotton and Man-Made Fiber Robes
and Dressing Gowns

Category 350/650

Import Situation and Conclusion


The sharp and substantial increase in Category 350/650 imports from Bangladesh is causing disruption in the U.S. market for cotton and man-made fiber robes and dressing gowns.

U.S. Production, Import Penetration, and Market Share

U.S. production of cotton and man-made fiber robes and dressing gowns, Category 350/650, declined from 3,385,000 dozen in 1987 to 1,599,000 dozen in 1991, a 53 percent decline. In contrast, U.S. imports of cotton and man-made fiber robes and dressing gowns Category 350/650, increased from 1,342,000 dozen in 1987 to 1,983,000 dozen in 1991, an increase of 48 percent. Category 350/650 imports continued...
to increase in 1992, up 6 percent in the first six months of 1992 over the January - June 1991 level. The ratio of imports to production tripled, increasing from 40 percent in 1987 to 124 percent in 1991. The domestic manufacturers' share of the U.S. market fell from 72 percent in 1987 to 45 percent in 1991, a decline of 27 percentage points.

Duty-Paid Value and U.S. Producers' Price

Approximately 85 percent of Category 350/650 imports from Bangladesh during the year ending June 1992 entered the U.S. under HTSUSA number 6208.91.1010 -- women's cotton bathrobes and dressing gowns. These bathrobes and dressing gowns entered the U.S. at landed duty-paid values below U.S. producers' prices for comparable bathrobes and dressing gowns.

Cotton and Man-Made Fiber Robes and Dressing Gowns

Category 350/650

Landed Duty-Paid Values and U.S. Producers' Prices

(U.S. Dollars Per Dozen)

<table>
<thead>
<tr>
<th>HTSUSA Number and Source</th>
<th>Value/Price</th>
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<tr>
<td>6208.91.1010</td>
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</tbody>
</table>

| Bangladesh            | $47.42      |
| U.S. Producers' Price | $115.00 - $125.00 |
TABLE I
Cotton and Man-Made Fiber Robes and Dressing Gowns
Category 350/650
U.S. Production, Imports, Market
Import/Production Ratio and Domestic Market Share

<table>
<thead>
<tr>
<th>Period</th>
<th>Production</th>
<th>Imports</th>
<th>Market</th>
<th>I/P</th>
<th>Share</th>
</tr>
</thead>
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<tr>
<td></td>
<td>1,000 Dozen</td>
<td></td>
<td>Percent</td>
<td></td>
<td></td>
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<tr>
<td>1987</td>
<td>3,385</td>
<td>1,342</td>
<td>4,727</td>
<td>40</td>
<td>72</td>
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<td>1988</td>
<td>3,254</td>
<td>1,529</td>
<td>4,783</td>
<td>47</td>
<td>68</td>
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<tr>
<td>1989</td>
<td>3,082</td>
<td>2,073</td>
<td>5,155</td>
<td>67</td>
<td>60</td>
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<tr>
<td>1990</td>
<td>2,274</td>
<td>1,921</td>
<td>4,195</td>
<td>84</td>
<td>54</td>
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<tr>
<td>1991</td>
<td>1,599</td>
<td>1,983</td>
<td>3,582</td>
<td>124</td>
<td>45</td>
</tr>
</tbody>
</table>

1/ U.S. market for domestically produced and imported cotton and man-made fiber robes and dressing gowns.
TABLE II
Cotton and Man-Made Fiber Robes and Dressing Gowns
Category 350/650
Imports from Bangladesh and the World
(1,000 Dozen)

<table>
<thead>
<tr>
<th>Period</th>
<th>Bangladesh</th>
<th>World</th>
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<tbody>
<tr>
<td>1990</td>
<td>29</td>
<td>1,921</td>
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<tr>
<td>1991</td>
<td>51</td>
<td>1,983</td>
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<tr>
<td>Year Ending June</td>
<td></td>
<td></td>
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<tr>
<td>1991</td>
<td>38</td>
<td>1,994</td>
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<tr>
<td>1992</td>
<td>86</td>
<td>2,030</td>
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<td>January - June</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>24</td>
<td>851</td>
</tr>
<tr>
<td>1992</td>
<td>59</td>
<td>899</td>
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