ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 11

Information Supplied by El Salvador

Note by the Chairman

Attached is a letter received from the Permanent Mission of El Salvador relating to information supplied under the provisions of Article 11, and in particular paragraphs 11, 12 and 2, of the Arrangement, concerning the present status of El Salvador's restrictions on trade in textiles and clothing.

*English only/anglais seulement*
Letter from Permanent Mission of EL Salvador to Chairman, TSB

Geneva, 27 October 1981

Sir,

I beg to reply to your inquiry into the reasons which have prompted the Government of El Salvador to impose restrictions on imports of textiles.

In general terms I may tell you that my country is passing through a grave economic crisis which has necessitated the adoption of emergency measures of a temporary nature to protect the balance of payments.

I am sending you herewith a document entitled "El Comercio Exterior y la economía salvadoreña en 1980" /Foreign trade and the Salvadorian economy in 1980/, which has been prepared by the Ministry of Foreign Trade of El Salvador and in which you will find figures and analyses relating to the country's economic situation, and inter alia on the balance of payments.

The measures were adopted by Resolution 927, which is based on the Marketing and Price Regulation Act, and have been extended until 10 April 1982.

I quote below the preamble to the abovementioned Resolution:

"Considering

"(1) That exchange measures have been adopted for the purpose of strengthening our balance of payments and that it is therefore necessary for the same purpose to adopt direct measures relating to imports;

Mr. Paul Wurth,
Chairman,
Textiles Surveillance Body,
GATT, Centre William Rappard,
154 rue de Lausanne,
1211 Geneva 21."
"(2) That imports of luxury goods have attained significant levels in the past and that it is therefore advisable to restrict such imports temporarily; 

"(3) That there is a strong demand for foreign exchange to meet national emergency needs and that in order to satisfy that demand the use of the slender resources of foreign currency must be rationalized; 

"(4) That owing to our country's integrationist policy no measures to restrict export from other Central American countries or from Panama are to be applied". 

In conclusion, the justification for the measures lies in the defence of the balance of payments and the national emergency.

Accept, Sir, etc.