ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:6

Emergency action taken by Finland against imports from Pakistan

Note by the Chairman

Attached is a letter received from the Permanent Mission of Finland concerning emergency action taken by Finland under Article 3:6 of the MFA with respect to imports of T-shirts from Pakistan.

*English only/Anglais seulement.
Geneva, 24 February 1982

Sir,

I have the honour to notify hereby to the Textiles Surveillance Body an action taken by Finland under Article 3:6 of the MFA with respect to imports of T-shirts (60.04.122-127) from Pakistan. The factual aspects of the case are as follows:

The imports of T-shirts into Finland have increased rapidly in the last few years. The total imports figures for the years 1978-1981 were the following:

- 1978: 1,158,615 pieces
- 1979: 2,186,602 "
- 1980: 3,449,221 "
- 1981: 4,447,892 "

At the same time the market share of imports has increased to 77% in 1981. Most of the imports have consisted of deliveries at considerably lower prices than those normally prevailing in the Finnish market.

The imports of T-shirts from Pakistan into Finland was 178,000 pieces in 1980. However during 1981, through the import surveillance system applied by the Finnish authorities, surveillance licences were applied...
for imports of 964 028 pieces of T-shirts. This amount, when imported, would alone account for 22 per cent of the total imports of T-shirts into Finland and would at the same time take a share of 15 per cent of the whole Finnish market in this product. According to the preliminary statistical information provided by the customs authorities 294 000 pieces of T-shirts had already been imported in January 1982. Besides that new surveillance licences were granted for imports of 135 000 pieces of T-shirts in January this year.

The prices of these T-shirts have been FIM 2,61 per piece, which is less than 43 per cent of the average import price (FIM 6,15 per piece) and less than 13 per cent of the Finnish export price (FIM 20,43 per piece) of the same product in 1981.

In the view of the Finnish government imports of the above mentioned quantities of T-shirts would cause a serious damage to the domestic industry, which already has been particularly exposed to the problems caused by the increase of low-priced imports, according to the Finnish authorities it is necessary to avoid further damages to the production and employment in this sector.

Consequently the government of Finland has requested urgent consultations with the government of Pakistan with a view to find a mutually acceptable solution to the matter, taking into consideration the relevant provisions of the Arrangement Regarding International Trade in Textiles.
With regard to the fact that the imminent increase of imports of T-shirts from Pakistan is causing market disruption in Finland, the Finnish authorities have found it necessary at this stage to restrict the imports by making it temporarily subject to import licensing as of 3rd March 1982 and ask the government of Pakistan to suspend the exports of these products, with regard to the provisions of article 3 of the Arrangement Regarding International Trade in Textiles, to avoid irreparable damage to the Finnish industry. In defining the level of licences to be granted the provisions of Annex B will be fully taken into account.

Finland has chosen to proceed according to the provisions of Article 3, paragraph 6, in view of the fact that the said provision covers best this kind of emergency situations. Whilst it has not yet been possible for the Government of Finland to sign the new Protocol of Extension of the MFA, the necessary administrative procedures are well under way, and the authority to sign is expected in a few weeks' time.

Please accept, Sir, the renewed assurances of my highest consideration.

Matti Pullinen
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<thead>
<tr>
<th></th>
<th>1979</th>
<th>1980</th>
<th>1981 x)</th>
<th>Average import price per piece</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>3,904,180</td>
<td>3,922,328</td>
<td>2,500,000</td>
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<tr>
<td>Imports</td>
<td>2,186,602</td>
<td>3,449,221</td>
<td>4,447,734</td>
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<tr>
<td>Exports</td>
<td>1,457,529</td>
<td>1,301,945</td>
<td>757,670</td>
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<tr>
<td>Supply</td>
<td>4,633,253</td>
<td>6,069,604</td>
<td>6,190,222</td>
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</table>

Average import price per piece

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1980</th>
<th>1981 x)</th>
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<tbody>
<tr>
<td>Share of imports</td>
<td>73.1 %</td>
<td>77.8 %</td>
<td>73.6 %</td>
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</tbody>
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Imports' share of market

x) Estimate