

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

CONFIDENTIAL  
TEX/SB/1074\*  
11 February 1985

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report on matter examined under Article 11:4

Indonesia/United States

Note by the Chairman

Attached is a report received from Indonesia on the consultations held between Indonesia and the United States, in accordance with the TSB's recommendations made in October 1984.

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<sup>1</sup> See COM.TEX/SB/1005, TSB's report of its seventeenth meeting (1984)

\* English only/Anglais seulement/Inglés solamente

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**No: 181/EK-052/85**

The Chairman  
Textiles Surveillance Body  
GATT Secretariat  
Centre William Rappard  
154, rue de Lausanne  
1211 Genève 21

Sir,

In conformity with the request of the Textiles Surveillance Body, I am pleased to send you enclosed copies of the Draft Report on the Textiles Consultation between the United States of America and the Republic of Indonesia, which took place in Jakarta on 26 October 1984, and the Memorandum of Understanding between the Representatives of the Government of Indonesia and the United States of America resulting from their meeting in Jakarta from 17 to 19 January 1985.

Accept, Sir, the assurances of my highest consideration.

Sularto SUTOWARDOYO  
Ambassador  
Chargé d'affaires a.i.

Encl.



PERMANENT MISSION  
OF THE REPUBLIC OF INDONESIA  
TO THE UNITED NATIONS  
AND OTHER INTERNATIONAL ORGANIZATIONS  
GENEVA

DRAFT REPORT

With reference to the TSB recommendations made on October 26, 1984 consultations were held between the Governments of Indonesia and the United States in Jakarta from January 17 - 19, 1985.

Agreements were reached on four of the eight categories which had been reviewed by the TSB in October. Those four are as follows:

Category 317 =	9 million syd (317 - sublimit-sateens = 2 million)
Category 339 =	240.000 dozen
Category 639 =	360.000 dozen
Category 640 =	300.000 dozen

On category 315, the Government of Indonesia made every effort to reach a mutually satisfactory agreement. The Government of Indonesia offered a level almost one-third below Indonesia's export at the time of the request for consultations by the USA.

On category 320 and 331, the Government of Indonesia offered levels which were even below the annual level of US imports one month before the dates of request for consultations by the United States.

Based on the TSB recommendations contained in paragraphs 7 and 8 of the October recommendations, Indonesia believes it has been exceptionally forthcoming in its offers of export restraint levels in these two categories.

In category 604, the Government of Indonesia was disappointed at the lack of United States co-operation to rescind the restraint as the TSB had recommended in paragraph 5 of the TSB recommendations made on October 26, 1984.

Instead of rescinding the restraint, the United States modified the coverage from 604 to 604 pt-acrylic spun yarn.

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Nevertheless, Indonesia offered to restrain exports at a level below the annual level of US imports one month before the request for consultations by the United States.

Despite Indonesia's willingness to put forth offers on export restraint levels which were well below Indonesia exports at the time of request for consultations, agreement was not for consultations, and even well below US imports at the time of such requests, agreement was not reached by the parties on these four categories.

In addition to the above discussed eight categories request for consultations in four other categories were considered during this meeting between the two Governments.

Agreement was reached on two of the categories:

Category 334 =	24.000 dozen
Category 369 =	750.000 lbs

In category 361 no agreement was reached due to a large discrepancy between each country's calculation of the minimum restraint level under paragraph 12 of the bilateral agreement.

The Government of Indonesia intends to make every effort to resolve the outstanding problems on the six categories (four categories under TSB review and two new calls) in which agreement were not reached, together with renewal of the bilateral agreement.

The present bilateral agreement expires on June 30, 1985. Should these efforts fail to result in an agreement, the Government of Indonesia may decide to present its case before the TSB.

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PERMANENT MISSION  
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GENEVA

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE REPRESENTATIVES OF THE GOVERNMENTS OF  
INDONESIA AND THE UNITED STATES OF AMERICA  
JAKARTA, 17 - 19 JANUARY 1985

Representatives of the Governments of Indonesia and the United States met in Jakarta from January 17 to 19 and agreed on the following. Specific limit shall be established and pro-rated where appropriate for the current agreement year (July 1, 1984 - June 30, 1985) based on the following annual limits.

<u>Category</u>	<u>Limit</u>
317	9,000,000 syd
K(sateens) sub-limit	(2,000,000) syd
334	24,000 doz
339	240,000 doz
369 part (shop towels)	750,000 lbs
639	360,000 doz
640	300,000 doz

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For the Government of the  
United States of America

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For the Government of the  
Republic of Indonesia