

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX/SB/1079<sup>+</sup>

18 February 1985

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 3:5

United States/Turkey

Note by the Chairman

Attached is a notification received from the United States concerning a unilateral measure taken under Article 3:5 with respect to imports of acrylic yarn (Category 604 pt) from Turkey. A copy of the request for consultations made under Article 3:3 is also attached.

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\* English only/Anglais seulement/Inglés solamente



**UNITED STATES TRADE REPRESENTATIVE**

1-3 AVENUE DE LA PAIX

**1202 GENEVA, SWITZERLAND**

Telephone: 32 09 70

February 15, 1985

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
GATT  
Rue De Lausanne 154  
1211 Geneva

Dear Mr. Chairman:

Further to my earlier oral notification of the Article 3 Action by the United States with Turkey in respect to acrylic spun yarn (Category 604 part), I am instructed by my government to inform the Textiles Surveillance Body that, pursuant to Article 3.5 of the Arrangement, the United States established a restraint of 476,014 pounds for the period beginning on November 1, 1984 and ending on October 31, 1985 for imports of acrylic spun yarn produced or manufactured in Turkey.

The request for consultations under Article 3.3 had been made on October 31, 1984. A copy of the U.S. note which includes the detailed factual statement called for in paragraph 3 of Article 3 is attached.

Sincerely,

Robert E. Shepnerd  
Minister-Counselor

Attachment

EXCELLENCY:

-- I HAVE THE THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES. DONE AT GENEVA ON DECEMBER 32. 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14. 1977 AND DECEMBER 22. 1981 AT GENEVA (HEREINAFTER REFERRED TO AS THE ARRANGEMENT). UNDER ARTICLE 3 OF THE ARRANGEMENT IF IN THE OPINION OF ANY PARTICIPATING IMPORTING COUNTRY, ITS MARKET IS BEING DISRUPTED IN TERMS OF THE DEFINITION OF MARKET DISRUPTION IN ANNEX A OF THE ARRANGEMENT BY IMPORTS OF A CERTAIN TEXTILE PRODUCT NOT ALREADY SUBJECT TO RESTRAINT, IT SHALL SEEK CONSULTATIONS WITH THE PARTICIPATING EXPORTING COUNTRY OR COUNTRIES CONCERNED WITH A VIEW TO REMOVING SUCH DISRUPTION.

-- DURING RECENT MONTHS. THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS NOTED THE RISING LEVEL OF EXPORTS OF CATEGORY 604 (PART), PLIED ACRYLIC YARN FROM TURKEY TO THE UNITED STATES. DURING THE YEAR ENDING AUGUST 1984 THE UNITED STATES IMPORTED 838,674 POUNDS OF SUCH PLIED ACRYLIC YARN FROM TURKEY, AN AMOUNT EQUAL TO 3.8 PERCENT OF TOTAL U.S. IMPORTS OF THIS PRODUCT AS OF THAT DATE.

-- PLIED ACRYLIC YARN IS A SENSITIVE PRODUCT IN THE UNITED STATES. PURSUANT TO THE ARRANGEMENT AND CONSISTENT WITH THE GOALS SET OUT IN ARTICLE 1 OF THE ARRANGEMENT TO ACHIEVE THE EXPANSION OF TRADE WHILE AT THE SAME TIME ENSURING "...AVOIDANCE OF DISRUPTIVE EFFECTS". THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS NEGOTIATED LEVELS OF RESTRAINT FOR THESE PRODUCTS WITH SEVERAL EXPORTING COUNTRIES.

-- THE GOVERNMENT OF THE UNITED STATES HAS REQUESTED CONSULTATIONS WITH MANY SUPPLIERS OF CATEGORY 604 PRODUCTS IN THE PAST TWELVE MONTHS, INCLUDING BRAZIL, SPAIN, JAPAN, INDONESIA, TAIWAN AND MEXICO. WHILE THESE SUPPLIERS, ALONG WITH OTHERS, HAVE BEEN BROUGHT UNDER CONTROL, TURKEY HAS EMERGED IN THE LAST EIGHT MONTHS AS A NEW AND RAPIDLY GROWING SUPPLIER OF CATEGORY 604 PRODUCTS, GOING FROM ZERO TO 5.8 PERCENT OF TOTAL U.S. IMPORTS OF PLIED ACRYLIC YARN, WITH ALMOST HALF OF TURKEY'S SHIPMENTS COMING IN THE MOST RECENT ONE-MONTH PERIOD. IMPORTS FROM TURKEY OF THIS PRODUCT IN THE MOST RECENT MONTH ALONE WERE 363,000 POUNDS. FAR MORE THAN ANY OTHER SUPPLIER.

-- A DESCRIPTION OF THE EFFECTS OF SUCH IMPORTS ON THE UNITED STATES MARKET, THE RECENT TRENDS OF SUCH IMPORTS FROM TURKEY, AND A TABLE OF IMPORTS AND DOMESTIC PRICE DATA ARE APPENDED AS ANNEX A, WHICH IS TO BE REGARDED AS AN INTEGRAL PART OF THIS NOTE.

-- IN ORDER TO ALLEVIATE MARKET DISRUPTION AND TO ENSURE EQUITABLE TREATMENT TO THOSE COUNTRIES PARTY TO THE ARRANGEMENT WHICH ARE PRESENTLY LIMITING THEIR EXPORTS OF THIS CATEGORY TO THE UNITED STATES, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF TURKEY TO DISCUSS APPROPRIATE LEVELS OF RESTRAINT FOR ITS EXPORTS OF PLIED ACRYLIC YARNS ENTERING THE UNITED STATES IN TARIFF SCHEDULE OF THE UNITED STATES OF AMERICA (TSUSA) NUMBER 310.5049.

-- IN ACCORDANCE WITH ARTICLE 3 OF THE ARRANGEMENT,  
TO WHICH BOTH THE GOVERNMENT OF TURKEY AND THE GOVERNMENT  
OF THE UNITED STATES ARE PARTIES, IF OUR TWO GOVERNMENTS  
ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY SOLUTION TO  
THIS MATTER WITHIN SIXTY DAYS, THE GOVERNMENT OF THE  
UNITED STATES RESERVES THE RIGHT TO RESTRAIN IMPORTS OF  
PLIED ACRYLIC YARN PRODUCED IN TURKEY AND EXPORTED DURING  
THE TWELVE MONTH PERIOD BEGINNING ON THE DATE OF YOUR  
RECEIPT OF THIS REQUEST, TO A LEVEL NOT LESS THAN THE  
LEVEL OF UNITED STATES' IMPORTS OF THIS PRODUCT FROM  
TURKEY DURING THE PERIOD AUGUST 1983 THROUGH JULY 1984  
WHICH WERE 476,314 POUNDS.

-- WE INVITE THE GOVERNMENT OF TURKEY TO PROPOSE A TIME  
AND PLACE FOR THESE CONSULTATIONS.

(COMPLIMENTARY CLOSING)

ENCLOSURE : ANNEX A

END TEXT.

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ANNEX A

MARKET STATEMENT

TURKEY

CATEGORY 604 PT — PLIED ACRYLIC YARN

OCTOBER 1984

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TSUSA NO.310.5049

IMPORTS OF PLIED ACRYLIC YARNS FROM TURKEY IN COMMERCIAL QUANTITIES BEGAN IN JANUARY 1984. THIS SHIPMENT OF 49,303 POUNDS WAS FOLLOWED BY AN ENTRY OF 67,124 POUNDS IN APRIL. IMPORTS IN JUNE WERE 247,203 POUNDS; JULY, 111,884 POUNDS AND IN AUGUST, 362,660 POUNDS. THE TURKISH IMPORTS DURING THIS PERIOD AMOUNTED TO 838,674 POUNDS. THIS MADE TURKEY THE SEVENTH LARGEST SUPPLIER THE FIRST EIGHT MONTHS IN 1984, ACCOUNTING FOR 5.83 PERCENT OF THE TOTAL IMPORTS. IMPORTS OF PLIED ACRYLIC YARN FROM FIVE OF THE LARGER SUPPLIERS AND TWO OF THE SMALLER SUPPLIERS ARE BEING RESTRAINED BY THE UNITED STATES. IMPORTS OF PLIED ACRYLIC YARNS FROM ALL SOURCES INTO THE UNITED STATES INCREASED 14 PERCENT IN THE YEAR ENDING AUGUST 31, 1984.

U.S. SHIPMENTS OF PLIED ACRYLIC YARN DECLINED IN 1982 AND AGAIN IN 1983. SHIPMENTS FOR THE FIRST EIGHT MONTHS OF 1984 WERE DOWN SLIGHTLY FROM THE SAME PERIOD IN 1983. IMPORTS INCREASED IN 1982, SHARPLY IN 1983, AND AGAIN DURING THE FIRST EIGHT MONTHS OF 1984. THE RATIO OF IMPORTS TO DOMESTIC SHIPMENTS ALMOST DOUBLED FROM 30.8 PERCENT IN 1981 TO 61.4 PERCENT IN 1983. THE RATIO FOR THE FIRST EIGHT MONTHS OF 1984 WAS SLIGHTLY ABOVE THAT OF A YEAR EARLIER.

THE DUTY-PAID IMPORT VALUES OF PLIED ACRYLIC YARNS FROM TURKEY ARE WELL BELOW U.S. PRODUCER PRICES FOR SUCH YARNS. U.S. PRODUCER PRICES DECLINED BY ABOUT 10 PERCENT DUE TO A SOFT MARKET AND INCREASED IMPORTS. IN SPITE OF THIS DECLINE, IMPORTS FROM TURKEY AND OTHER LOW COST SUPPLIERS ARE SELLING WELL BELOW U.S. PRODUCERS IN THE U.S. MARKET.

THE NUMBER OF PRODUCTION WORKERS IN THE INDUSTRY PRODUCING SPUN PLIED ACRYLIC YARN HAS DECLINED SINCE 1979. EMPLOYMENT DURING THE FIRST HALF OF 1984 AVERAGED 2,200 EMPLOYEES COMPARED WITH 3,385 EMPLOYEES IN 1979.

S. SHIPMENTS, IMPORTS AND IMPORT/SHIPMENT RATIOS  
SPUN PLIED ACRYLIC YARNS  
CATEGORY 604 PT (TSUSA NO. 310.5049)  
-1,000 POUNDS

PERIOD	SHIPMENTS	IMPORTS	I/S RATIO
1981	44,749	13,772	30.8
1982	38,719	15,413	39.8
1983	35,328	21,693	61.4
JAN-AUG			
- 1983	26,443	14,225	53.8
- 1984	26,189	14,378	54.9

LANDED DUTY-PAID VALUE AND U.S. PRODUCER PRICE  
CATEGORY 604 PART: SPUN PLYED ACRYLIC YARN  
-U.S.DOLLARS PER POUND

TSUSA NUMBER AND SOURCE

VALUE/PRICE

310.5049

- TURKEY	1.86
- INDONESIA	1.75
- BRAZIL	1.95
- JAPAN	2.00
- U.S. PRODUCER PRICE	2.50-2.70