

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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20 February 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Communication from Turkey

Note by the Chairman

Attached is a communication from Turkey concerning the measures taken by the United States with respect to imports of acrylic yarn (Category 604 pt) from Turkey.

* English only/Anglais seulement/Inglés solamente

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PERMANENT MISSION OF TURKEY
GENEVA

Geneva, 15 February 1985

Dear Mr. Chairman,

I have the honour to inform you that on 31 October 1984, the USA made a call for consultations with Turkey on the possible limitation of exports to the USA of Category 604 plied acrylic spun yarn (TSUSA No. 310.5049). These consultations were held in Ankara on 19 December 1984 and 11 January 1985.

At the initial meeting, the Turkish side expressed the opinion that in view of the countervailing duty investigation which was covering the totality of Turkish exports of textile and clothing products to the USA, the validity of the call for consultations on a product already subject to this investigation was questionable. More specifically, the Turkish side made the following points :

- There exists a substantial and chronic deficit in the balance of trade between the US and Turkey. Recent trade figures are reproduced below :

	\$1000			
	1981	1982	1983	1984 Jan. - Oct.
Exports to the USA	267.931	251.598	231.720	297.437
Imports from the USA	589.357	813.526	695.116	801.283
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	- 321.426	- 561.928	- 463.396	- 503.846

H.E. Ambassador Marcelo Raffaelli
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Moreover even textile trade between the USA and Turkey registers a deficit. Whereas in 1983, the USA exported to Turkey textile products of a global value of \$36 million, Turkish textile exports to the USA only reached \$23 million.

- The raw material used in the production of acrylic yarn, known as acrylonitril, is imported directly from the USA and only a small part of that product is reexported to the USA after having been processed into yarn. In 1983, Turkish imports of acrylonitril originating in the USA were valued at \$39 million and had a total weight of 145 million pounds, whereas exports of acrylic yarn in the last 10 months of 1984 had a weight of 878 tons and a value of only \$3.280.000.

- Turkey is a new entrant into the US market and a developing country. As such it should benefit from the provisions of the MFA and its Extension Protocol which require more favourable treatment for countries in her position. Turkish exports to the USA of the product under consideration were non-existent in 1983. The US side has tried to curtail imports of Turkish origin almost as soon as they started. Such efforts would, if successful, hamper Turkey's attempts to develop her foreign trade and would have a negative impact on her economic prospects, in view of the important role played by the textile sector in the Turkish economy. Thus, the textile industry employs 10,1 % of the workforce employed in the manufacturing sector and accounts for about 28 % of total exports. Turkey is therefore especially sensitive to all attempts at restraining her exports of textile and clothing products, particularly when, as in this case, they are not substantiated by concrete evidence of market disruption.

The Turkish side therefore requested the US side to bring these facts to the attention of its authorities with the hope that the call

for restraint would be withdrawn. However, the US side replied after consulting with its authorities that they were unable to comply with the Turkish request. Both sides therefore agreed to submit the matter to the Textiles Surveillance Body. The Turkish side requested that no unilateral restraint measure be imposed by the US, until such time as the TSB had reviewed the matter. However, such a restraint has been imposed.

In bringing the question to the attention of the Textiles Surveillance Body, the Turkish Government hopes that it will recommend that in the light of the information submitted above, restraint of Turkish exports of acrylic yarn to the USA is not justified at this stage by the provisions of the MFA and its Protocol of Extension.

Please accept, Dear Mr. Chairman, the assurances of my highest consideration.



Ercument YAVUZALP
Ambassador
Permanent Representative