

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1112*
6 June 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report by Turkey concerning Article 3:5 measures

United States/Turkey

Note by the Chairman

Attached is a report from Turkey made in accordance with the TSB's recommendation of April 1985¹, on consultations held between Turkey and the United States relating to measures taken by the United States under Article 3:5 on imports from Turkey.

¹ Fourth meeting of 1985 (COM.TEX/SB/1067)

* English only/Anglais seulement/Inglés solamente

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Dear Mr. Chairman,

With respect to acrylic yarn, the Turkish side put forward the figure of 1.000.000-1.300.000 lbs as a ceiling for 1985, with the understanding that exports should be allowed to grow to 2.000.000 pounds within a period of 2 years. This figure was based on the recommendation of the TSB which referred to Article 6 of the MFA and Paragraph 12 of its 1981 Extension Protocol. Such a ceiling would be compatible with Turkey's potential as a textile and clothing producer.

However, in spite of the constructive line taken by Turkey, the US side responded with a proposal of 550.000 pounds, only slightly above the unilateral quota fixed at 476.000 pounds. In the opinion of the Turkish authorities, this figure does not take into consideration the elements contained in the TSB's above-mentioned recommendation. It was therefore not possible to reach an agreement for this product.

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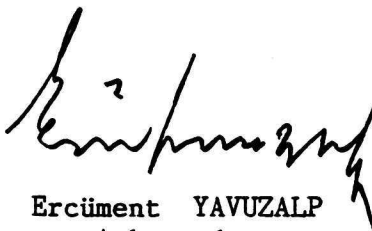
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At the bilateral consultations which had been held in Ankara on 11-13 March 1985, the two sides had agreed to resume discussions on products covered by category 313. However, a day before these renewed consultations were due to be held, namely on 13 May 1985, the US authorities imposed a unilateral restriction measure limiting imports of that product to 12.7 million sq.yds. The Turkish side considers that this measure was motivated uniquely by a desire to put pressure on Turkey during the bilateral consultations. In view of the fact that exports of this product are too small to constitute a source of market disruption, the Turkish side requested the US authorities to rescind the unilateral measure and withdraw the call for consultations. However, the US side was unable to agree to this suggestion.

As a result of the lack of agreement between the two sides, the Turkish authorities have no option but to request the Textiles Surveillance Body to examine the situation created by the two US unilateral restriction measures, and make appropriate recommendations.

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



Ercüment YAVUZALP
Ambassador
Permanent Representative