

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1120/Add.1*
25 June 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report on consultations regarding Article 3:5 measures

Sweden/Turkey

Note by the Chairman

Addendum

Attached is a report received from Turkey on its consultations with Sweden concerning measures taken under Article 3:5 on imports from Turkey. These consultations were held in accordance with the TSB's recommendations made in February 1985.

¹ Hundred and eighty-first meeting overall (COM.TEX/SB/1044)

* English only/Anglais seulement/Inglés solamente

Dear Mr. Chairman,

You will recall from our earlier report to the TSB, dated 18 December 1984, that in the previous round of consultations held in November 1984, Turkey had put forward the following figures as acceptable quotas:

In the latest round of consultations, these figures have been further lowered, in an attempt to find a negotiated solution to this long-lasting problem. Turkey's new proposals are as follows :

ANSWERED	DOCS. ISSUED	FOLIO
	58/120/111	1
21 JUN 1965		
TSM		

70

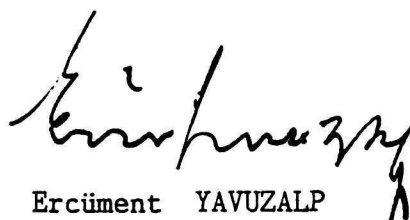
[illegible]

This represents an important concession on the part of the Turkish side. Unfortunately, the Swedish side did not respond by improving its own offer. Quite to the contrary, Sweden's latest proposals involve lower quotas than had been offered at the earlier round of consultations. The Swedish side refused to improve its offer and also tried to negotiate a quota for products of category 11(c) which are not subject to the unilateral restriction measure. It was therefore not possible to reach a mutually satisfactory agreement to this dispute.

Turkey's position with respect to this problem is based on the provisions of the MFA and its protocol of Extension which require more favourable treatment for developing countries, for cotton producers and for new entrants into the markets of importing countries. Moreover, there exists a chronic and important deficit in Turkey's balance of trade with Sweden which can only be reduced through increased exports of textiles and clothing.

The Turkish authorities therefore request the Textiles Surveillance Body to examine the question and recommend to Sweden that the unilateral restriction measure be lifted.

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



Ercument YAVUZALP
Ambassador
Permanent Representative