

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1408*
18 November 1987

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Measure taken by the United States with respect to imports from Turkey

Note by the Chairman

Attached is a notification received from the United States of a unilateral measure taken under Article 3:5 with respect to imports of cotton and man-made fibre skirts (Category 342/642) from Turkey. The restraint period is from 27 May 1987 to 26 May 1988.

The market statement required under Article 3:3 is attached.

* English only/Anglais seulement/Inglés solamente

744

1-3 AVENUE DE LA PAIX

Telephone: 32 09 70

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

776

This will confirm my oral notification that the United States, pursuant to Article 3.5 of the Arrangement, has imposed a restraint, effective this date, on imports from Turkey of this product. The restraint level is set at 119,550 dozen; the restraint period is from 27 May 1987 through 26 May 1988.

Robert E. Glen

Robert E. Shepherd
Minister Counselor

7	POWERED	DGC ISSUED	FOLD
		10-2-68	
FEB - 9 NOV. 1967			
		X	

TS/140-3



724

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

June 1, 1987

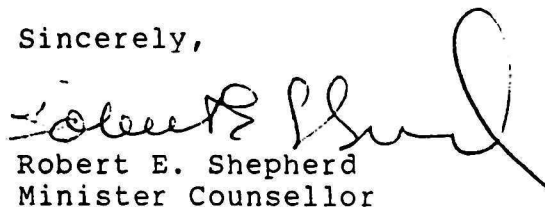
ANSWERED	DOC. ISSUED	FOLIO
	110	
REG - 2 JUIN 1987		
For	Action	Comment
DIRECTOR GENERAL		
Info. Service		
OFFICE LEGAL AFF.		
Sec. / Consul / P.M. L.A.		
CHAIRMAN / TEB		
EMB / GATT / P.M. L.A.		

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

Dear Ambassador Raffaelli:

Pursuant to the provisions of paragraph 3 of Article 3 of the Arrangement regarding international trade in textiles, I am instructed by my government to inform you that, on May 27, 1987 the United States requested consultations with Turkey with respect to cotton and mmf skirts (category 342/642). A copy of the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of Turkey at the time of the request is attached.

Sincerely,


Robert E. Shepherd
Minister Counsellor

Enclosure

File in
Art 3 requests
J.O.
v.

For	Action	Comment
DEPT. A		
DEPT. B		
DEPT. C		
DEPT. D		
DEPT. E		
DEPT. F		
DEPT. G		
DEPT. H		
DEPT. I		
DEPT. J		
DEPT. K		
DEPT. L		
DEPT. M		
DEPT. N		
DEPT. O		
DEPT. P		
DEPT. Q		
DEPT. R		
DEPT. S		
DEPT. T		
DEPT. U		
DEPT. V		
DEPT. W		
DEPT. X		
DEPT. Y		
DEPT. Z		

THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS OF THE REPUBLIC OF TURKEY AND HAS THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, DONE AT GENEVA ON DECEMBER 30, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1977, DECEMBER 22, 1981 AND JULY 31, 1986 AT GENEVA (THE ARRANGEMENT). UNDER ARTICLE THREE OF THE ARRANGEMENT, TO WHICH THE GOVERNMENT OF TURKEY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ARE PARTIES, IF, IN THE OPINION OF ANY PARTICIPATING IMPORTING COUNTRY, ITS MARKET IS BEING DISRUPTED IN TERMS OF THE DEFINITION OF MARKET DISRUPTION CONTAINED 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 HAS NOTED THE RISING LEVEL OF IMPORTS OF COTTON AND MAN-MADE FIBER SKIRTS IN CATEGORY 342/642 FROM TURKEY INTO THE UNITED STATES. DURING THE RECENT TWELVE MONTH PERIOD FOR WHICH STATISTICS ARE AVAILABLE I.E. YEAR ENDING FEBRUARY 1987, IMPORTS FROM TURKEY IN CATEGORY 342/642 INTO THE UNITED STATES WERE 119,550 DOZEN. THIS IS A SHARP AND SUBSTANTIAL INCREASE COMPARED TO THE 38,030 DOZEN IMPORTED FROM TURKEY IN THE PRECEDING TWELVE MONTHS, I.E., THE YEAR ENDING FEBRUARY 1986.

COTTON AND MAN-MADE FIBER SKIRTS ARE AN IMPORT SENSITIVE TEXTILE PRODUCT IN THE UNITED STATES. PURSUANT TO THE ARRANGEMENT AND CONSISTENT WITH THE GOALS SET OUT IN ARTICLE THREE 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 HAS NEGOTIATED LEVELS OF TRADE FOR THESE PRODUCTS WITH MANY EXPORTING COUNTRIES OF HAS REQUESTED CONSULTATIONS TO REACH SUCH NEGOTIATED LEVELS OF TRADE. IMPORTS FROM TURKEY OF THESE SKIRTS HAVE INCREASED BY 214 PERCENT IN THE YEAR ENDING FEBRUARY 1987 TO A LEVEL OF 119,550 DOZEN. THE LEVEL OF IMPORTS FROM TURKEY IS DISRUPTING THE U.S. MARKET. IMPORTS FROM TURKEY, WHOSE PRICES ARE WELL BELOW THOSE PREVAILING IN THE U.S. MARKET, IF

PERMITTED TO INCREASE AT OR NEAR THE CURRENT RATE, WOULD INFLICT FURTHER SERIOUS DAMAGE TO U.S. MANUFACTURERS.

FOR 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 ENCLOSED AS ANNEX A WHICH IS TO BE REGARDED AS AN INTEGRAL PART OF THIS NOTE.

IN ORDER TO ALLEVIATE MARKET DISRUPTION, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF TURKEY TO DISCUSS APPROPRIATE LEVELS OF RESTRAINT FOR ITS EXPORTS OF CATEGORY 342/642 PRODUCTS ENTERING THE UNITED STATES.

THE GOVERNMENT OF THE UNITED STATES LOOKS FORWARD TO REACHING A MUTUALLY SATISFACTORY SOLUTION OF THIS MATTER IN ACCORDANCE WITH THE ARRANGEMENT. IF OUR TWO GOVERNMENTS ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY AGREEMENT WITHIN SIXTY DAYS, THE GOVERNMENT OF THE UNITED STATES RESERVES THE RIGHT TO RESTRAIN IMPORTS OF COTTON AND MAN-MADE FIBER SKIRTS IN CATEGORY 342/642 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 FIRST TWELVE OF THE MOST RECENT FOURTEEN MONTHS PRECEDING THE MONTH IN WHICH THIS REQUEST IS MADE. THIS LEVEL IS 119,550 DOZEN, BASED ON THE YEAR ENDING FEBRUARY 1987 IMPORT DATA.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF TURKEY PERTAINING TO THE SITUATION CONCERNING EXPORTS OF CATEGORY 342/642 SKIRTS FROM TURKEY TO THE UNITED STATES AND REGARDING A DATE AND PLACE FOR CONSULTATIONS.

(COMPLIMENTARY CLOSE)

END TEXT.

ENCLOSURE:
ANNEX A

MARKET STATEMENT
CATEGORY 342/642 -- COTTON AND MAN-MADE
FIBER SKIRTS

TURKEY
MAY 1987

SUMMARY AND CONCLUSIONS

U.S. IMPORTS OF CATEGORY 342/642 FROM TURKEY WERE 119,550 DOZEN DURING THE YEAR ENDING FEBRUARY 1987, MORE THAN THREE TIMES THE 38,030 DOZEN IMPORTED A YEAR EARLIER. DURING 1986, IMPORTS OF CATEGORY 342/642 FROM TURKEY REACHED 60,187 DOZEN COMPARED TO 31,350 DOZEN IMPORTED DURING 1985, A 92 PERCENT INCREASE.

THE MARKET FOR CATEGORY 342/642 HAS BEEN DISRUPTED BY IMPORTS. THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS FROM TURKEY HAS CONTRIBUTED TO THIS DISRUPTION.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF COTTON AND MAN-MADE FIBER SKIRTS DECLINED FIVE PERCENT FROM 8,233,000 DOZEN IN 1983 TO 7,805,000 DOZEN IN 1985. COMPARISON OF GOVERNMENT CUTTINGS 1/ DATA FOR 1986 AND 1985 INDICATE THAT 1986 PRODUCTION WILL BE DOWN FOUR PERCENT. THE DOMESTIC MANUFACTURERS' SHARE OF THIS MARKET FELL FROM 75 PERCENT IN 1983 TO 67 PERCENT IN 1985. THE U.S. MARKET SHARE IS EXPECTED TO DECREASE FURTHER IN 1986, TO AROUND 57 PERCENT.

U.S. IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF CATEGORY 342/642 GREW FROM 2,798,000 DOZEN IN 1983 TO 3,794,000 DOZEN IN 1985, A 36 PERCENT INCREASE. DURING 1986, IMPORTS OF CATEGORY 342/642 REACHED 5,995,000 DOZEN, 58 PERCENT ABOVE THE LEVEL IMPORTED DURING 1985. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION INCREASED FROM 34 PERCENT IN 1983 TO 49

PERCENT IN 1985. THE RATIO IS EXPECTED TO REACH 77 PERCENT IN 1986.

1/ U.S. CUTTINGS DATA ARE FOR WOMEN'S COTTON, WOOL AND MAN-MADE FIBER SKIRTS AND INCLUDE BOTH WOVEN AND KNIT SKIRTS.

DUTY PAID VALUE AND U.S. PRODUCER'S PRICE

APPROXIMATELY 79 PERCENT OF CATEGORY 342/642 IMPORTS FROM TURKEY DURING THE YEAR ENDING FEBRUARY 1987 ENTERED UNDER TSUSA NUMBERS 384.5251 -- WOMEN'S COTTON WOVEN SKIRTS, NOT OF CORDUROY, DENIM OR VELVETEEN, NOT ORNAMENTED; 384.5146 -- GIRLS' COTTON WOVEN SKIRTS, NOT OF CORDUROY, DENIM OR VELVETEEN, NOT ORNAMENTED; AND 384.3444 (FORMERLY A PART OF 384.3440) -- WOMEN'S AND GIRLS' COTTON KNIT SKIRTS, NOT ORNAMENTED. TSUSA NUMBER 384.5251 ALONE REPRESENTS 43 PERCENT OF CATEGORY 342/642 IMPORTS FROM TURKEY.

THESE SKIRTS ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW THE U.S. PRODUCERS' PRICES FOR COMPARABLE SKIRTS.

TABLE I
CATEGORY 342/642: U.S. PRODUCTION, IMPORTS
AND IMPORT/PRODUCTION RATIOS
BASED ON 1,000 DOZEN -

PERIOD	PRODUCTION	IMPORTS	I/P RATIO
1983	8,233	2,798	34.0
1984	7,943	3,452	43.5
1985	7,805	3,794	48.6
1986	7,805 1/	5,995	76.8

1/ U.S. PRODUCTION ASSUMED TO REMAIN CONSTANT.

TABLE II
CATEGORY 342/642: U.S. MARKET AND DOMESTIC
MANUFACTURERS' SHARE

PERIOD	MARKET 1/ 1,000 DOZEN	DOMESTIC MANUFACTURERS' SHARE PERCENT
1983	11,031	74.6
1984	11,395	69.7
1985	11,599	67.3
1986	13,800 2/	56.6

1/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED
COTTON AND MAN-MADE FIBER SKIRTS.

2/ U.S. PRODUCTION ASSUMED TO REMAIN CONSTANT.

TABLE III
CATEGORY 342/642: U.S. IMPORTS FROM TURKEY
AND THE WORLD

PERIOD	TURKEY	OTHER	WORLD
1984	12	3,440	3,452
1985	31	3,763	3,794
1986	60	5,935	5,995

YEAR ENDING FEBRUARY

1986	38	4,420	4,458
1987	120	6,125	6,245

TABLE IV
 CATEGORY 342/642: DUTY-PAID IMPORT VALUES
 AND U.S. PRODUCERS' PRICES
 U.S. DOLLARS PFR DOZEN

TSUSA NO. AND SOURCE	VALUE/PRICE
384.5251	
TURKEY	54.77
SRI LANKA	60.74
U.S. PRODUCER PRICE	103.00 - 113.00
384.5146	
TURKEY	35.01
U.S. PRODUCER PRICE	56.00 - 62.00
384.3444	
TURKEY	81.75
U.S. PRODUCER PRICE	130.00 - 140.00