

GENERAL AGREEMENT ON

CONFIDENTIAL

TARIFFS AND TRADE

TEX.SB/1532*

9 January 1989

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Unilateral measures taken by the United States
with respect to certain imports from the Dominican Republic

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 man-made fibre coats (Category 633) from the Dominican Republic.

Also attached is the market statement communicated by the United States under Article 3:3.

*English only/Anglais seulement/Inglés solamente



UNITED STATES TRADE REPRESENTATIVE

**1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND
Telephone: 32 09 70**

December 20, 1988

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

Dear Ambassador Raffaelli:

I refer to my letter of August 9, 1988 on the request by the United States for Article 3.3 consultations with the Dominican Republic on MMF coats (Category 633).

This will confirm my oral notification that the United States pursuant to Article 3.5 of the Arrangement, has imposed restraints, effective December 15, 1988, on imports from the Dominican Republic of this product. The restraint level is set at 54,869 dozen; the restraint period is from June 30, 1988 through June 29, 1989.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert E. Shepherd".

Robert E. Shepherd
Minister Counsellor

TS/140-3



761

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND
Telephone: 32 09 70

August 9, 1988

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 June 30, 1988, the United States requested consultations with the Dominican Republic with respect to mmf coats, (category 633). A copy of the detailed factual statement which is called for in article 3.3 and which was provided to the Government of the Dominican Republic at the time of the request is enclosed.

Sincerely,

Robert E. Shepherd
Robert E. Shepherd
Minister Counselor

Enclosure

ANSWERED	DOC. ISSUE.	FOLIO	
	No		
REG 1 0 AOUT 1988			
For	Action	Comment	Int.
DIRECTOR GENERAL			
Info. Service			
OFFICE LEGAL AFF.			
Sels. / Council. Att. Div.			
CHAIRMAN TSB	X		
GNG/GATT Pol. Att. Div.			

For	Action	Comment	Int.
OPER. DEPT. A			X
NTM & Surv. Div.			
Development Div.			
Trade & Fin. Div.			
Tech. Coop. Div.			
Spec. Proj. Div.	X		
GNS Div.			
OPER. DEPT. B			
Econ. R/Anal. Unit.			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
Training Div.			
Coord. / Admin.			
Trans./Doc Div.			
Conference Off.			

Article 3 request.
J.G.

Category 633

(COMPLIMENTARY OPENING) THE EMBASSY OF THE UNITED STATES OF AMERICA HAS THE HONOR TO REFER THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, DONE AT GENEVA ON DECEMBER 20, 1973, AND EXTENDED BY THE PROTOCOL OF JULY 31, 1986, DONE 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 CONCERNED WITH A VIEW TOWARDS REMOVING SUCH DISRUPTION.

RECENT MONTHS THE GOVERNMENT OF THE UNITED STATES HAS NOTED THE RISING LEVEL OF IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS, CATEGORY 633, FROM THE DOMINICAN REPUBLIC TO THE UNITED STATES. AFTER CAREFUL REVIEW, THE GOVERNMENT OF THE UNITED STATES HAS CONCLUDED THAT IMPORTS OF THIS PRODUCT FROM THE DOMINICAN REPUBLIC ARE DISRUPTING THE MARKET FOR MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS IN THE UNITED STATES. IN ORDER TO AVOID FURTHER DISRUPTION, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF THE DOMINICAN REPUBLIC TO DISCUSS AN APPROPRIATE LEVEL OF RESTRAINT FOR DOMINICAN REPUBLIC EXPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS, CATEGORY 633, TO THE UNITED STATES. A DETAILED FACTUAL STATEMENT OF THE REASONS AND JUSTIFICATION FOR THIS CONCLUSION, WITH CURRENT SUPPORTING DATA, IS ENCLOSED IN ANNEX A AND SHOULD BE REGARDED AS AN INTEGRAL PART OF THIS NOTE.

THE UNITED STATES GOVERNMENT LOOKS FORWARD TO REACHING A MUTUALLY SATISFACTORY SOLUTION OF THIS MATTER IN ACCORDANCE WITH THE ARRANGEMENT. IF THE GOVERNMENT OF THE DOMINICAN REPUBLIC AND THE GOVERNMENT OF THE UNITED STATES ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY SOLUTION TO THIS MATTER WITHIN SIXTY DAYS FROM THE RECEIPT OF THIS NOTE, THE GOVERNMENT OF THE UNITED STATES RESERVES ITS RIGHT TO RESTRAIN IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS, CATEGORY 633, PRODUCED IN THE DOMINICAN REPUBLIC AND EXPORTED DURING THE 12 MONTH PERIOD BEGINNING ON THE DATE OF THE RECEIPT OF THIS REQUEST TO A LEVEL NOT LESS THAN THE LEVEL OF U.S. IMPORTS OF THIS PRODUCT FROM THE DOMINICAN REPUBLIC

DURING THE FIRST TWELVE OF THE MOST RECENT 14 MONTHS
PRECEDING THE MONTH IN WHICH THIS REQUEST IS MADE (THAT
IS, NOT INCLUDING JUNE). BASED ON YEAR-ENDING MARCH 1988
IMPORT DATA, THIS LEVEL IS 54,869 DOZEN.

THE GOVERNMENT OF THE UNITED STATES OF AMERICA WOULD
APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE DOMINICAN
REPUBLIC WITH RESPECT TO THE DOMINICAN REPUBLIC'S EXPORTS
OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS,
CATEGORY 633, TO THE UNITED STATES AND WITH RESPECT TO A
DATE AND PLACE FOR CONSULTATIONS.

(COMPLIMENTARY CLOSE)

ANNEX A: MARKET STATEMENT - DOMINICAN REPUBLIC, JUNE 1988
MEN'S AND BOYS' MAN-MADE FIBER -- SUIT-TYPE COATS
(CATEGORY 633)

SUMMARY AND CONCLUSIONS

U.S. IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS (CATEGORY 633) FROM THE DOMINICAN REPUBLIC REACHED 54,969 DOZEN DURING THE YEAR ENDING MARCH 1988, 21 PERCENT ABOVE THE 45,448 DOZEN IMPORTED A YEAR EARLIER. MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COAT IMPORTS FROM THE DOMINICAN REPUBLIC WERE 52,740 DOZEN IN 1987 AND 43,647 DOZEN IN 1986. DURING THE FIRST THREE MONTHS OF 1988, IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS (CATEGORY 633) FROM THE DOMINICAN REPUBLIC REACHED 10,938, A 20 PERCENT INCREASE ABOVE THE 10,809 DOZEN IMPORTED DURING THE SAME PERIOD OF 1987.

THE U.S. MARKET FOR MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS (CATEGORY 633) HAS BEEN DISRUPTED BY IMPORTS. THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS FROM THE DOMINICAN REPUBLIC IS CONTRIBUTING TO THIS DISRUPTION.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS HAS BEEN ON THE DECLINE, DROPPING FROM 1,189 THOUSAND DOZEN IN 1983 TO 951 THOUSAND DOZEN IN 1985, A DECLINE OF 20 PERCENT. PRODUCTION IN 1986 RECOVERED SLIGHTLY, REACHING 1,006 THOUSAND DOZEN, BUT

FELL AGAIN IN 1987 TO A LEVEL OF 907 THOUSAND DOZEN, 10 PERCENT BELOW THE 1986 LEVEL AND 24 PERCENT BELOW THE 1983 LEVEL. THE DOMESTIC MANUFACTURERS' SHARE OF THE MARKET FELL FROM 87 PERCENT IN 1983 TO 71 PERCENT IN 1987, A DROP OF 16 PERCENTAGE POINTS.

U.S. IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS (CATEGORY 633) MORE THAN DOUBLED BETWEEN 1983 AND 1987, INCREASING FROM 175 THOUSAND DOZEN IN 1983 TO 364 THOUSAND DOZEN IN 1987. DURING THE FIRST THREE MONTHS OF 1988, IMPORTS OF MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS (CATEGORY 633) REACHED 103 THOUSAND DOZEN, NINE PERCENT ABOVE THE LEVEL IMPORTED DURING THE SAME PERIOD OF 1987. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION NEARLY TRIPLED, INCREASING FROM 15 PERCENT IN 1983 TO 40 PERCENT IN 1987.

DUTYPAID VALUE AND U.S. PRODUCERS' PRICE

ALL OF CATEGORY 633 IMPORTS FROM THE DOMINICAN REPUBLIC DURING THE FIRST THREE MONTHS OF 1988 ENTERED UNDER TSUSA NUMBER 381.9510 -- MEN'S MAN-MADE FIBER WOVEN SUIT-TYPE COATS AND JACKETS, NOT ORNAMENTED. THESE GARMENTS ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE GARMENTS.

TABLE I

MEN'S AND BOYS' / MANMADE FIBER SUIT-TYPE COATS
(CATEGORY 633: U.S. PRODUCTION, IMPORTS, MARKET,
IMPORT/PRODUCTION RATIOS, AND
DOMESTIC MARKET SHARE

PERIOD	PRODUCTION	IMPORTS	MARKET 2/	I/P	DOMESTIC MARKET SHARE
—	— — — 1,000 DOZEN —	—	—	— PERCENT —	—
1982	1,136	140	1,276	12.3	89.0
1983	1,189	175	1,364	14.7	87.2
1984	1,050	309	1,359	29.4	77.3
1985	951	356	1,307	37.4	72.8
1986	1,006	355	1,361	35.3	73.9
1987 PREL. 1/	907	364	1,271	40.1	71.4

1/ U.S. PRODUCTION AND IMPORT DATA FOR 1982 THROUGH 1986 EXCLUDE LITTLE BOYS (COMMERCIAL SIZES 2T THROUGH 4T AND 4 THROUGH 7). PRIOR TO 1987 THESE LITTLE BOYS' DATA WERE INCLUDED IN CATEGORY 635. BEGINNING WITH 1987, U.S. PRODUCTION AND IMPORT DATA FOR CATEGORY 633 INCLUDE LITTLE BOYS. THIS CHANGE WAS INITIATED ON JANUARY 1, 1988 AS A FIRST STEP IN IMPLEMENTING THE HARMONIZED SYSTEM NOMENCLATURE. THE EFFECT ON THE COMPARABILITY OF DATA FOR CATEGORY 633 OF IMPLEMENTING THE INTERIM CATEGORY SYSTEM IS MINUSCULE.

2/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS.

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TABLE II

MEN'S AND BOYS' MAN-MADE FIBER SUIT-TYPE COATS

(CATEGORY 633)1/: U.S. IMPORTS FROM DOMINICAN REPUBLIC

AND THE WORLD

- 1,000 DOZEN -

PERIOD	DOMINICAN REPUBLIC	OTHER	WORLD
1986	44	311	355
1987	53	311	364
YEAR-ENDING MARCH			
1987	45	300	345
1988	55	317	372
JANUARY-MARCH			
1987	11	84	95
1988	13	90	103

1/ DATA BASED ON THE INTERIM CATEGORY SYSTEM WHICH THE U.S. IMPLEMENTED ON JANUARY 1, 1988. THIS SYSTEM WAS INITIATED AS A FIRST STEP IN IMPLEMENTING THE HARMONIZED SYSTEM NOMENCLATURE.

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TABLE III

MEN'S AND BOYS' MANMADE FIBER SUIT-TYPE COATS

(CATEGORY 633): DUTYPAID IMPORT VALUES AND

U.S. PRODUCERS' PRICES

- U.S. DOLLARS PER DOZEN -

TSUSA NO. AND SOURCE	VALUE/PRICE
381.9510	
DOMINICAN REPUBLIC	227.38
U.S. PRODUCER PRICE	444.00 454.00