

GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1628^{*}

29 January 1990

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Unilateral Measures Taken by the United States With Respect to Imports of Certain Textile Products from Thailand

Note by the Chairman

Attached is a notification received from the United States of unilateral measures taken under Article 3:5 on imports of cotton sheeting (Category 313) and cotton printcloth (Category 315) from Thailand. The restraint period for each category is from 31 March 1989 to 30 March 1990. Copies of the requests for consultations made under Article 3:3 are also attached.¹

¹Thailand had referred under Article 11:4 the Article 3:3 requests. The TSB review is reported in COM.TEX/SB/1523.

^{*}English only/Anglais seulement/Inglés solamente



825

1-3 AVENUE DE LA PAIX

1202 GENEVA, SWITZERLAND

TELEPHONE: 732 09 70

January 22, 1990

Dear Ambassador Raffaelli:

This is to confirm my earlier oral notification that, effective December 12, 1989, the United States invoked the provisions of article 3.5 of the MFA to impose restraints on imports of two textile products from Thailand: cotton sheeting (category 313) and cotton printcloth (category 315). The restraint period for each category is from March 31, 1989 to March 30, 1990. The restraints are set at 11,712,810 square meters for category 313 and at 15,375,452 square meters for category 315.

Sincerely,

Robert E. Shepherd
Minister - Counsellor

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File		
Director General:		
T-6		X
Captain DEPT A		X

3/140-3

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UNITED STATES TRADE REPRESENTATIVE

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

April 14, 1989

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
General Agreement on Tariffs & Trade
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 March 31, 1989, the United States requested consultations with Thailand with respect to cotton printcloth (category 315). A copy of the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of Thailand at the time of the request is enclosed.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure

SEARCHED	SERIALIZED	FILED
	110	
APR 18 APR 1989		
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JTB		
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U.S./Thailand

Category 315

THE SECRETARY OF STATE PRESENTS HIS COMPLIMENTS TO THE AMBASSADOR OF THE GOVERNMENT OF THE KINGDOM OF THAILAND AND REFERS TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES, DONE AT GENEVA ON DECEMBER 20, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1977, DECEMBER 22, 1981 AND JULY 31, 1986 AT GENEVA (THE ARRANGEMENT). THE SECRETARY FURTHER REFERS TO SECTION 204 OF THE U.S. AGRICULTURAL ACT OF 1956, AS AMENDED.

DURING RECENT MONTHS THE GOVERNMENT OF THE UNITED STATES HAS NOTED THE SHARPLY RISING LEVEL OF EXPORTS OF COTTON PRINTCLOTH (CATEGORY 315) TO THE UNITED STATES FROM THAILAND. AFTER CAREFUL REVIEW, THE UNITED STATES GOVERNMENT HAS CONCLUDED THAT IMPORTS IN THIS CATEGORY ARE DISRUPTING THE UNITED STATES' MARKET AS CONTEMPLATED BY ARTICLE 3 OF THE ARRANGEMENT. A DETAILED FACTUAL STATEMENT OF THE REASONS AND JUSTIFICATION FOR THIS CONCLUSION, WITH CURRENT DATA, IS ENCLOSED AS ANNEX A OF THIS NOTE. ACCORDINGLY, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF THAILAND TO DISCUSS AN APPROPRIATE LEVEL OF RESTRAINT FOR THAILAND'S EXPORTS TO THE UNITED STATES OF COTTON PRINTCLOTH (CATEGORY 315).

IN ACCORDANCE WITH ARTICLE 3 OF THE ARRANGEMENT, IF REPRESENTATIVES OF THE TWO GOVERNMENTS ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY SOLUTION TO THIS MATTER WITHIN SIXTY DAYS, THE GOVERNMENT OF THE UNITED STATES RESERVES THE RIGHT TO RESTRAIN SUCH IMPORTS PRODUCED IN THAILAND AND EXPORTED DURING THE TWELVE MONTH PERIOD BEGINNING ON THE DATE OF RECEIPT OF THIS REQUEST. THIS LIMIT WILL NOT BE LESS THAN 15,375,452 SQUARE METERS. THIS FIGURE IS BASED ON THE PREVIOUS RESTRAINT LEVEL OF 18,388,988 SQUARE YARDS CONVERTED TO SQUARE METERS WITH THE CONVERSION FACTOR OF 0.83612736 SQUARE METER PER SQUARE YARD.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE KINGDOM OF THAILAND WITH RESPECT TO THAILAND'S EXPORTS OF CATEGORY 315 TO THE UNITED STATES AND REGARDING A DATE AND PLACE FOR CONSULTATIONS.

ENCLOSURE: ANNEX A

DEPARTMENT OF STATE,

WASHINGTON, D.C.

MARKET STATEMENT
CATEGORY 315 -- COTTON PRINTCLOTH

THAILAND
MARCH 1989

SUMMARY AND CONCLUSIONS

U.S. IMPORTS OF COTTON PRINTCLOTH -- CATEGORY 315 -- FROM THAILAND SURGED TO 1,665,956 SQUARE METERS IN JANUARY 1989. THAILAND WAS THE FIFTH LARGEST SUPPLIER OF CATEGORY 315 AND THE LARGEST UNCONTROLLED SUPPLIER, ACCOUNTING FOR 6 PERCENT OF TOTAL IMPORTS IN JANUARY 1989. THERE WERE NO IMPORTS FROM THAILAND IN JANUARY 1988.

THE U.S. MARKET FOR COTTON PRINTCLOTH IS BEING DISRUPTED BY THE SHARP AND SUBSTANTIAL INCREASE OF IMPORTS FROM THAILAND.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF COTTON PRINTCLOTH DECLINED TO 77,760 THOUSAND SQUARE METERS IN THE FOURTH QUARTER OF 1988 FROM 84,338 THOUSAND SQUARE METERS IN THE THIRD QUARTER OF 1988, A 7.8 PERCENT DECLINE. FOURTH QUARTER PRODUCTION WAS 27 PERCENT LOWER THAN THE FIRST QUARTER 1988 PRODUCTION LEVEL OF 106,245 THOUSAND SQUARE METERS.

THE U.S. PRODUCERS' SHARE OF THE COTTON PRINTCLOTH MARKET DECLINED FROM 75 PERCENT IN THE FIRST QUARTER 1988 TO 52 PERCENT IN THE FOURTH QUARTER 1988.

IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF CATEGORY 315 MORE THAN DOUBLED IN JANUARY 1989, REACHING 26,391 THOUSAND SQUARE METERS FROM 10,342 THOUSAND SQUARE METERS IMPORTED IN JANUARY 1988. DURING 1988, IMPORTS INCREASED 111 PERCENT, FROM 33,721 THOUSAND SQUARE METERS IN THE FIRST QUARTER 1988 TO 71,028 THOUSAND SQUARE METERS IN THE FOURTH QUARTER 1988.

THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION TRIPLED FROM 31.7 PERCENT DURING THE FIRST QUARTER TO 91.3 PERCENT DURING THE FOURTH QUARTER 1988.

DUTY-PAID VALUE AND U.S. PRODUCERS' PRICE

APPROXIMATELY 66 PERCENT OF CATEGORY 315 IMPORTS FROM THAILAND DURING 1988 ENTERED UNDER TSUSA NUMBERS 326.2927 AND 326.3927 -- CHIEF VALUE COTTON PRINTCLOTH, GRAY, OF 20'S AND 30'S YARN COUNT. THESE FABRICS ENTERED THE U.S. AT DUTY-PAID LANDED VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE FABRICS.

TABLE I
CATEGORY 315 - COTTON PRINTCLOTH: U.S. PRODUCTION
IMPORTS, MARKET, IMPORT/PRODUCTION RATIOS, AND
DOMESTIC MARKET SHARE

PERIOD	PRODUCTION - -1,000 SQUARE METERS - -	IMPORTS	MARKET 1/ - -	I/P - -PERCENT - -	DOMESTIC MARKET SHARE
1987	435,222	312,450	747,672	71.8	58.2
1988:					
1ST QTR.	106,245	33,721	139,966	31.7	75.9
2ND QTR.	97,635	32,760	130,395	33.6	74.9
3RD QTR.	84,338	48,995	133,333	58.1	63.3
4TH QTR.	77,760 2/	71,008	148,768	91.3	52.3

1/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED
COTTON PRINTCLOTH.

2/ ESTIMATED.

TABLE II
CATEGORY 315 - COTTON PRINTCLOTH: U.S. IMPORTS FROM
THAILAND AND TOTAL
- 1,000 SQUARE METERS -

PERIOD	THAILAND	OTHER	TOTAL
1988			
1ST QTR.	956	32,765	33,721
2ND QTR.	1,431	31,329	32,760
3RD QTR.	3,540	45,455	48,995
4TH QTR.	4,090	66,918	71,008
JANUARY			
1988	0	10,342	10,342
1989	1,666	24,725	26,391

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-- CATEGORY 315 COTTON PRINTCLOTH: LANDED DUTY-PAID
- VALUE AND U.S. PRODUCER PRICE
- (U.S. DOLLARS PER SQUARE YARD)

TSUSA NOS. AND SOURCE VALUE/PRICE

326.2927

THAILAND	.33
U.S. PRODUCER PRICE	.37

326.3927

THAILAND	.37
U.S. PRODUCER PRICE	.42



799

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

April 14, 1989

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
General Agreement on Tariffs & Trade
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 March 31, 1989, the United States requested consultations with Thailand with respect to cotton sheeting (category 313). A copy of the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of Thailand at the time of the request is enclosed.

Sincerely,

Robert E. Shepherd
Minister Counsellor

Enclosure

ARCHIVED	DATE	FILE
	18	
REG 18 APR 1989		
For		
Director C. [unclear]		
J.S.B.		
OPER. D. [unclear]		
OPER. DEPT. E		

U.S./Thailand Category 313

THE SECRETARY OF STATE PRESENTS HIS COMPLIMENTS TO THE AMBASSADOR OF THE GOVERNMENT OF THE KINGDOM OF THAILAND AND REFERS TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES, DONE AT GENEVA ON DECEMBER 20, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1977, DECEMBER 22, 1981 AND JULY 31, 1986 AT GENEVA (THE ARRANGEMENT). THE SECRETARY FURTHER REFERS TO SECTION 204 OF THE U.S. AGRICULTURAL ACT OF 1956. AS AMENDED.

DURING RECENT MONTHS THE GOVERNMENT OF THE UNITED STATES HAS NOTED THE SHARPLY RISING LEVEL OF EXPORTS OF COTTON SHEETING (CATEGORY 313) TO THE UNITED STATES FROM THAILAND. AFTER CAREFUL REVIEW, THE UNITED STATES GOVERNMENT HAS CONCLUDED THAT IMPORTS IN THIS CATEGORY ARE DISRUPTING THE UNITED STATES' MARKET AS CONTEMPLATED BY ARTICLE 3 OF THE ARRANGEMENT. A DETAILED FACTUAL STATEMENT OF THE REASONS AND JUSTIFICATION FOR THIS CONCLUSION, WITH CURRENT DATA, IS ENCLOSED AS ANNEX A OF THIS NOTE. ACCORDINGLY, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF THAILAND TO DISCUSS AN APPROPRIATE LEVEL OF RESTRAINT FOR THAILAND'S EXPORTS TO THE UNITED STATES OF COTTON SHEETING (CATEGORY 313).

IN ACCORDANCE WITH ARTICLE 3 OF THE ARRANGEMENT, IF REPRESENTATIVES OF THE TWO GOVERNMENTS ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY SOLUTION TO THIS MATTER WITHIN SIXTY DAYS, THE GOVERNMENT OF THE UNITED STATES RESERVES

THE RIGHT TO RESTRAIN SUCH IMPORTS PRODUCED IN THAILAND AND EXPORTED DURING THE TWELVE MONTH PERIOD BEGINNING ON THE DATE OF RECEIPT OF THIS REQUEST. THIS LIMIT WILL NOT BE LESS THAN 11,712,810 SQUARE METERS. THIS FIGURE IS BASED ON THE PREVIOUS RESTRAINT LEVEL OF 14,008,404 SQUARE YARDS CONVERTED TO SQUARE METERS WITH THE CONVERSION FACTOR OF 0.83612736 SQUARE METER PER SQUARE YARD.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE KINGDOM OF THAILAND WITH RESPECT TO THAILAND'S EXPORTS OF CATEGORY 313 TO THE UNITED STATES AND REGARDING A DATE AND PLACE FOR CONSULTATIONS.

ENCLOSURE - ANNEX A

DEPARTMENT OF STATE,
WASHINGTON, D. C.

MARKET STATEMENT
CATEGORY 313 -- COTTON SHEETING

THAILAND
MARCH 1989

SUMMARY AND CONCLUSIONS

U.S. IMPORTS OF COTTON SHEETING -- CATEGORY 313 -- FROM THAILAND WERE 1 594 THOUSAND SQUARE METERS IN JANUARY 1989. THREE TIMES THE 572 THOUSAND SQUARE METERS IMPORTED IN JANUARY 1988. THAILAND IS THE SECOND LARGEST UNCONTROLLED SUPPLIER OF THESE FABRICS.

THE U.S. MARKET FOR COTTON SHEETING IS BEING DISRUPTED BY THE SHARP AND SUBSTANTIAL INCREASE OF IMPORTS FROM THAILAND.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF COTTON SHEETING DECLINED TO 123,164 THOUSAND SQUARE METERS IN THE FOURTH QUARTER OF 1988 FROM 154,104 THOUSAND SQUARE METERS IN THE THIRD QUARTER OF 1988, A 3 PERCENT DECLINE. FOURTH QUARTER PRODUCTION WAS 16 PERCENT LOWER THAN THE FIRST QUARTER 1988 PRODUCTION

LEVEL OF 145,881 THOUSAND SQUARE METERS.

THE U.S. PRODUCERS' SHARE OF THE COTTON SHEETING MARKET DECLINED FROM 66 PERCENT IN THE FIRST QUARTER 1988 TO 62 PERCENT IN THE FOURTH QUARTER 1988.

IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF CATEGORY 313 DOUBLED IN JANUARY 1989, REACHING 43,919 THOUSAND SQUARE METERS FROM 22,164 THOUSAND SQUARE METERS IMPORTED IN JANUARY 1988. DURING 1988, IMPORTS INCREASED 12 PERCENT, FROM 73,908 THOUSAND SQUARE METERS IN THE FIRST QUARTER 1988 TO 82,544 THOUSAND SQUARE METERS IN THE FOURTH QUARTER 1988.

THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION INCREASED FROM 51 PERCENT DURING THE FIRST QUARTER TO 67 PERCENT DURING THE FOURTH QUARTER 1988.

DUTY-PAID VALUE AND U.S. PRODUCERS' PRICE

APPROXIMATELY 87 PERCENT OF CATEGORY 313 IMPORTS FROM THAILAND DURING 1988 ENTERED UNDER TSUSA NUMBER 328.1934 WHOLLY COTTON SHEETING, WEIGHING LESS THAN 5 OZ. PER SQUARE OF 10 YARN COUNT. THIS FABRIC ENTERED THE U.S. AT DUTY-PAYING VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE FABRICS

TABLE I
CATEGORY 313 - COTTON SHEETING: U.S. PRODUCTION,
IMPORTS, MARKET. IMPORT/PRODUCTION RATIOS, AND

DOMESTIC MARKET SHARE

PERIOD	PRODUCTION	IMPORTS	MARKET 1/	I/P	DOMESTIC MARKET SHARE
-	- 1,000 SQUARE METERS -	-	-	- PERCENT -	-
1987	572,111	496,694	1,068,805	86.8	53.5
1988:					
1ST QTR.	145,881	73,908	219,789	50.7	66.4
2ND QTR.	133,953	69,451	203,404	51.8	65.9
3RD QTR.	127,104	64,330	191,434	50.6	66.4
4TH QTR.	123,164 2/	82,504	205,668	67.0	59.9

1/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED
COTTON SHEETING FABRIC.

2/ ESTIMATED.

TABLE II
CATEGORY 313 -- COTTON SHEETING: U.S. IMPORTS FROM
THAILAND AND TOTAL
1,000 SQUARE METERS -

PERIOD	THAILAND	OTHER	TOTAL
1988			
1ST QTR.	1,531	72,377	73,908
2ND QTR.	1,236	68,215	69,451
3RD QTR.	3,248	61,082	64,330
4TH QTR.	3,783	78,721	82,504
JANUARY			
1988	572	21,662	22,164
1989	1,594	42,325	43,919

-- TABLE III
-- CATEGORY 313 - COTTON SHEETING: LANDED DUTY-PAID
-- VALUE ANT U S. PRODUCER PRICE
-- (U.S. DOLLARS PER SQUARE YARD)

TSUSA NOS AND SOURCE

VALUE/PRICE

320.1934

THAILAND

.45

U.S. PRODUCER PRICE

.64