

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1629\*

29 January 1990

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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 Bangladesh

#### Note by the Chairman

Attached is a notification received from the United States of unilateral measures taken under Article 3:5 on imports from Bangladesh of cotton and mmf nightwear (Category 351/651) and trousers of silk and/or vegetable fibres other than cotton (Category 847) for the period 30 July 1989 to 29 July 1990. The requests for consultations under Article 3:3 made by the United States are also attached.

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\* English only/Anglais seulement/Inglés solamente

S/140-3



826

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND  
TELEPHONE: 732 09 70

January 22, 1990

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

Dear Ambassador Raffaelli:

This is to confirm my earlier oral notification that, effective January 11, 1990, the United States invoked the provisions of article 3.5 of the MFA to impose restraints on imports of two apparel products from Bangladesh: cotton and mmf nightwear (category 351/651) and trousers of silk and/or vegetable blends other than cotton (category 847). The restraint period for each category is from July 30, 1989 to July 29, 1990. The restraints are set at 206,298 dozen for category 351/651 and at 228,956 dozen for category 847.

Sincerely,

Robert E. Shepherd  
Minister - Counsellor

23		
15/12		
OPER. DEPT. A		
OPER. DEPT. B		

TS/140-3



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

August 10, 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 July 30, 1989, the United States requested consultations with Bangladesh with respect to vegetable fiber (other than cotton) and silk blend trousers, slacks and shorts (category 847). A copy of the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of Bangladesh at the time of the request is enclosed.

Sincerely,

Robert E. Shepherd  
Minister Counsellor

Enclosure

ANSWERED	DOC. ISSUED	FILE
REG 15 AUG 1989		
For		
Director General:		
TSB	X	
OPER. DEPT. A		X
OPER. DEPT. B		

United States/Bangladesh (Category 847)

THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND HAS THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES DONE AT GENEVA ON DECEMBER 20, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1987, DECEMBER 22, 1981 AND JULY 31, 1986, DONE AT GENEVA (HEREINAFTER REFERRED TO AS THE ARRANGEMENT). UNDER ARTICLE THREE 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 OR COUNTRIES CONCERNED WITH A VIEW TO REMOVING SUCH DISRUPTION.

DURING RECENT MONTHS THE GOVERNMENT OF THE UNITED STATES HAS NOTICED THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS OF CATEGORY 847 VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND TROUSERS, SLACKS AND SHORTS FROM BANGLADESH TO THE UNITED STATES. DURING 1987, THE UNITED STATES IMPORTED 17,369 DOZENS OF THESE PRODUCTS FROM BANGLADESH. AND 91,413 DOZENS IN 1988.

VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND TROUSERS, SLACKS AND SHORTS ARE AN IMPORTANT AND SENSITIVE PRODUCT LINE IN THE UNITED STATES, AND THEY ARE DIRECTLY COMPETITIVE WITH COTTON TROUSERS, SLACKS AND SHORTS. A DESCRIPTION OF THE EFFECT OF SUCH IMPORTS ON THE UNITED STATES MARKET, RECENT TRENDS OF SUCH IMPORTS FROM BANGLADESH, AND A TABLE OF IMPORTS AND DOMESTIC PRICE DATA ARE APPENDED AS ANNEX A, WHICH IS TO BE REGARDED AS AN INTEGRAL PART OF THIS NOTE.

IMPORTS FROM BANGLADESH HAVE INCREASED FROM 17,369 DOZENS IN 1987 TO 91,413 DOZENS IN 1988, MORE THAN A FIVEFOLD INCREASE. THE CURRENT LEVEL OF IMPORTS OF THESE VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND TROUSERS, SLACKS AND SHORTS FROM BANGLADESH IS DISRUPTING THE U.S. MARKET.

IMPORTS FROM BANGLADESH, 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.

IN ORDER TO ALLEVIATE MARKET DISRUPTION AND TO ENSURE EQUITABLE TREATMENT OF THOSE COUNTRIES PARTY TO THE ARRANGEMENT WHICH PRESENTLY LIMIT THEIR EXPORTS OF THIS CATEGORY TO THE UNITED STATES, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF BANGLADESH TO DISCUSS APPROPRIATE LEVELS OF RESTRAINT FOR ITS EXPORTS OF CATEGORY 847 PRODUCTS ENTERING THE UNITED STATES.

IN ACCORDANCE WITH ARTICLE THREE OF THE ARRANGEMENT, TO WHICH BOTH THE GOVERNMENT OF BANGLADESH AND THE GOVERNMENT OF THE UNITED STATES ARE PARTIES, IF 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 IMPORTS OF CATEGORY 847 VEGETABLE FIBER, OTHER THAN COTTON. AND SILK-BLEND TROUSERS. SLACKS AND SHORTS PRODUCED IN BANGLADESH 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 BANGLADESH DURING THE FIRST TWELVE OF THE MOST RECENT FOURTEEN MONTH PERIOD, NOT INCLUDING THE MONTH OF JULY. THE AMOUNT FOR THIS TWELVE MONTH PERIOD MAY 1, 1988 THROUGH APRIL 30, 1989 WOULD BE 228,956 DOZENS.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH WITH RESPECT TO BANGLADESH'S EXPORTS IN CATEGORY 847 VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND TROUSERS, SLACKS AND SHORTS TO THE UNITED STATES AND WITH RESPECT TO A DATE AND PLACE FOR CONSULTATIONS.

(COMPLIMENTARY CLOSE)

ANNEX A

MARKET STATEMENT  
VEGETABLE FIBER, OTHER THAN COTTON, AND  
SILK-BLEND TROUSERS, SLACKS AND SHORTS  
(CATEGORY 847)

BANGLADESH  
JULY 1989

IMPORT SITUATION AND CONCLUSIONS

U.S. IMPORTS OF VEGETABLE FIBER (OTHER THAN COTTON) AND SILK-BLEND TROUSERS, SLACKS AND SHORTS (CATEGORY 847) FROM BANGLADESH REACHED 228,956 DOZEN DURING THE YEAR ENDING APRIL 1989, ALMOST 6 TIMES THE 39,281 DOZEN IMPORTED A YEAR EARLIER. DURING THE FIRST FOUR MONTHS OF 1989 IMPORTS OF CATEGORY 847 FROM BANGLADESH REACHED 159,455 DOZEN, OVER 7 TIMES THE 21,912 DOZEN IMPORTED DURING THE SAME PERIOD IN 1988 AND ALMOST DOUBLE BANGLADESH'S IMPORTS FOR ALL OF CALENDAR YEAR 1988.

VIRTUALLY ALL OF THE IMPORTS OF TROUSERS, SLACKS AND SHORTS IN CATEGORY 847 ARE OF VEGETABLE FIBER, OTHER THAN COTTON. AND COMPETE DIRECTLY WITH DOMESTICALLY PRODUCED COTTON TROUSERS, SLACKS AND SHORTS (CATEGORY 347/348). THE U.S. MARKET FOR COTTON TROUSERS, SHORTS AND SLACKS (CATEGORY 347/348) IS BEING DISRUPTED BY IMPORTS.

CATEGORY 347/348 IMPORTS FROM BANGLADESH HAVE BEEN UNDER RESTRAINT SINCE FEBRUARY 1, 1986. THE SHARP AND SUBSTANTIAL INCREASE OF CATEGORY 847 IMPORTS FROM BANGLADESH IS CAUSING FURTHER DISRUPTION IN THE U.S. COTTON TROUSERS, SLACKS AND SHORTS MARKET.

IMPORT PENETRATION AND MARKET SHARE

U.S. PRODUCTION OF COTTON TROUSERS, SLACKS, AND SHORTS (CATEGORY 347/348) FELL 15 PERCENT IN 1988 TO ITS LOWEST LEVEL IN 13 YEARS. THE RATIO OF IMPORTS TO PRODUCTION IN CATEGORY 347/348 INCREASED TO 84 PERCENT IN 1988. THE SHARE OF THE COTTON TROUSERS, SLACKS, AND SHORTS MARKET HELD BY DOMESTIC MANUFACTURERS DROPPED TO 54 PERCENT IN 1988.

U.S. WORLDWIDE IMPORTS OF VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND TROUSERS, SLACKS AND SHORTS (CATEGORY 847) -- ADJUSTED FOR 1987 OVERSHIPMENTS -- INCREASED 38 PERCENT FROM 1,653,741 DOZEN IN 1987 TO 2,287,800 DOZEN IN 1988.

WHEN IMPORTS OF THE DIRECTLY COMPETITIVE CATEGORY 847 ARE INCLUDED IN THE 347/348 MARKET ANALYSIS, THE IMPORT TO PRODUCTION RATIO JUMPS TO 94 PERCENT AND THE DOMESTIC MANUFACTURERS' SHARE OF THE MARKET FALLS TO 52 PERCENT.

DUTY-PAID VALUE AND U.S. PRODUCERS PRICE

APPROXIMATELY 95 PERCENT OF CATEGORY 847 IMPORTS FROM BANGLADESH IN THE FIRST FOUR MONTHS OF 1989 ENTERED UNDER HTS NUMBER: 6204.69.9040 - WOMEN'S AND GIRLS' TROUSERS, BREECHES AND SHORTS SUBJECT TO OTHER THAN COTTON, WOOL OR MAN-MADE FIBER RESTRAINTS. THESE TROUSERS ENTERED THE U.S. AT DUTY-PAID LANDED VALUES BELOW U.S. PRODUCERS' PRICES FOR DIRECTLY COMPETING COTTON GARMENTS.

TABLE I  
COTTON, SILK BLEND AND OTHER VEGETABLE FIBER TROUSERS, 1/  
SLACKS AND SHORTS (CATEGORY 347/348/847):  
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 - -	

(CATEGORY 347/348)

1982	39,968	13,133	53,101	32.9	75.3
1983	39,549	18,076	57,625	45.7	68.6
1984	40,534	19,174	59,708	47.3	67.9
1985	38,794	20,402	59,196	52.6	65.5
1986	39,662	25,514	65,176	64.3	60.9
1987	43,379	29,132	72,511	67.2	59.8
1988	36,865	30,976	67,841	84.0	54.3

(CATEGORY 347/348/847)

1987	43,379	31,212 3/	74,591	72.0	58.2
1988	36,865	32,837 3/	69,702	89.1	52.9

(CATEGORY 347/348/847)  
ADJUSTED FOR OVERSHIPMENTS

1987	43,379	29,585 4/	72,964	68.2	59.5
1988	36,865	34,464 4/	71,329	93.5	51.7

1/ U.S. PRODUCTION AND IMPORT DATA FOR 1982 THROUGH 1986 INCLUDE INFANTS (COMMERCIAL SIZES 0-24 MONTHS). BEGINNING IN 1987, U.S. PRODUCTION DATA EXCLUDE INFANTS' COTTON TROUSER, SLACK AND SHORT PRODUCTION. THIS CHANGE IN PRODUCTION WAS MADE AS A FIRST STEP IN IMPLEMENTING THE HARMONIZED SYSTEM NOMENCLATURE. CATEGORY 347/348/847 IMPORTS EXCLUDE INFANTS BEGINNING IN 1989. THE EFFECT ON THE COMPARABILITY OF THE DATA FOR CATEGORY 347/348/847 OF IMPLEMENTING THE HARMONIZED SYSTEM NOMENCLATURE IS MINUSCULE.

2/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED COTTON, SILK BLEND AND VEGETABLE FIBER TROUSERS, SLACKS AND SHORTS.

3/ INCLUDES IMPORTS OF SILK-BLEND AND VEGETABLE FIBER. OTHER THAN COTTON, TROUSERS, SLACKS AND SHORTS.

4/ IMPORT DATA ARE ADJUSTED FOR 1987 OVERSHIPMENTS. THE 1987 EMBARGOED OVERSHIPMENTS IN CATEGORY 347/348

(APPROXIMATELY 1,200,000 DOZEN) AND CATEGORY 847 (426,522 DOZEN) WERE DEDUCTED FROM THE 1987 IMPORT DATA AND ADDED INTO THE 1988 IMPORT DATA. THIS ADJUSTMENT ACCURATELY REFLECTS WHEN THESE IMPORTS ACTUALLY ENTERED THE U.S. MARKET. BANGLADESH OVERSHIPPED CATEGORY 347/348 BY 575,544 DOZEN IN 1987.



TABLE II  
SILK BLEND AND OTHER VEGETABLE FIBER TROUSERS, 1/  
SLACKS AND SHORTS (CATEGORY 847) IMPORTS  
FROM BANGLADESH AND THE WORLD  
(1,000 DOZEN)

PERIOD	BANGLADESH	OTHER	WORLD
1987	17	2,063	2,080
1988	91	1,770	1,861

ADJUSTED FOR OVERSHIPMENTS

1987	17	1,637	1,654
1988	91	2,197	2,288

YEAR ENDING APRIL 1/:

1988	39	2,291	2,330
1989	229	2,178	2,407

JANUARY-APRIL 1/:

1988	22	1,129	1,151
1989	159	1,538	1,697

1/ OVERSHIPMENT DATA ARE AVAILABLE ONLY ON AN ANNUAL BASIS. AS A RESULT, IT IS IMPOSSIBLE TO ADJUST THE NON-CALENDAR YEAR PERIODS FOR OVERSHIPMENTS. SEE FOOTNOTE 4, TABLE I.

TABLE III  
VEGETABLE FIBER, OTHER THAN COTTON, AND SILK-BLEND  
TROUSERS, SLACKS AND SHORTS (CATEGORY 847):  
DUTY-PAID VALUES AND U.S. PRODUCERS' PRICES  
U.S. DOLLARS PER DOZEN

TSUSA NO. AND SOURCE	VALUE/PRICE
6204.69.9040:	
BANGLADESH	45.00
U.S. PRODUCER PRICE	85.00 - 95.00

TS/140-3



813

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

August 10, 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 July 30, 1989, the United States requested consultations with Bangladesh with respect to pajamas and other nightwear (category 351/651). A copy of the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of Bangladesh at the time of the request is enclosed.

Sincerely,

Robert E. Shepherd  
Minister Counsellor

Enclosure

AMENDED	DOC. ISSUED	FILE
REG 15 AUG 1989		
For		
Director General:		
ISR	X	A
OPER. DEPT. A		X
OPER. DEPT. B		

THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND HAS THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES DONE AT GENEVA ON DECEMBER 20, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1987, DECEMBER 22, 1981 AND JULY 31, 1986, DONE AT GENEVA (HEREINAFTER REFERRED TO AS THE ARRANGEMENT). UNDER ARTICLE THREE 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 OR COUNTRIES CONCERNED WITH A VIEW TO REMOVING SUCH DISRUPTION.

DURING RECENT MONTHS THE GOVERNMENT OF THE UNITED STATES HAS NOTICED THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS OF CATEGORY 351/651 PAJAMAS AND OTHER NIGHTWEAR FROM BANGLADESH TO THE UNITED STATES. DURING 1987, THE UNITED STATES IMPORTED 44,559 DOZENS OF THESE PAJAMAS AND OTHER NIGHTWEAR FROM BANGLADESH, AND 163,229 DOZENS IN 1988.

COTTON AND MAN-MADE FIBER PAJAMAS AND OTHER NIGHTWEAR ARE AN IMPORTANT AND SENSITIVE PRODUCT LINE IN THE UNITED STATES. PURSUANT TO THE ARRANGEMENT AND CONSISTENT WITH GOALS SET OUT IN ARTICLE ONE 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 OF AMERICA HAS NEGOTIATED LEVELS OF TRADE FOR THESE PRODUCTS WITH MANY EXPORTING COUNTRIES, SOME OF WHICH ARE BELOW THE CURRENT LEVELS OF IMPORTS FROM BANGLADESH. IMPORTS FROM BANGLADESH HAVE INCREASED FROM 44,559 DOZENS IN 1987 TO 163,229 DOZENS IN 1988. AN ALMOST FOURFOLD INCREASE. THE CURRENT LEVEL OF IMPORTS OF THESE PAJAMAS AND OTHER NIGHTWEAR FROM BANGLADESH IS DISRUPTING THE U.S. MARKET. IMPORTS FROM BANGLADESH, 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.

A DESCRIPTION OF THE EFFECT OF SUCH IMPORTS ON THE UNITED STATES MARKET, FROM RECENT TRENDS OF SUCH IMPORTS FROM BANGLADESH, AND A TABLE OF IMPORTS AND DOMESTIC PRICE DATA ARE APPENDED AS ANNEX A, WHICH IS TO BE REGARDED AS AN INTEGRAL PART OF THIS NOTE.

IN ORDER TO ALLEVIATE MARKET DISRUPTION AND TO ENSURE EQUITABLE TREATMENT OF THOSE COUNTRIES PARTY TO THE ARRANGEMENT WHICH PRESENTLY LIMIT THEIR EXPORTS OF THIS CATEGORY TO THE UNITED STATES, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF BANGLADESH TO DISCUSS APPROPRIATE LEVELS OF RESTRAINT FOR ITS EXPORTS OF CATEGORY 351/651 PRODUCTS ENTERING THE UNITED STATES.

IN ACCORDANCE WITH ARTICLE THREE OF THE ARRANGEMENT, TO WHICH BOTH THE GOVERNMENT OF BANGLADESH AND THE GOVERNMENT OF THE UNITED STATES ARE PARTIES, IF 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 IMPORTS OF CATEGORY 351/651 COTTON AND MAN-MADE FIBER PAJAMAS AND OTHER NIGHTWEAR PRODUCED IN BANGLADESH 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 BANGLADESH DURING THE FIRST TWELVE OF THE MOST RECENT FOURTEEN MONTH PERIOD, NOT INCLUDING THE MONTH OF JULY. THE AMOUNT FOR THIS TWELVE MONTH PERIOD MAY 1, 1988 THROUGH APRIL 30, 1989 WOULD BE 206,298 DOZENS.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH WITH RESPECT TO BANGLADESH'S EXPORTS IN CATEGORY 351/651 PAJAMAS AND OTHER NIGHTWEAR TO THE UNITED STATES AND WITH RESPECT TO A DATE AND PLACE FOR CONSULTATIONS.

(COMPLIMENTARY CLOSE)

ANNEX A

MARKET STATEMENT  
PAJAMAS AND OTHER NIGHTWEAR  
(CATEGORY 351/651)

BANGLADESH  
JULY 1989

SUMMARY AND CONCLUSIONS

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U.S. IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) FROM BANGLADESH REACHED 206,298 DOZEN DURING THE YEAR ENDING APRIL 1989, NEARLY 4 TIMES THE 56,988 DOZEN IMPORTED A YEAR EARLIER. DURING THE FIRST FOUR MONTHS OF 1989, IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) FROM BANGLADESH REACHED 59,608 DOZEN, ALMOST 4 TIMES THE AMOUNT IMPORTED IN THE FIRST FOUR MONTHS OF 1988. IMPORTS FROM BANGLADESH WERE 44,559 DOZEN IN 1987 AND 163,229 DOZEN IN 1988.

THE SHARP AND SUBSTANTIAL INCREASE IN CATEGORY 351/651 IMPORTS FROM BANGLADESH IS DISRUPTING THE U.S. MARKET FOR PAJAMAS AND OTHER NIGHTWEAR.

U.S. PRODUCTION AND MARKET SHARE

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U.S. PRODUCTION OF PAJAMAS AND OTHER NIGHTWEAR, INCLUDING INFANTS, HAS BEEN ON THE DECLINE SINCE 1983, FALLING FROM 22,836,000 DOZEN IN 1983 TO 19,933,000 DOZEN IN 1985, A 13 PERCENT DECLINE. U.S. PRODUCTION OF PAJAMAS AND OTHER NIGHTWEAR (EXCLUDING INFANTS--SEE TABLE I, FOOTNOTE 1/) DECLINED FROM 17,078,000 DOZEN IN 1986 TO 14,093,000 DOZEN IN 1988, A DECLINE OF 18 PERCENT. THE DOMESTIC MANUFACTURERS' SHARE OF THE PAJAMAS AND OTHER NIGHTWEAR MARKET DROPPED FROM 77 PERCENT IN 1986 TO 71 PERCENT IN 1988.

U.S. IMPORTS AND IMPORT PENETRATION

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U.S. IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) MORE THAN DOUBLED, INCREASING FROM 2,611,000 DOZEN IN 1982 TO 5,770,000 DOZEN IN 1988. IMPORTS CONTINUE TO INCREASE IN 1989, UP 12 PERCENT IN THE FIRST FOUR MONTHS OF 1989 OVER THE SAME PERIOD IN 1988. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION INCREASED 10 PERCENTAGE POINTS IN JUST TWO YEARS, INCREASING FROM 31 PERCENT IN 1986 TO 41 PERCENT IN 1988.

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

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APPROXIMATELY 68 PERCENT OF CATEGORY 351/651 IMPORTS FROM BANGLADESH DURING THE FIRST FOUR MONTHS OF 1989 ENTERED UNDER HTSUSA NUMBER 6207.21.0030 -- MEN'S COTTON NIGHTSHIRTS AND PAJAMAS, OTHER THAN OF YARN DYED FABRIC; 6207.22.0000 -- MEN'S OR BOYS' MAN-MADE FIBER NIGHTSHIRTS AND PAJAMAS, OTHER THAN OF YARN DYED FABRIC; 6208.21.0020 WOMEN'S COTTON NIGHTSHIRTS AND PAJAMAS, OTHER THAN OF YARN DYED FABRIC. THESE NIGHTSHIRTS AND PAJAMAS ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE NIGHTSHIRTS AND PAJAMAS.

TABLE I  
PAJAMAS AND OTHER NIGHTWEAR 1/ (CATEGORY 351/651):  
U.S. PRODUCTION, IMPORTS, MARKET, IMPORT/PRODUCTION  
RATIOS AND DOMESTIC MARKET SHARE

PERIOD	PRODUCTION ----- 1,000 DOZEN -----	IMPORTS ----- 1,000 DOZEN -----	MARKET 2/ -----	I/P ----- PERCENT -----	DOMESTIC MARKET SHARE -----
1982	22,201	2,611	24,812	11.8	89.5
1983	22,836	2,795	25,631	12.2	89.1
1984	21,299	3,336	24,635	15.7	86.5
1985	19,933	4,387	24,320	22.0	82.0
1986	17,078	5,220	22,298	30.6	76.6
1987	15,716	5,360	21,076	34.1	74.6
1988	14,093	5,770	19,863	40.9	71.0

1/ PRODUCTION AND IMPORT DATA FOR 1982 THROUGH 1985 INCLUDE INFANTS (COMMERCIAL SIZES 0-24 MONTHS). BEGINNING IN 1986, U.S. PRODUCTION DATA EXCLUDE INFANTS' PAJAMAS AND OTHER NIGHTWEAR. U.S. IMPORT DATA EXCLUDE INFANTS DATA BEGINNING IN 1989. THESE CHANGES WERE INITIATED TO IMPLEMENT THE HARMONIZED TARIFF SYSTEM NOMENCLATURE.

2/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED PAJAMAS AND OTHER NIGHTWEAR.

TABLE II  
PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651):  
IMPORTS FROM BANGLADESH AND THE WORLD  
--- 1,000 DOZEN ---

PERIOD	BANGLADESH	OTHER	WORLD
1987	45	5,315	5,360
1988	163	5,607	5,770
YEAR ENDING APRIL:			
1988	57	5,371	5,428
1989	206	5,750	5,956
JANUARY - APRIL:			
1988	17	1,523	1,540
1989	60	1,666	1,726

TABLE III  
PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651):  
DUTY-PAID IMPORT VALUES AND U.S. PRODUCERS' PRICES  
U.S. DOLLARS PER DOZEN

HTSUSA NO.AND SOURCE:	VALUE/PRICE
6207.21.0030:	
BANGLADESH:	48.43
U.S. PRODUCER PRICE:	77.00 - 87.00
6208.21.0020:	
BANGLADESH:	55.85
U.S. PRODUCER PRICE:	88.00 - 98.00
6207.22.0000:	
BANGLADESH:	52.34
U.S. PRODUCER PRICE:	77.00 - 87.00