

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1645<sup>\*</sup>  
18 April 1990

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification Under Paragraph 8 of the 1986 Protocol of Extension

United States/Thailand

Note by the Chairman

Attached is the market statement made by the United States with respect to the extension of the unilateral restraint on Category 638/639 for a twelve-month period ending 30 March 1991.<sup>1</sup>

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<sup>1</sup>The extension of the restraint is contained in TEX.SB/1643.

<sup>\*</sup>English only/Anglais seulement/Inglés solamente

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UNITED STATES TRADE REPRESENTATIVE

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

April 9, 1990

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
General Agreement on Tariffs & Trade  
Rue de Lausanne 154  
1211 Geneva

Dear Ambassador Raffaelli:

Further to my letter to you of April 2, 1990, I attach a copy of the market statement for category 638/639 which was provided to Thailand on March 29, 1990.

Sincerely,

*Robert E. Shepherd*

Robert E. Shepherd  
Minister Counsellor

Attachment

DATE	10 APR 1990
TO	
FROM	
SUBJECT	T3B
ATTACHED	
OTHER DEPT. A	
OTHER DEPT. B	
OTHER DEPT. C	
OTHER DEPT. D	
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U.S. - THAILAND

MEN'S AND BOYS' AND WOMEN'S AND GIRLS'  
MAN-MADE FIBER KNIT SHIRTS AND BLOUSES  
CATEGORY 638/639

I. PRODUCT DESCRIPTION

CATEGORY 638/639 COVERS MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRTS AND BLOUSES. CATEGORY 638/639 KNIT GARMENTS ARE COMMERCIALY KNOWN AS BLOUSES, SPORT OR DRESS SHIRTS, POLO SHIRTS, PULLOVERS, SWEATERS, HALTERS OR TOPS, TURTLENECK SHIRTS, SWEATSHIRTS, T-SHIRT, OR TANK TOPS. THESE OUTERGARMENTS FOR MALES AND FEMALES COVER THE UPPERBODY FROM THE NECK OR SHOULDERS TO THE WAIST OR BELOW, AS FAR AS THE MID-THIGH AREA.

CATEGORY 638/639 KNIT GARMENTS MAY HAVE A COLLAR TREATMENT, INCLUDING A POOD, OR NO COLLAR, AND MAY HAVE ANY TYPE OF NECKLINE. THESE GARMENTS MAY BE A PULLOVER STYLE OR HAVE A FULL OR PARTIAL FRONT OR BACK OPENING. THEY MAY BE SLEEVELESS OR HAVE SLEEVES OF ANY LENGTH AND MAY HAVE ANY TYPE OF POCKET TREATMENT. THE BOTTOMS OF THESE KNIT GARMENTS ARE USUALLY HEMMED; HOWEVER, THEY MAY BE FINISHED IN OTHER WAYS TO PREVENT RAVELLING. THE CONSTRUCTION OF THESE KNIT SHIRTS AND BLOUSES MAY BE TAILORED OR FULL-FASHIONED.

II. MARKET SITUATION

A. MARKET DISRUPTION

1. U.S. PRODUCTION (TABLE I)

U.S. PRODUCTION OF MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRTS AND BLOUSES DECLINED FROM 61,726 THOUSAND DOZEN IN 1987 TO 59,544 THOUSAND DOZEN IN 1988, A DECLINE OF 4 PERCENT. DURING THE FIRST NINE MONTHS OF 1989, PRODUCTION OF MAN-MADE FIBER KNIT SHIRTS DROPPED TO 39,227 THOUSAND DOZEN, 13 PERCENT BELOW THE 45,086 THOUSAND DOZEN PRODUCED IN THE SAME PERIOD OF 1988.

2. MARKET SHARE LOSS (TABLE I)

THE U.S. PRODUCERS' SHARE OF THE MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRTS AND BLOUSES, AT 59 PERCENT FOR THE FIRST NINE MONTHS OF 1989, WAS DOWN 12 PERCENTAGE POINTS FROM THE 71 PERCENT FOR THE SAME PERIOD A YEAR EARLIER.

THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION INCREASED 26 PERCENTAGE POINTS IN THE FIRST NINE MONTHS OF 1989, INCREASING FROM 41 PERCENT DURING THE FIRST NINE MONTHS OF 1988 TO 69 PERCENT DURING THE FIRST NINE MONTHS OF 1989.

#### 4. EMPLOYMENT

TOTAL EMPLOYMENT IN THE U.S. INDUSTRY WHICH PRODUCES KNIT OUTERWEAR (SIC 2253) DECLINED 3 PERCENT FROM 72.1 THOUSAND EMPLOYEES IN 1987 TO 70.2 THOUSAND EMPLOYEES IN 1989.

##### B. SHARP AND SUBSTANTIAL INCREASES IN IMPORTS

##### 1. IMPORTS (GENERAL) (TABLE II)

AFTER U.S. IMPORTS OF CATEGORY 638/639 DECLINED IN 1988, IMPORTS SURGED IN 1989, REACHING 34,996,300 DOZEN, UP 14 PERCENT OVER THE 1987 LEVEL.

##### 2. IMPORTS (THAILAND) (TABLE II)

- A. U.S. IMPORTS OF CATEGORY 638/639 FROM THAILAND DECLINED IN 1988. THAILAND'S CATEGORY 638/639 IMPORTS THEN SURGED IN 1989 TO A RECORD LEVEL 1,940,159 DOZEN, DOUBLE THEIR 1988 LEVEL AND 52 PERCENT ABOVE THEIR 1987 LEVEL.
- B. APPROXIMATELY 80 PERCENT OF THAILAND'S MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRT AND BLOUSE IMPORTS IN 1989 ENTERED UNDER HTSUSA NUMBERS 6105.20.2030 -- BOYS' MAN-MADE FIBER KNIT SHIRTS, 6110.30.3040 -- MEN'S AND BOYS' MAN-MADE FIBER SWEATSHIRTS, 6110.30.3050 -- MEN'S AND BOYS' MAN-MADE FIBER KNIT PULLOVERS, 6106.20.2010 -- WOMEN'S MAN-MADE FIBER KNIT SHIRTS AND BLOUSES, AND 6110.30.3055 -- WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT PULLOVERS.

C. VALUES AND PRICES

THE LANDED DUTY-PAID VALUES OF MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRTS AND BLOUSES FROM THAILAND ARE BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE KNIT SHIRTS AND BLOUSES AS INDICATED BELOW:

HTSUSA NO. AND SOURCE	VALUE/PRICE (U.S. DOLLARS PER DOZEN)
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6105.20.2030

THAILAND	42.35
U.S. PRODUCERS' PRICE	70.00 - 75.00

6110.30.3040

THAILAND	72.32
U.S. PRODUCERS' PRICE	105.00 - 110.00

6110.30.3050

THAILAND	54.49
U.S. PRODUCERS' PRICE	80.00 - 85.00

6106.20.2010

THAILAND	46.86
U.S. PRODUCERS' PRICE	78.00 - 83.00

6110.30.3055

THAILAND	45.63
U.S. PRODUCERS' PRICE	78.00 - 83.00

TABLE I  
MEN'S AND BOYS' AND WOMEN'S AND GIRLS' 1/ MAN-MADE  
FIBER KNIT SHIRTS AND BLOUSES, CATEGORY 638/639:  
U.S. PRODUCTION, IMPORTS, MARKET  
IMPORT/PRODUCTION RATIOS AND DOMESTIC MARKET SHARE

PERIOD	PRODUCTION	IMPORTS	MARKET	I/P RATIO	DOMESTIC MARKET SHARE
	--- 1,000 DOZEN ---			-- PERCENT --	
1987	61,726	30,689	92,414	49.7	66.8
1988	59,544	25,002	84,546	42.0	70.4

JANUARY-SEPTEMBER:

1988	45,786	18,490	64,276	41.7	70.9
89	39,227	26,851	66,078	68.5	59.4

- 1/ BEGINNING IN 1987, U.S. PRODUCTION DATA EXCLUDE INFANTS' (COMMERCIAL SIZES 7-24 MONTHS) MAN-MADE FIBER KNIT SHIRTS AND BLOUSES. THIS CHANGE IN PRODUCTION WAS A FIRST STEP IN IMPLEMENTING THE HARMONIZED SYSTEM NOMENCLATURE. U.S. IMPORT DATA EXCLUDE INFANTS DATA BEGINNING IN 1989.
- 2/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE FIBER KNIT SHIRTS AND BLOUSES. EXPORT DATA ARE QUESTIONABLE DUE TO REPORTING PROBLEMS. NEVERTHELESS, INDICATIONS ARE THAT EXPORTS ARE NOT A SIGNIFICANT FACTOR IN DETERMINING THIS MARKET.

TABLE II  
U.S. GENERAL IMPORTS AND APPLICABLE  
RESTRAINT LEVELS FOR  
CATEGORY 638/639 FOR THAILAND  
AND OTHER COUNTRIES IN DOZENS

COUNTRY	-- CALENDAR YEARS --		PERCENT SHARE	1997 RESTRAINT LEVEL
	1988	1989		
	THAILAND CALL BASE PERIOD			
WORLD	25,002,450	34,996,300	100.00	
TAIWAN	5,571,447	7,521,190	21.47	6,592,119 SL
KOREA REP	4,709,824	6,017,893	17.27	5,150,000 SL
HONG KONG	3,836,993	4,784,835	13.67	4,397,600 SL
SINGAPORE	3,305,860	4,237,881	12.11	807,221 SL
	(CAT 638 2,978,894; SL CAT 639)			
CHINA	1,255,740	2,698,657	7.71	2,184,840 SL
THAILAND	977,775	1,940,159	5.54	1,722,290
	(CALLED) 1/			
PHIL. REP	944,193	1,100,981	3.15	1,345,848 SL
JAMAICA	40,961	1,068,584	3.05	780,902 SL
	(CAT 338/9/638/9) 2/			
INDONESIA	619,130	926,312	2.65	871,109 SL
HAITI	175,208	791,500	2.26	---
MACAU	560,510	748,948	2.14	1,091,511 SL
	(CAT 638/639/838)			
DOM. REP	282,960	488,369	1.40	477,000 SL
	(CAT 338/638; 477,000 SL CAT 339/639) 2/			
SRI LANKA	333,132	418,243	1.20	545,900 SL
	(CAT 638/639/838)			
PANGLADESE	765,701	303,957	0.87	870,790 SL
COSTA RICA	80,475	283,926	0.81	---
MALAYSIA	237,891	249,029	0.71	297,438 SL
MEXICO	124,435	232,959	0.67	DCL
HONDURAS	114,304	170,067	0.49	---
UAE	32,651	158,464	0.45	76,052
	(CALLED)			
MAURITIUS	82,623	145,259	0.42	290,370 SL
INDIA	146,011	115,280	0.37	---
ST. LUCIA	53,029	98,560	0.29	---

1/ THE CALL LEVEL IS THE SUM OF THE 1988 SPECIFIC LIMITS FOR CATEGORIES 638 (450,000 DOZ.) AND 639 (1,272,290 DOZ), WHICH TOTAL 1,722,290 DOZEN.

2/ THERE ARE GUARANTEED ACCESS LEVELS FOR JAMAICA AND THE DOMINICAN REPUBLIC, AND A SPECIAL REGIME LEVEL FOR MEXICO COVERING THIS PRODUCT. THESE LEVELS ARE FOR GOODS ASSEMBLED IN THOSE COUNTRIES OF COMPONENTS FORMED AND CUT IN THE UNITED STATES AS FOLLOWS: JAMAICA CAT. 338/9/638/9 1,500,000 DOZEN; MEXICO CAT. 338/9/638/9 1,400,000 DOZEN; DOMINICAN REPUBLIC CAT. 338/638 1,000,000 DOZEN; CAT. 339/639 1,000,000 DOZEN.

U.S. MONTHLY AND YEAR ENDING IMPORTS  
CATEGORY: 638/639  
(DOZEN)

PERIOD	WORLD	THAILAND	THAILAND'S PERCENT OF WORLD
1987	30,687,628	1,277,311	4.16
1988	25,072,450	977,775	3.91
1989	34,996,300	1,940,159	5.54

  

PERIOD	MONTHLY --- IMPORTS ---	THAILAND	YEAR ENDING --- IMPORTS ---	THAILAND
88/1	2,398,654	111,679	30,233,123	1,330,246
88/2	2,454,518	138,061	28,991,413	1,250,637
88/3	1,866,736	84,901	28,043,958	1,192,489
88/4	1,642,596	32,112	27,758,853	1,100,294
88/5	1,724,681	52,909	26,131,621	1,056,606
88/6	2,69,461	72,373	25,685,010	1,024,681
88/7	2,199,777	70,762	24,986,780	980,428
88/8	2,274,840	86,645	24,536,399	89,688
88/9	1,729,174	44,487	24,157,32	972,273
88/10	1,939,681	79,062	23,939,860	940,789
88/11	2,181,265	85,634	24,416,988	935,944
88/12	2,391,67	119,150	25,022,450	977,775
89/1	3,782,876	222,560	26,386,672	1,088,656
89/2	2,909,229	134,035	26,841,383	1,084,630
89/3	2,405,543	160,213	27,380,190	1,159,742
89/4	2,246,102	132,171	27,983,696	1,259,801
89/5	2,991,789	149,148	29,250,804	1,356,040
89/6	3,323,055	197,065	30,304,398	1,480,732
89/7	3,209,653	226,799	31,314,274	1,636,769
89/8	3,219,276	177,675	32,328,710	1,727,799
89/9	2,714,914	106,787	33,314,450	1,790,099
89/10	3,045,646	150,065	34,420,415	1,861,102
89/11	2,653,651	146,091	34,892,801	1,921,559
89/12	2,494,566	137,750	34,996,300	1,940,159