

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1646\*

27 April 1990

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Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 3:5

#### Unilateral Measure Taken by the United States With Respect to Certain Textile 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 for the period 29 November 1989 to 28 November 1990 with respect to cotton and man-made fibre pyjamas and other sleepwear (Category 351/651) when imported from Turkey. Attached also is the market statement presented by the United States at the time of the request for consultations under Article 3:3.

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\*English only/Anglais seulement/Inglés solamente



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

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

This is to confirm my earlier oral notification that, effective April 6, 1990, the United States invoked the provisions of Article 3.5 of the MFA to impose restraints on imports of: cotton and mmf pajamas and other sleepwear (category 351/651) from Turkey. The restraint period is from November 29, 1989 to November 28, 1990. The restraint is set at 125,554 dozen.

  
Robert E. Shepherd  
Minister Counsellor

TSB

140-3



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**UNITED STATES TRADE REPRESENTATIVE**

1-3 AVENUE DE LA PAIX

**1202 GENEVA, SWITZERLAND**

Telephone: 32 09 70

December 4, 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 November 29, 1989, the United States requested consultations with Turkey with respect to cotton and mmf pajamas and other sleepwear (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 Turkey at the time of the request is enclosed.

Sincerely,

  
Robert E. Shepherd  
Minister Counsellor

Enclosure

AMENDED [unclear]	No
REG - 7 DEC 1989	
For	
Director General	
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OPRA, DEPT. A	<input checked="" type="checkbox"/>
OPRA, DEPT. B	

U.S./Turkey Category 351/651

THE EMBASSY OF THE UNITED STATES OF AMERICA HAS THE HONOR TO REFER 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 EMBASSY HAS THE FURTHER HONOR TO REFER TO SECTION 224 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 AND MAN-MADE FIBER PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) TO THE UNITED STATES FROM TURKEY. 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 TURKEY TO DISCUSS AN APPROPRIATE LEVEL OF RESTRAINT FOR TURKEY'S EXPORTS TO THE UNITED STATES OF COTTON AND MAN-MADE FIBER PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651).

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 TURKEY AND EXPORTED DURING THE TWELVE MONTH PERIOD BEGINNING ON THE DATE OF RECEIPT OF THIS REQUEST. (THIS LIMIT WILL NOT BE LESS THAN THE LEVEL OF UNITED STATES' IMPORTS AS REPORTED IN U.S. GENERAL IMPORT STATISTICS, ENTERED IN THIS CATEGORY FROM TURKEY DURING THE FIRST TWELVE OF THE MOST RECENT FOURTEEN MONTHS PRECEDING THE MONTH IN WHICH CONSULTATIONS WERE REQUESTED. BASED ON YEAR-ENDING AUGUST-1989 IMPORT DATA, THIS NUMBER IS 125,544 DOZEN.

THE GOVERNMENT OF THE UNITED STATES WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF TURKEY WITH RESPECT TO TURKEY'S EXPORTS IN CATEGORY 351/651 TO THE UNITED STATES AND REGARDING A DATE AND PLACE FOR CONSULTATIONS.

ENCLOSURE: ANNEX A

COMPLIMENTARY CLOSE

MARKET STATEMENT  
PAJAMAS AND OTHER NIGHTWEAR --  
CATEGORY 351/651

TURKEY  
NOVEMBER 1989

IMPORT SITUATION AND CONCLUSION  
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U.S. IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) FROM TURKEY REACHED 133,725 DOZEN DURING THE YEAR ENDING SEPTEMBER 1989, MORE THAN 5 TIMES THE 26,177 DOZEN IMPORTED A YEAR EARLIER. DURING THE FIRST NINE MONTHS OF 1989, IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) FROM TURKEY REACHED 120,191 DOZEN, OVER 5 TIMES THE AMOUNT IMPORTED IN THE FIRST NINE MONTHS OF 1988 AND MORE THAN TRIPLE THE TOTAL AMOUNT IMPORTED IN CALENDAR YEAR 1988. IMPORTS FROM TURKEY WERE 12,537 DOZEN IN 1987 AND 36,660 DOZEN IN 1988.

THE SHARP AND SUBSTANTIAL INCREASE IN CATEGORY 351/651 IMPORTS FROM TURKEY IS CAUSING DISRUPTION IN 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 DECLINED FROM 19,244,000 DOZEN IN 1987 TO 18,453,000 DOZEN IN 1988, A DECLINE OF 4 PERCENT. DURING THE FIRST SIX MONTHS OF 1989, PRODUCTION OF PAJAMAS AND OTHER NIGHTWEAR DROPPED TO 7,863,000 DOZEN, 17 PERCENT BELOW THE 9,521,000 DOZEN PRODUCED IN THE SAME PERIOD OF 1988. THE DOMESTIC MANUFACTURERS' SHARE OF THE PAJAMAS AND OTHER NIGHTWEAR MARKET DROPPED FROM 78 PERCENT IN 1987 TO 76 PERCENT IN 1988. THE DOMESTIC MANUFACTURERS' SHARE DROPPED TO 73 PERCENT DURING THE FIRST SIX MONTHS OF 1989.

U.S. IMPORTS AND IMPORT PENETRATION  
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U.S. IMPORTS OF PAJAMAS AND OTHER NIGHTWEAR (CATEGORY 351/651) INCREASED EIGHT PERCENT IN 1988, INCREASING FROM 5,360,000 DOZEN IN 1987 TO 5,773,000 DOZEN IN 1988. IMPORTS ACCELERATED IN 1989, INCREASING 20 PERCENT IN THE FIRST NINE MONTHS OF 1989 OVER THE SAME PERIOD IN 1988. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION INCREASED 3 PERCENTAGE POINTS IN 1988, INCREASING FROM 28 PERCENT IN 1987 TO 31 PERCENT IN 1988. THE RATIO INCREASED ANOTHER FIVE PERCENTAGE POINTS IN THE FIRST HALF OF 1989, REACHING 36 PERCENT.

TURKEY  
CATEGORY 351/651

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

APPROXIMATELY 85 PERCENT OF CATEGORY 351/651 IMPORTS FROM TURKEY DURING THE FIRST NINE MONTHS OF 1989 ENTERED UNDER HTSUSA NUMBER 6108.31.0010 -- WOMEN'S COTTON KNIT NIGHTDRESSES AND PAJAMAS. THESE GARMENTS ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE GARMENTS.

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

DOMESTIC

PERIOD	PRODUCTION ----- 1,000 DOZEN -----	IMPORTS	MARKET 2/ -----	I/P RATIO	MARKET SHARE (PERCENT)
1987	19,244	5,360	24,504	27.8	78.2
1988	18,453	5,770	24,223	31.2	76.1

YEAR ENDING JUNE

1988	19,261	5,522	24,783	28.6	77.7
1989	16,795	6,129	22,923	35.4	73.2

JANUARY-JUNE

1988	9,521	2,432	12,003	26.0	79.3
1989	7,863	2,840	10,703	36.1	73.4

1/ BEGINNING IN 1987, U.S. PRODUCTION DATA EXCLUDE INFANTS' (COMMERCIAL SIZES 0-24 MONTHS) PAJAMAS AND OTHER NIGHTWEAR. THIS CHANGE IN PRODUCTION DATA 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 PAJAMAS AND OTHER NIGHTWEAR.

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

PERIOD WORLD	TURKEY	OTHER
1987 5,360	13	5,347
1988 5,770	37	5,733
YEAR ENDING SEPTEMBER		
1988 5,505	26	5,479
1989 6,636	134	6,502
JANUARY - SEPTEMBER		
1988 4,382	23	4,359
1989 5,248	120	5,128

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

HTSUSA NO. AND SOURCE	VALUE/PRICE
6108.31.0010	
TURKEY	30.20
U.S. PRODUCER PRICE	69.00 - 79.00