

GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/1695*

12 November 1990

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under paragraph 8 of the 1986 Protocol of Extension and Article 3:8

United States/Thailand

Note by the Chairman

Attached is a notification received from the United States of twelve-month extensions of restraints on Categories 614 (man-made fibre poplin and broadcloth), 336/636 (cotton knit dresses) and 647/648 (man-made fibre trousers). The restraints were extended pursuant to paragraph 8 of the 1986 Protocol of Extension. Market statements on these extensions are attached.

* English only/Anglais seulement/Inglés solamente



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UNITED STATES TRADE REPRESENTATIVE

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October 29, 1990

TAX 56/1695

- 1 NOV 1990

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

Dear Ambassador Raffaelli:

This will confirm my earlier oral notifications that:

- (a) the United States had earlier this month requested Thailand to agree, pursuant to paragraph 8 of Article 3, to a one year extension of restraints for four categories: 314, 614, 336/636 and 647/648; and
- (b) in the absence of a response from Thailand, the United States had invoked the provisions of paragraph 8 of the protocol of extension to extend for one year at 6% growth the restraints on three of the four categories: 614, 336/636, and 647/648. The new restraints will be effective as from October 30, 1990 for category 614 and October 31, 1990 for categories 336/636 and 647/648.

A copy of the diplomatic note, and supporting data, which was provided to the government of Thailand on October 26, is enclosed.

Sincerely,


Robert Shepherd
Minister Counselor

Enclosure

THE DEPARTMENT OF STATE PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE KINGDOM OF THAILAND AND REFERS TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES, DONE AT GENEVA ON DECEMBER 22, 1973 (THE ARRANGEMENT) AND TO THE PROTOCOL OF EXTENSION DATED JULY 31, 1986 (THE PROTOCOL). THE DEPARTMENT FURTHER REFERS TO THE U.S. EMBASSY IN BANGKOK'S NOTE OF OCTOBER 15, 1990 REGARDING RENEWAL OF THE RESTRAINTS ON CATEGORIES 314 AND 614, WHICH ARE SCHEDULED TO EXPIRE ON OCTOBER 29, 1990, AND ON CATEGORIES 336/636 AND 647/649, WHICH ARE SCHEDULED TO EXPIRE ON OCTOBER 30, 1990.

THE GOVERNMENT OF THE UNITED STATES NOTES THAT THE GOVERNMENT OF THAILAND HAD ACCEPTED THE EXISTING RESTRAINTS ON CATEGORIES 314, 614 AND 647/649.

IN LIGHT OF CURRENT MARKET CONDITIONS, THE GOVERNMENT OF THE UNITED STATES, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 3, PARAGRAPH 9 OF THE ARRANGEMENT, PARAGRAPHS 3 AND 5 OF ANNEX B OF THE ARRANGEMENT AND PARAGRAPH 2 OF THE PROTOCOL, IS EXTENDING WITH SIX PERCENT GROWTH THE RESTRAINT LEVELS FOR CATEGORIES 614, 336/636 AND 647/649 FOR AN ADDITIONAL TWELVE MONTHS AT THE LEVELS PROPOSED IN THE NOTE OF OCTOBER 15, 1990.

TO CONFIRM, THE NEW RESTRAINT LEVELS AND PERIODS OF CONTROL ARE AS FOLLOWS:

CATEGORY	LIMIT	PERIOD
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614	12,747,365 SQUARE METERS	10/30/90-10/29/91
336/636	99,414 DOZEN	10/31/90-10/30/91
647/649	574,597 DOZEN	10/31/90-10/30/91

ATTACHED FOR REVIEW ARE COMPLETE, UPDATED MARKET STATEMENTS FOR EACH OF THESE CATEGORIES.

THE GOVERNMENT OF THE UNITED STATES CONTINUES TO AWAIT THE VIEWS OF THE GOVERNMENT OF THE KINGDOM OF THAILAND CONCERNING THE PROPOSED EXTENSION OF THE RESTRAINT ON CATEGORY 314.

ENCLOSURE: MARKET STATEMENTS FOR CATEGORIES 614,
336/636 AND 647/649

DEPARTMENT OF STATE
WASHINGTON, D.C.

MARKET STATEMENT
MAN-MADE FIBER
TROUSERS, SLACKS AND SHORTS --
CATEGORY 647/648

THAILAND
OCTOBER 1990

IMPORT SITUATION AND CONCLUSION

A REQUEST FOR CONSULTATIONS WAS MADE ON THAILAND (CATEGORY 647/648) IN OCTOBER 1989. FOLLOWING CONSULTATIONS, THE ROYAL THAI GOVERNMENT ACCEPTED A RESTRAINT LEVEL OF 542,763 DOZEN FOR THE PERIOD OCTOBER 31, 1989 THROUGH OCTOBER 30, 1990. BASED ON DATE OF IMPORT DATA, U.S. MAN-MADE FIBER TROUSERS, SLACK AND SHORT IMPORTS (CATEGORY 647/648) FROM THAILAND REACHED 721,258 DOZEN DURING THE YEAR ENDING AUGUST 1990, 67 PERCENT ABOVE THE YEAR ENDING AUGUST 1989 LEVEL AND 33 PERCENT ABOVE THE 12 MONTH RESTRAINT LEVEL. WITHOUT A RESTRAINT IN PLACE, THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS OF MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648) FROM THAILAND WOULD CONTINUE.

THE U.S. MARKET FOR MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648) HAS BEEN DISRUPTED BY IMPORTS. THE REMOVAL OF THE RESTRAINT COUPLED WITH THE IMMINENT AND MEASURABLE INCREASE IN IMPORTS OF MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS FROM THAILAND WOULD EXACERBATE THE MARKET DISRUPTION AND FURTHER IMPEDE THE STEADY AND ORDERLY DEVELOPMENT OF TRADE.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648) FELL FROM 41,442 THOUSAND DOZEN IN 1987 TO 37,627 THOUSAND DOZEN IN 1989, A DECLINE OF 9 PERCENT. THE DOMESTIC MANUFACTURERS' SHARE OF THE MAN-MADE FIBER TROUSER, SLACK AND SHORT MARKET DECLINED FROM 65 PERCENT IN 1987 TO 61 PERCENT IN 1989.

U.S. IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648) INCREASED 11 PERCENT BETWEEN 1987 AND 1989, REACHING 24,222 THOUSAND DOZEN. DURING THE YEAR ENDING AUGUST 1990, IMPORTS OF CATEGORY 647/648 INCREASED 9 PERCENT, TO 25,293 THOUSAND DOZEN, WHEN COMPARED TO THE SAME PERIOD IN 1989. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION REACHED 64 PERCENT IN 1989, UP 11 PERCENTAGE POINTS FROM 53 PERCENT IN 1987.

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

APPROXIMATELY 63 PERCENT OF CATEGORY 647/648 IMPORTS FROM THAILAND DURING THE FIRST EIGHT MONTHS OF 1990 ENTERED UNDER HTSUSA NUMBER 6104.63.2210 -- WOMEN'S MAN-MADE FIBER KNIT TROUSERS; 6104.63.2230 -- WOMEN'S MAN-MADE FIBER KNIT SHORTS; 6104.63.2260 -- GIRLS' MAN-MADE FIBER KNIT SHORTS; 6203.43.4010 -- MEN'S MAN-MADE FIBER WOVEN TROUSERS; 6203.43.4030 -- MEN'S MAN-MADE FIBER WOVEN SHORTS AND 6224.63.3532 -- WOMEN'S MAN-MADE FIBER WOVEN SHORTS. THESE GARMENTS ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE GARMENTS.

MFY'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE
FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648)
DUTY-PAID LANDED VALUES AND U.S. PRODUCERS' PRICES
(U.S. DOLLARS PER DOZEN)

HISUSA NO. AND SOURCE

VALUE/PRICE

6124.63.2210

THAILAND
U.S. PRODUCER PRICE

55.91
95.22 - 125.22

6124.63.2232

THAILAND
U.S. PRODUCER PRICE

45.19
90.22 - 122.22

6124.63.2262

THAILAND
U.S. PRODUCER PRICE

23.37
55.22 - 65.22

6223.43.4210

THAILAND
U.S. PRODUCER PRICE

129.79
132.22 - 142.22

6223.43.4232

THAILAND
U.S. PRODUCER PRICE

59.38
31.22 - 91.22

6224.63.3532

THAILAND
U.S. PRODUCER PRICE

47.66
102.22 - 112.22

TABLE I

MEN'S AND BOYS' AND WOMEN'S AND GIRLS' 1/ MAN-MADE
FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648)
U.S. PRODUCTION, IMPORTS, MARKET, IMPORT/PRODUCTION
RATIOS AND DOMESTIC MARKET SHARE

PERIOD	PRODUCTION ----- 1,000 DOZEN -----	IMPORTS	MARKET 2/	I/P RATIO -- PERCENT --	DOMESTIC MARKET SHARE
1987	41,442	21,793	63,235	52.6	65.5
1988	39,431	20,766	60,247	52.6	65.5
1989	37,607	24,222	61,829	64.4	60.9

- 1/ BEGINNING IN 1987, U.S. DATA EXCLUDE INFANTS' (COMMERCIAL SIZES 2-24 MONTHS) MAN-MADE FIBER TROUSERS, SLACKS AND SHORTS. 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 TROUSERS, SLACKS AND SHORTS.

TABLE II

MEN'S AND BOYS' AND WOMEN'S AND GIRLS' MAN-MADE
FIBER TROUSERS, SLACKS AND SHORTS (CATEGORY 647/648)
IMPORTS FROM THAILAND AND THE WORLD
(1,000 DOZEN)

PERIOD	THAILAND	OTHER	WORLD
1988	251	20,515	20,766
1989	629	23,593	24,222
YEAR ENDING AUGUST			
1989	430	22,362	23,298
1990	721	24,572	25,293

MARKET STATEMENT
COTTON AND MAN-MADE
FIBER DRESSES --
CATEGORY 336/636

THAILAND
OCTOBER 1990

IMPORT SITUATION AND CONCLUSION

A REQUEST FOR CONSULTATIONS WAS MADE ON THAILAND (CATEGORY 336/636) IN OCTOBER 1989. FOLLOWING A FAILURE TO REACH A NEGOTIATED SOLUTION TO THIS MATTER, A RESTRAINT LEVEL OF 93,787 DOZEN WAS IMPOSED FOR THE PERIOD OCTOBER 31, 1989 THROUGH OCTOBER 30, 1990. BASED ON DATE OF IMPORT DATA, U.S. COTTON AND MAN-MADE FIBER DRESS IMPORTS (CATEGORY 336/636) FROM THAILAND REACHED 146,889 DOZEN DURING THE YEAR ENDING AUGUST 1990, 77 PERCENT ABOVE THE YEAR ENDING AUGUST 1989 LEVEL AND 57 PERCENT ABOVE THE 12 MONTH RESTRAINT LEVEL. WITHOUT A RESTRAINT IN PLACE, THE SHARP AND SUBSTANTIAL INCREASE IN IMPORTS OF COTTON AND MAN-MADE FIBER DRESSES (CATEGORY 336/636) FROM THAILAND WOULD CONTINUE.

THE U.S. MARKET FOR COTTON AND MAN-MADE FIBER DRESSES (CATEGORY 336/636) HAS BEEN DISRUPTED BY IMPORTS. THE REMOVAL OF THE RESTRAINT COUPLED WITH THE IMMINENT AND MEASURABLE INCREASE OF COTTON AND MAN-MADE FIBER DRESSES FROM THAILAND WOULD EXACERBATE THE MARKET DISRUPTION AND FURTHER IMPEDE THE STEADY AND ORDERLY DEVELOPMENT OF TRADE.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF COTTON AND MAN-MADE FIBER DRESSES (CATEGORY 336/636) FELL FROM 17,332 THOUSAND DOZEN IN 1987 TO 15,283 THOUSAND DOZEN IN 1989, A DECLINE OF 14 PERCENT. THE DOMESTIC MANUFACTURERS' SHARE OF THE COTTON AND MAN-MADE FIBER DRESS MARKET DECLINED FROM 77 PERCENT IN 1987 TO 72 PERCENT IN 1989.

U.S. IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF COTTON AND MAN-MADE FIBER DRESSES (CATEGORY 336/636) INCREASED 12 PERCENT BETWEEN 1987 AND 1989, REACHING 5,353 THOUSAND DOZEN. DURING THE YEAR ENDING AUGUST 1990, IMPORTS OF CATEGORY 336/636 INCREASED 5 PERCENT, TO 6,019 THOUSAND DOZEN, WHEN COMPARED TO THE SAME PERIOD IN 1989. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION REACHED 39 PERCENT IN 1989, UP 9 PERCENTAGE POINTS FROM 29 PERCENT IN 1987.

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

APPROXIMATELY 77 PERCENT OF CATEGORY 336/636 IMPORTS FROM THAILAND DURING THE FIRST EIGHT MONTHS OF 1997 ENTERED UNDER HTSUSA NUMBERS 6104.42.2010 -- WOMEN'S COTTON KNIT DRESSES; 6104.43.2010 -- WOMEN'S MAN-MADE FIBER KNIT DRESSES; 6104.43.2020 -- GIRLS' MAN-MADE FIBER KNIT DRESSES; AND 6204.42.3050 -- WOMEN'S COTTON WOVEN DRESSES, OTHER THAN OF YARN DYED FABRICS. THESE DRESSES ENTERED THE U.S. AT LANDED DUTY-PAID VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE DRESSES.

WOMEN'S AND GIRLS' COTTON AND MAN-MADE FIBER DRESSES
(CATEGORY 336/636)

DUTY-PAID LANDED VALUES AND U.S. PRODUCERS' PRICES
(U.S. DOLLARS PER DOZEN)

HTSUSA NO. AND SOURCE	VALUE/PRICE
6104.42.2010	
THAILAND	119.27
U.S. PRODUCER PRICE	135.00 - 195.00
6104.43.2010	
THAILAND	69.59
U.S. PRODUCER PRICE	139.00 - 148.00
6104.43.2020	
THAILAND	41.54
U.S. PRODUCER PRICE	55.00 - 65.00
6204.42.3050	
THAILAND	154.31
U.S. PRODUCER PRICE	280.00 - 290.00

TABLE I

WOMEN'S AND GIRLS' 1/ COTTON AND MAN-MADE
FIBER DRESSES, CATEGORY 336/636: 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 RATIO ---	DOMESTIC MARKET SHARE PERCENT
1987	17,338	5,224	23,762	29.3	77.4
1988	15,565	5,493	21,058	35.3	73.9
1989	15,238	5,858	21,146	33.3	72.3

1/ BEGINNING IN 1987, U.S. PRODUCTION DATA EXCLUDE
INFANTS' (COMMERCIAL SIZES 2-24 MONTHS) COTTON AND
MAN-MADE FIBER DRESSES. 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
WOMEN'S AND GIRLS' COTTON AND MAN-MADE FIBER DRESSES.

TABLE II

WOMEN'S AND GIRLS' COTTON AND MAN-MADE FIBER DRESSES,
CATEGORY 336/636: IMPORTS FROM
THAILAND AND THE WORLD
(1,000 DOZEN)

PERIOD	THAILAND	OTHER	WORLD
1988	35	5,457	5,493
1989	153	5,705	5,858
YEAR ENDING AUGUST			
1988	93	5,668	5,751
1989	147	5,372	5,519

MARKET STATEMENT
MAN-MADE FIBER POPLIN
AND BROADCLOTH FABRIC
CATEGORY 614

THAILAND
OCTOBER 1992

IMPORT SITUATION AND CONCLUSION

A REQUEST FOR CONSULTATIONS WAS MADE ON THAILAND (CATEGORY 614) IN OCTOBER OF 1989. FOLLOWING CONSULTATIONS, THE ROYAL THAI GOVERNMENT ACCEPTED A

RESTRAINT LEVEL OF 12,726,283 SQUARE METERS FOR THE PERIOD OCTOBER 30, 1989 THROUGH OCTOBER 29, 1990. BASED ON DATE OF IMPORT DATA, U.S. MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC IMPORTS (CATEGORY 614) FROM THAILAND REACHED 12,392,885 SQUARE METERS DURING THE YEAR ENDING AUGUST 1990, 5 PERCENT ABOVE THE YEAR ENDING AUGUST 1989 LEVEL AND 7 PERCENT ABOVE THE 12 MONTH RESTRAINT LEVEL. WITHOUT A RESTRAINT IN PLACE, THE INCREASE IN IMPORTS OF MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC (CATEGORY 614) FROM THAILAND WOULD CONTINUE.

THE U.S. MARKET FOR MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC (CATEGORY 614) HAS BEEN DISRUPTED BY IMPORTS. THE REMOVAL OF THE RESTRAINT COUPLED WITH THE IMMINENT AND MEASURABLE INCREASE OF MAN-MADE FIBER POPLIN AND BROADCLOTH IMPORTS FROM THAILAND WOULD EXACERBATE THE MARKET DISRUPTION AND FURTHER IMPED THE STEADY AND ORDERLY DEVELOPMENT OF TRADE.

U.S. PRODUCTION AND MARKET SHARE

U.S. PRODUCTION OF MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC FELL TO 593,573,020 SQUARE METERS IN 1989, 2.4 PERCENT BELOW THE 1988 LEVEL AND 24 PERCENT BELOW THE 1987 LEVEL. PRODUCTION CONTINUED DOWNWARD IN 1990, FALLING TO 567,549,270 SQUARE METERS IN THE YEAR ENDING MARCH 1991, 9 PERCENT BELOW THE YEAR ENDING MARCH 1989 LEVEL.

THE DOMESTIC PRODUCERS' SHARE OF THE MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC MARKET DROPPED FROM AN AVERAGE 95 PERCENT IN 1986 - 1988 TO 91 PERCENT IN 1989 AND 90 PERCENT IN THE YEAR ENDING MARCH 1991.

U.S. IMPORTS AND IMPORT PENETRATION

U.S. IMPORTS OF MAN-MADE FIBER POPLIN AND BROADCLOTH FABRIC INCREASED 91 PERCENT IN 1989 OVER 1988, REACHING 51,573,823 SQUARE METERS. CATEGORY 614 IMPORTS INCREASED 4 PERCENT IN THE YEAR ENDING AUGUST 1990 OVER THE YEAR ENDING AUGUST 1989 LEVEL. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION REACHED 10 PERCENT IN 1989, NEARLY DOUBLE THE 1986 - 1988 AVERAGE LEVEL. THE RATIO INCREASED TO 11 PERCENT IN THE YEAR ENDING MARCH 1991.

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

APPROXIMATELY 91 PERCENT OF CATEGORY 614 IMPORTS FROM THAILAND DURING THE JANUARY-AUGUST 1990 PERIOD ENTERED UNDER HTS NUMBER 5513.11.0027 -- POPLIN AND BROADCLOTH FABRICS OF MAN-MADE FIBERS CONTAINING 85 PERCENT OR LESS OF SUCH FIBERS, MIXED MAINLY OR SOLELY WITH COTTON, OF A WEIGHT NOT EXCEEDING 170 GRAMS PER SQUARE METER. THESE FABRICS ENTERED THE U.S. AT DUTY PAID LANDED VALUES BELOW U.S. PRODUCERS' PRICES FOR COMPARABLE FABRICS.

MAN-MADE FIBER POPLIN AND BROADCLOTH FABRICS
(CATEGORY 614)
DUTY-PAID LANDED VALUES AND U.S. PRODUCERS' PRICES
(U.S. DOLLARS PER SQUARE METER)

HTSUSA NO. AND SOURCE	VALUE/PRICE
5513.11.0027	
THAILAND	.64
U.S. PRODUCER PRICE	.75

TABLE I

CATEGORY 614
POPLIN AND BROADCLOTH, MAN-MADE FIBER FABRIC
IMPORTS, MARKET, IMPORT/PRODUCTION RATIOS
AND DOMESTIC MARKET SHARE

PERIOD	PRODUCTION -- 1,000 SQUARE METERS --	IMPORTS	MARKET 1/ --	I/P RATIO -- PERCENT --	DOMESTIC MARKET SHARE
1986	765,458	44,642	917,100	5.3	94.5
1987	783,734	41,309	825,043	5.3	95.7
1988	613,332	32,213	645,550	5.3	95.2
1989	598,573	61,679	660,252	10.3	90.7
YEAR ENDING MARCH					
1989	625,021	33,261	658,282	6.1	94.2
1990	567,549	60,595	628,145	10.7	90.4

1/ U.S. MARKET FOR DOMESTICALLY PRODUCED AND IMPORTED POPLIN AND BROADCLOTH, MAN-MADE FIBER FABRIC.

TABLE II

CATEGORY 514
POPLIN AND BROADCLOTH, MAN-MADE FIBER FABRIC
IMPORTS FROM THAILAND AND TOTAL

PERIOD	THAILAND	OTHER	TOTAL
1986	7,133	37,529	44,642
1987	17,493	30,921	41,329
1988	8,496	23,732	32,213
1989	14,798	46,891	61,679
YEAR ENDING AUGUST			
1989	12,319	40,389	52,728
1990	12,893	41,781	54,674