

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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CONFIDENTIAL

TEX.SB/1941\*

19 August 1992

Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 11:5

##### Finland/Pakistan

##### Note by the Chairman

Attached is a communication received from Finland in which Finland has referred under Article 11:5 to the consultation process with Pakistan on imports of bedlinen originating from Pakistan.

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\* English only/Anglais seulement/Inglés solamente

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To/Telefax No.  
GATT Geneva  
990 41 22 7314206

Sent

Ref.

Subject

GATT/TSB;MFA Art.11:5-notification by Finland against Pakistan

From:

Name

Erik Hagfors

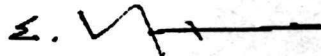
Telefax No.

Ambassador M.Raffaelli  
Chairman  
Textiles Surveillance Body  
GATT

Dear Ambassador Raffaelli,

I have the honour to submit herewith to the TSB a notification  
under Article 11:5 of the Arrangement Regarding International  
Trade in Textiles, against Pakistan.

Yours sincerely,

  
E. Hagfors  
Ambassador

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MINISTRY FOR FOREIGN AFFAIRS

OF FINLAND

14.8.92

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## ARTICLE 11:5 NOTIFICATION BY FINLAND AGAINST PAKISTAN: BED LINEN

With reference to Article 11:5 of the Arrangement Regarding International Trade in Textiles, Finland submits to the TSB complaint against Pakistan for procedural obstruction of a consultation process initiated on March 28, 1991, which obstruction deprived Finland of any possibility of import control of bed linen originating from Pakistan, since July 1, 1991.

1. Finland requested consultations with Pakistan on March 28, 1991, under Article 4 of the Arrangement, on the extension of the restraint arrangement valid for the period July 1, 1990 - to June 30, 1991.
2. The consultations were arranged in Geneva on June 17.-18, 1991. The consultations failed to produce a solution, since Pakistan requested full liberalization of the restrained categories of goods, or an uplift of approximately 150 %. Consequently, the restraint arrangement valid for the period July 1, 1990 - to June 30, 1991, expired without extension.
3. The consultations were resumed in Islamabad on July 25-27, 1991. The consultations resulted in initialling of a restraint arrangement for the period July 1, 1991 - to June 30, 1992. Pakistan, however, postponed the signature of the arrangement, committing itself orally to exercise the export license procedure of the arrangement, pending the signature of the arrangement, which implied full liberalization of one restrained category, and retention of one restrained category, of bed linen.
4. Pakistan subsequently delayed signature of the arrangement until March 14, 1992, when it finally expressed its willingness to sign the arrangement. Due to the fact that the arrangement was scheduled to expire on June 30, 1992, and to the fact that in the meantime Finland had initiated inves-

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tigations about fraud and circumvention of bed linen of Pakistani origin via third countries, it was concluded that further consultations rather than signature was preferable.

5. Finland requested consultations with Pakistan under Article 8 of the Arrangement on April 1, 1992, about fraud and circumvention of bed linen of Pakistani origin to Finland.

6. The consultations on bed linen were resumed under Articles 4 and 8 of the Arrangement in Geneva on June 30 - July 3, 1992. Neither consultation led to a satisfactory solution.

7. From the beginning of the consultation process on bed linen, Finland invoked Article 1, Paragraph 2, and Annex B, Paragraph 2, of the Arrangement, as well as Paragraph 12 of the 1986 extension Protocol. The import penetration of bed linen was in 1988 79 %, 1989 84 %, 1990 85 %, and 1991 86 %.

8. In conclusion, Finland submits to the TSB that Pakistan has obstructed, procedurally and otherwise, the consultation process on bed linen initiated by Finland on March 28, 1991, effectively depriving Finland of any possibility of import control since July 1, 1991. The obstruction has consisted of, inter alia, disrespect of any reasonable time-frames for such consultations, and disrespect of the minimum viable production argument, referred to in paragraph 7 above.

9. Finland submits to the TSB a separate notification under Article 8 of the Arrangement.