GENERAL AGREEMENT ON

TARIFFS AND TRADE

CONFIDENTIAL
**
TEX.SB/1963*
20 November 1992

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Articles 11:4 and 11:5

Indonesia/EEC

Note by the Chairman

Attached is a communication received under Articles 11:4 and 11:5 from Indonesia referring a restraint introduced by the EEC on cotton yarn (Category 1) under the consultation provisions of the EEC/Indonesia bilateral agreement.

^{*}English only/Anglais seulement/Inglés solamente



AMBASSADOR OF THE REPUBLIC OF INDONESIA TO THE UNITED NATIONS IN GENEVA

No.: 1258/DAG-06/92

Geneva, 12 November 1992

Dear Mr. Raffaelli,

I have the honour, on behalf of my Government, to bring to your kind attention, the unilateral restraint which the Commission of the European Communities has adopted in respect of Indonesian exports of Category 1 (cotton yarn).

Upon invitation of the Commission of the European Communities, bilateral consultations have been conducted during meetings held in Brussels on 7 - 8 October and 3 - 4 November 1992, however no mutually satisfactory solution was reached.

The bilateral agreement between the European Economics Communities and the Republic of Indonesia "resolved to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both importing and exporting countries, and in particular, to eliminate real risk of market disruption on the market of the Community and real risk of market disruption to the textile trade in Indonesia".

The Honourable
Ambassador Marcalo Raffaelli
Chairman of the Textile Surveillance Body
GATT
Centre William Rappard
154, Rue de Laussane
1202 Geneve

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Although the restraint was introduced based on threshold levels under Article 8 of the bilateral agreement, the TSB, during its review of the EEC agreements in 1986 observed, that it understood that the EEC would continue to apply these procedures only when, in the view of the Community, there was a real risk of market disruption.

The statement of reasons presented by the Commission of the European Communities does not, in the view of the Indonesian Government, prove the existence of such disruption, or real risk thereof, nor the role of exporters from Indonesia in that disruption.

The Government of Indonesia considers the unilateral restraint adopted by the European Communities, to be inconsistent with the Multi Fibre Arrangement, particularly Articles 1, 3, 4, 5 and 6 thereof, and with the Protocol Extending the Arrangement of 1986, particularly paragraphs 2, 6 and 7 thereof.

In view of the fact that after two rounds of consultations no agreement could be reached on Category 1, and in the meantime serious difficulties have been encountered in the trade of this products, the Government of Indonesia has decided, on the basis of Article 11:4 and 11:5 of the Multi Fibre Arrangement, to bring the matter to the attention of the Textile Surveillance Body and to request the matter be considered by the Body at its next meeting.

The Government of Indonesia will send a representative to the meeting and will submit a detailed explanation of its position.

Sincerely,

Soemadi D.M. BROTODININGRAT