

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

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,

A handwritten signature in black ink, appearing to read 'Soemadi D.M. Brotodiningrat', with a long horizontal flourish extending to the left.

Soemadi D.M. BROTODININGRAT