

GENERAL AGREEMENT ON

CONFIDENTIAL

TEX.SB/1965*

27 November 1992

TARIFFS AND TRADE

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:5

Unilateral measure introduced by the United States in certain textile products imported from Bangladesh

Note by the Chairman

Attached is a notification received from the United States of a unilateral measure taken under Article 3:5 with respect to imports of cotton and man-made fibre dressing gowns (Category 350/650) imported from Bangladesh.

Also attached is a copy of the request for consultations made by the United States under Article 3:3.

*English only/Anglais seulement/Inglés solamente



UNITED STATES TRADE REPRESENTATIVE

**1-3 AVENUE DE LA PAIX
1202 GENEVA, SWITZERLAND**

November 23, 1992

**The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
General Agreement on Tariffs and 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 August 30, 1992, the United States requested consultations with Bangladesh with respect to cotton and mmf dressing gowns and robes (category 350/650). A copy of the request for consultations and the detailed factual statement which is called for in Article 3.3 and which was provided to the Government of the Bangladesh at the time of the request is enclosed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert E. Shepherd", written in a cursive style.

**Robert E. Shepherd
Minister Counsellor**

Enclosure

The Department of State refers the Embassy of the People's Republic of Bangladesh to the Arrangement Regarding International Trade in Textiles, done at Geneva, 20 December 1973, as extended (hereinafter the Arrangement); to the Agreement in Certain Apparel Categories between the People's Republic of Bangladesh and the United States of America formalized by exchange of notes at Washington, 19 and 24 February 1986, and last extended and amended by exchange of notes at Dhaka, 29 March and 15 June 1992.

During recent months, the Government of the United States has noted the rapidly increasing level of exports from Bangladesh* to the United States of products in category 360/50 (cotton and man-made fiber robes and dressing gowns). After careful review, the Government of the United States has concluded that these exports from Bangladesh are contributing to disruption of the market for these products in the United States. A detailed, factual statement of the reasons and justification for this conclusion, with current data, is included as an appendix and is an integral part of this note.

In order to avoid further disruption, the Government of the United States hereby requests consultations with the Government of the People's Republic of Bangladesh to discuss an appropriate level of restraint for exports of products in category 350/650 to the United States. This request for consultations is being taken pursuant to Article 3 of the Arrangement and Section 204 of the U.S. Agricultural Act of 1956, as amended.

If the representatives of the Government of Bangladesh and the Government of the United States are not able to agree to a mutually satisfactory solution within 60 days of the date of receipt of this note, the Government of the United States reserves its right to restrain such imports produced in Bangladesh and exported to the United States, during the twelve month period beginning on the date of the Government of the Peoples Republic of Bangladesh's receipt of this note. Such annual specific limits will be calculated on the basis of United States imports from Bangladesh of products in category 350/650, as reported in U.S. General Import Statistics, during the first twelve of the most recent fourteen months preceding the month in which this request was made. For category 350/650 the level is 67,280 dozen, based on the year ending May, 1992. This formulation is in accordance with the Provisions of Article 3 of the Arrangement.

The Government of the United States would appreciate the views of the Government of the People's Republic of Bangladesh with respect to the setting of mutually convenient dates and a venue for these consultations.

Department of State,

Washington,

A handwritten signature, possibly of a U.S. official, is written in dark ink. It consists of a large, stylized capital letter 'D' followed by a series of loops and a final horizontal stroke.

Enclosure: Market Statement Summary

MARKET STATEMENT

Bangladesh

Cotton and Man-Made Fiber Robes
and Dressing Gowns
Category 350/650

August 1992

Import Situation and Conclusion

U.S. imports of cotton and man-made fiber robes and dressing gowns, Category 350/650, from Bangladesh reached 85,733 dozen in year ending June 1992, more than double the 38,199 dozen imported in the year ending June 1991. During the first six months of 1992, Category 350/650 imports from Bangladesh reached 58,536 dozen, almost two and one-half times the January - June 1991 level, and 15 percent greater than Bangladesh's total calendar year 1991 imports. Bangladesh became the sixth largest supplier of cotton and man-made fiber robes and dressing gowns, Category 350/650, to the U.S., accounting for 6.5 percent of total U.S. Category 350/650 imports in the first half of 1992. In 1991, Bangladesh ranked fourteenth among the major suppliers, accounting for 2.6 percent of total U.S. imports.

The sharp and substantial increase in Category 350/650 imports from Bangladesh is causing disruption in the U.S. market for cotton and man-made fiber robes and dressing gowns.

U.S. Production, Import Penetration, and Market Share

U.S. production of cotton and man-made fiber robes and dressing gowns, Category 350/650, declined from 3,385,000 dozen in 1987 to 1,599,000 dozen in 1991, a 53 percent decline. In contrast, U.S. imports of cotton and man-made fiber robes and dressing gowns Category 350/650, increased from 1,342,000 dozen in 1987 to 1,983,000 dozen in 1991, an increase of 48 percent. Category 350/650 imports continued

to increase in 1992, up 6 percent in the first six months of 1992 over the January - June 1991 level. The ratio of imports to production tripled, increasing from 40 percent in 1987 to 124 percent in 1991. The domestic manufacturers' share of the U.S. market fell from 72 percent in 1987 to 45 percent in 1991, a decline of 27 percentage points.

Duty-Paid Value and U.S. Producers' Price

Approximately 85 percent of Category 350/650 imports from Bangladesh during the year ending June 1992 entered the U.S. under HTSUSA number 6208.91.1010 -- women's cotton bathrobes and dressing gowns. These bathrobes and dressing gowns entered the U.S. at landed duty-paid values below U.S. producers' prices for comparable bathrobes and dressing gowns.

Cotton and Man-Made Fiber Robes and Dressing Gowns

Category 350/650

Landed Duty-Paid Values and U.S. Producers' Prices

(U.S. Dollars Per Dozen)

HTSUSA Number and Source

Value/Price

6208.91.1010

Bangladesh

\$47.42

U.S. Producers' Price

\$115.00 - \$125.00

TABLE I
Cotton and Man-Made Fiber Robes and Dressing Gowns
Category 350/650
U.S. Production, Imports, Market
Import/Production Ratio and Domestic Market Share

<u>Period</u>	<u>Production</u>	<u>Imports</u>	<u>Market 1/</u>	<u>I/P</u>	<u>Domestic Market Share</u>
	----- 1,000 Dozen -----			----- Percent -----	
1987	3,385	1,342	4,727	40	72
1988	3,254	1,529	4,783	47	68
1989	3,082	2,073	5,155	67	60
1990	2,274	1,921	4,195	84	54
1991	1,599	1,983	3,582	124	45

1/ U.S. market for domestically produced and imported cotton and man-made fiber robes and dressing gowns.

TABLE II

Cotton and Man-Made Fiber Robes and Dressing Gowns

Category 350/650

Imports from Bangladesh and the World

(1,000 Dozen)

<u>Period</u>	<u>Bangladesh</u>	<u>World</u>
1990	29	1,921
1991	51	1,983
Year Ending June		
1991	38	1,994
1992	86	2,030
January - June		
1991	24	851
1992	59	899