

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/855\*  
15 July 1983

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Communication received from the Republic of Maldives

Action taken under Article 3:5 by the United  
States on imports from the Republic of Maldives

Note by the Chairman

Attached is a report received from the Republic of Maldives on the status of negotiations with the United States, following the TSB's interim recommendation on Article 3:5 actions.<sup>1</sup>

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<sup>1</sup> See TEX.SB/W/320, paragraph 6

\* English only/Anglais seulement

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14 JUL 1983  
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GENEVA

his excellency ambassador marcelo raffaelli  
chairman, textiles surveillance body  
134, rue de lausanne  
ch-1211 geneva, switzerland

date: 14/7/83 no: 733/e

dear ambassador raffaelli

i have the honour to refer to the tsb recommendations of june 24 1983 concerning the unilateral restraint actions imposed by the united states of america on certain apparel products produced and ex-ported from the republic of maldives x

the tsb review of these actions was suspended pending the results of the negotiations which were to be resumed x the republic of maldives agreed to send a delegation to the united states in order to resume these negotiations x it was the third round of negotiations in which the republic of maldives was required to travel to the united states x the other round of negotiations, held in sri lanka, also required the travel of the maldivian delegation x

the following is the report of the latest round of negotiations as well as a request that the tsb resume its consideration of the above mentioned unilateral restraints x

negotiations were resumed on june 27 in the united states with the expectation that these negotiations would adhere to the interim recommendation of the tsb x that recommendation was to the effect that the relevant provisions of the arrangement regarding international trade in textiles (hereinafter "the arrangement") and the protocol of extension (in particular, article 6 of the arrangement and paragraph 12 of the protocol) would be taken into full account as well as the stage of development of the maldives x

however during these negotiations the united states proposed only a merged level of 34,000 dozens for wool sweater exports in categories 445 and 446 x the delegation of the republic of maldives proposed a level of 63,000 dozen x this level represented the current level of trade from the maldives prior to the june tsb review x furthermore, it was felt that this number was consistent with the levels agreed to by the united states in restraining exports of these products from other suppliers, including non-mfa members x in this regard, the republic of maldives was forthcoming in proposing a level which provided no growth for its industry and certainly no further development of trade from the republic of maldives to the united states x the united states made no further proposals x

the negotiations were concluded with the delegation from the republic of maldives requesting that the united states reconsider its position on the permitted level of trade, as well as the merger of the two categories x the united states had not responded as of july 14, 1983 and has continued to maintain separate, low unilateral restraints on each of the two categories x furthermore, the trade from the maldives in category 446 (women's, girls' and infants' wool sweaters) continues to be denied entry in the united states after reaching the unilaterally imposed level of 15,210 dozens x

therefore, it is our request that the review of the unilateral restraint actions be continued during the next tsb session x the republic of maldives will have a delegation in geneva to respond to any further questions of the tsb x we believe that the situation was fully covered at the last tsb review and no further data or information is necessary x it is still the view of the republic of the maldives that u.s. actions have not been justified in the 'market statements' provided at the time of the unilateral actions or in their presentation at the tsb review x in fact, the later data available to the united states and presented to the tsb indicated a complete reversal of the situation represented in the 'market statements' x therefore, the republic of maldives must continue to consider the actions of the united states to be inconsistent with the arrangement, particularly articles 1, 5, 4, 5 and 6 thereof, as well as inconsistent with the protocol, particularly paragraphs 2, 7, 3 and 12 thereof x

in consequence of the deliberations of the tso and the refusal of the united states to make reasonable proposals we request the tso to make the following findings and recommendations:

1. no case of market disruption has been demonstrated,
2. the unilateral restraints are therefore not justified,
3. they should be lifted forthwith.

in the alternative we would request that the tso conclude that the unilateral levels applied by the united states are not consistent with the mfa and if maintained should be at a merged level not less than 60,000 dozen, and that any future bilateral agreement would have to provide for a merged limit not less than 60,000 dozen in order to be consistent with the provisions applying to new entrants, and small suppliers who are developing countries x

sincerely,

i n zaki

under secretary

ministry of foreign affairs/republic of maldives