

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/920\*  
15 February 1984

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 11:4

### Product coverage in agreement between Romania and the United States

### Note by the Chairman

Attached is a communication received under Article 11:4 from Romania concerning product coverage in the bilateral agreement<sup>1</sup> on wool and man-made fibre products between the United States and Romania.

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<sup>1</sup> The text of the bilateral agreement is contained in COM.TEX/SB/671

\* English only/Anglais seulement/Inglés solamente



MISSION PERMANENTE  
DE LA  
RÉPUBLIQUE SOCIALISTE DE ROUMANIE  
GENÈVE

Geneva, February 8-th, 1984

No.77

Mr. Chairman,

I have been instructed by the Romanian authorities to submit the following communication under Article 11:4 of the Arrangement:

"Under the bilateral agreement between the United States and the Socialist Republic of Romania relating to trade in wool and man-made fibre textiles and textiles products, concluded by an exchange of letters in September-November 1980, and contained in COM.TEX/SB/671, Romania has agreed to restrain exports of men's, boys', women's, girls and infants' suits falling within category 643/644 part.

In addition to suits falling within this category, Romania has been exporting women's suits made of linen and polyester blended fabrics, having as chief value linen (Genua quality fabric) during the period 1981-1983.

United States authorities correctly classified such suits exported in 1981 and 1982 as chief value linen products and, consequently not considered as falling within the bilateral agreement. With effect from 1 January 1983 however, the United States authorities unilaterally re-classified imports of this product as polyester chief weight product, falling within category 644 and thus subject to restraint limits.

Neither the Romanian authorities, nor the exporters were consulted or informed about the intention of United States autho-

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rities to modify the classification of the product. It is to be underlined that in 1983, compared with the previous years 1981 and 1982 no change was made in the fibre composition of the suits in question.

In the absence of any mutually agreed solution regarding classification of this product in bilateral consultations and exchange of letters between the two parties, the Romanian authorities take this opportunity to refer the matter in the Textiles Surveillance Body in conformity with the provisions of Article 11:4 of ~~the Arrangement~~<sup>nt</sup> regarding International Trade in Textiles.

In supporting the Romanian case, the following arguments may be presented:

1. Imports in the United States of America of Romanian suits made of linen and polyester blended fabrics are not subject to the provisions of the bilateral Agreement. Paragraph 12B of the Agreement stipulates that:

"textiles products are subject to this Agreement if wholly or in chief value of man-made fibre or wool". Sub-paragraphs (1), (2) and (3) of paragraph 12(b) of the Agreement are strictly referring to cotton, man-made fibre components and wool, without any reference to other blending components.

2. Imports in the United States of America of Romanian suits made of linen and polyester blended fabrics (genua quality)-having chief value linen, should be considered as per Article 12(b) of agreement as being linen textile products. According to the provisions of the Geneva Arrangement regarding International Trade in Textiles, imports of such products are not subject to the Agreement. During 1981/1982 all shipments of "Genua" items were correctly classified by the U.S. Customs as linen products according to the chief value, customs duties being levied accordingly at the level established for chief value linen textiles products.

3. In accordance with the paragraph 13 of the bilateral agreement "the Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of the Agreement".

In the light of this provision, if the United States authorities wanted to change the procedure and re-classify imports of textiles women's suits by using the criteria of "50 per cent or more by weight", they should have sought consultations with the Romanian authorities in order to negotiate a mutually satisfactory solution. Any shipment prior to a mutually acceptable agreement on the new classification should have been covered by the initial regulations. The change of classification introduced unilaterally in 1983 by the United States authorities, without consulting the Romanian authorities,

(a) has placed under temporary embargo an important quantity of Romanian suits;

(b) has obliged the Romanian manufacturers to stop production for orders previously confirmed.

The same paragraph 13 of the bilateral agreement provides that "if the two governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under the agreement, either government may, after notification to the other government, refer such problems to the Textiles Surveillance Body".

4. The unilateral change applied by the United States authorities in the classification of Women's suits imported in 1983 have caused difficulties to Romanian exports and have had disruptive effects on Romania's textile production, contrary to the provisions of the Article 1.2 of Geneva Multifibre Arrangement."

Please accept, Mr.Chairman, the assurance of my highest appreciation.



Yours faithfully

Liviu PAUNESCU

Economic Counsellor

Resident Representative to the GATT

Mr.Marcelo RAFFAELLI  
Chairman of the Textiles  
Surveillance Body  
G A T T - Geneva