

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL  
TEX.SB/960\*  
24 April 1984

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## Textiles Surveillance Body

### ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

#### Notification under Article 3:5

#### Action taken by the United States towards Korea

#### Note by the Chairman

Attached is a notification received from the United States concerning a unilateral measure taken under the provisions of Article 3:5, in which imports of man-made fibre luggage (Category 670 part) from Korea has been placed under restraint for the period 9 January 1984 to 8 January 1985. Attached also is a copy of the notification made under Article 3:3.

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\*English only/Anglais seulement/Inglés solamente

TS /140-3



550

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

Telephone: 32 09 70

April 5, 1984

The Honorable  
Ambassador Marcelo Raffaelli  
Chairman, Textiles Surveillance Body  
GATT  
154 rue de Lausanne  
CH-1211 Geneva 21

Dear Mr. Chairman:

With reference to my letter of January 9, 1984, I am instructed by my government to inform the Textiles Surveillance Body that On March 26, 1984 the United States, pursuant to Article 3.5(i) of the Arrangement, established a restraint of 18,435,270 lbs. for man-made fiber luggage in Category 670 (670 part) for the 12-month period beginning on January 9, 1984 and extending through January 8, 1985.

Consultations concerning exports of these products from Korea to the United States which had been requested on January 9, 1984 took place in Washington in early February. Since it was not possible for the two governments to reach a mutually acceptable agreement with respect to a restraint level for this category at that time, the United States took the action cited above. This action was taken without prejudice to the outcome of further consultations on this matter, which the United States is prepared to resume at any mutually convenient time.

Sincerely,

*Robert E. Shepherd*  
Robert E. Shepherd  
Minister-Counselor

ANSWERED	DOC. ISSUED	FOLIO
	TEX. 52/960	
REG - 6 APR 1984		
For	Action	Comment
Cabinet of DG		
Info. Service		
OFFICE LEGAL AFF.		
Sess. / Council Aff. Div.		
CHAIRMAN TSB	X	

For			
OPER DEPT. A			X
Non-Tar M Div.			
Development Div.			
Tech. Coop. Div.			
Trade Pol. Div.			
Spec. Proj. Div.			
OPER. DEPT. B			X
Econ. R/Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
DEPT. CONF. AFF. / AD...			
Adm. / Fin. Div.			
Trans. / Doc. Div.			
Training Div.			
Personnel Off.			
Conference Off.			

TS/140-3



529

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX  
1202 GENEVA, SWITZERLAND

Telephone: 320970

January 9, 1984

ANSWERED	DOC. ISSUED	FOLIO
	110	
JAN 10 1984		
For		Int.
Cabinet of DG		
Info: Service		
OFFICE LEGAL AFF.		
Secs./Council Att. Div.		
CHAIRMAN TRB	X	

The Honorable Marcelo Rafaelli  
Ambassador  
Chairman, Textiles Surveillance Body  
General Agreement on Tariff and Trade  
Rue de Lausanne 154  
1211 Geneva 21

Dear Mr. Chairman:

Pursuant to the provisions of paragraph 3 of Article 3 of the Arrangement Regarding International Trade in Textiles, I am instructed to inform you that on January 9, 1984 my Government requested consultations with the Government of Korea regarding exports from Korea to the United States of manmade fiber luggage (category 670 - part). The products included in category 670 are not covered by the current U.S.-Korean bilateral agreement.

A copy of the U.S. note, which includes the detailed factual statement called for in paragraph 3 of Article 3 is attached.

Sincerely,

*Robert E. Shepherd*

Robert E. Shepherd

Attachment:  
(as stated)

*for the Chairman's information J.g.*

For	Action	Comment	Int.
OPER. DEPT. A			X
Non Tar M Div.			
Development Div.			
Tech Coop. Div.			
Trade Pol. Div.			
Spec. Proj. Div.			
OPER. DEPT. B			X
Econ. R/Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
DEPT. C. & F. Aff. & C.			
Adm. / Fin. Div.			
Trans. / Doc. Div.			
Training Div.			
Personnel Off.			
Conference Ctr.			

## U.S. NOTE

I HAVE THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES, MADE AT GENEVA ON DECEMBER 20, 1973, AND EXTENDED BY PROTOCOL ADOPTED ON DECEMBER 22, 1981 AT GENEVA (HEREINAFTER REFERRED TO AS THE ARRANGEMENT).

MY GOVERNMENT HAS NOTED A SHARP INCREASE IN IMPORTS OF MAN-MADE FIBER LUGGAGE, (TARIFF SCHEDULE OF THE UNITED STATES, NUMBERS (TSUSA) 706.4144 AND 706.4152 (WITHIN CATEGORY 670), FROM KOREA. THESE PRODUCTS WERE PREVIOUSLY LISTED UNDER TSUSA NUMBER 706.4150 BEFORE JANUARY 1, 1984. ON CAREFUL REVIEW, MY GOVERNMENT HAS CONCLUDED THAT THESE IMPORTS FROM KOREA IN CATEGORY 670 ARE CAUSING MARKET DISRUPTION IN THE UNITED STATES AND ARE THREATENING TO IMPEDE THE ORDERLY DEVELOPMENT OF TRADE AS CONTEMPLATED IN ARTICLE 3 OF THE ARRANGEMENT. A DETAILED FACTUAL STATEMENT OF THE REASON AND JUSTIFICATION FOR THIS CONCLUSION, WITH CURRENT SUPPORTING DATA, IS APPENDED AS AN EXHIBIT WHICH IS TO BE REGARDED AS AN INTEGRAL PART OF

THIS NOTE. ACCORDINGLY, THE GOVERNMENT OF THE UNITED STATES HEREBY REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF THE REPUBLIC OF KOREA TO DISCUSS APPROPRIATE LEVELS OF RESTRAINT FOR REPUBLIC OF KOREAN EXPORTS OF CATEGORY 670 TO THE UNITED STATES.

-- IN ACCORDANCE WITH ARTICLE 3 OF THE ARRANGEMENT, TO WHICH BOTH THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ARE PARTIES, IF OUR TWO GOVERNMENTS ARE UNABLE TO AGREE ON A MUTUALLY SATISFACTORY SOLUTION TO THIS MATTER WITHIN SIXTY DAYS, THE GOVERNMENT OF THE UNITED STATES RESERVES THE RIGHT TO RESTRAIN SUCH IMPORTS PRODUCED IN KOREA AND EXPORTED DURING THE TWELVE-MONTH PERIOD BEGINNING ON THE DATE OF YOUR RECEIPT OF THIS REQUEST, TO A LEVEL NOT LESS THAN THE LEVEL OF UNITED STATES' IMPORTS FROM KOREA DURING THE FIRST TWELVE OF THE MOST RECENT FOURTEEN MONTHS, WHICH PERIOD IS NOVEMBER 1, 1982 TO OCTOBER 31, 1983, AND WHICH LEVEL IS 18,435,270 POUNDS FOR CATEGORY 670.

### MARKET STATEMENT

KOREA  
JANUARY 1983

CATEGORY 670 PT. -- MAN-MADE FIBER LUGGAGE

TSUSA NO. 706.4144

TSUSA NO. 706.4152

-- U.S. IMPORTS OF MAN-MADE FIBER LUGGAGE FROM KOREA WERE 19,540,359 POUNDS DURING THE YEAR ENDING NOVEMBER 30, 1983. IMPORTS INCREASED FROM 6.4 MILLION POUNDS DURING THE FIRST HALF OF 1982 TO 7.9 MILLION DURING THE SECOND HALF. IMPORTS FROM KOREA DURING THE FIRST HALF OF 1983 WERE 8.1 MILLION POUNDS AND DURING JULY-NOVEMBER, 1983, 10.6 MILLION POUNDS. THIS IS A SHARP AND SUBSTANTIAL INCREASE IN IMPORTS IN A MARKET ALREADY SEVERELY AFFECTED BY IMPORTS. THESE IMPORTS FROM KOREA ARE IMPORTED AT DUTY-PAID VALUES BELOW THE U.S. PRODUCER PRICES FOR SIMILAR AND COMPARABLE LUGGAGE. KOREA IS THE SECOND LARGEST SUPPLIER, ACCOUNTING FOR 21 PERCENT OF THE JANUARY-NOVEMBER 1983 IMPORTS OF SUCH LUGGAGE.

-- THESE AND OTHER FACTORS LEAD THE UNITED STATES GOVERNMENT TO CONCLUDE THAT IMPORTS FROM KOREA ARE DISRUPTING THE DOMESTIC MARKET FOR LUGGAGE AND FOR THE MAN-MADE FIBER FABRICS USED IN DOMESTIC PRODUCTION OF LUGGAGE AND CONSTITUTE A THREAT FOR FURTHER MARKET DISRUPTION IN THE UNITED STATES. THE RAPID ESCALATION OF LOW-PRICED IMPORTS FROM KOREA, IF CONTINUED, PROVIDES A REAL THREAT FOR CONTINUED AND MORE SUBSTANTIAL MARKET DISRUPTION.

## CONSUMPTION