

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

CONFIDENTIAL

TEX.SB/970\*  
11 May 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 the Dominican Republic

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 women's, girls' and infants' wool sweaters (Category 446) produced or manufactured in the Dominican Republic have been placed under restraint for the period 31 January 1984 to 30 January 1985.

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\*English only/Anglais seulement/Inglés solamente

April 30, 1984

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

Dear Mr. Chairman:

ANSWERED	DCC ISSUED	FOLIO
TEXAS 86730		
MAY 1984		
BOD		
CONFIDENTIAL		
SECRET		
OFFICIAL USE ONLY		
SERIALS SECTION		
COPY NUMBER		

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

Further to my letter of February 12 and my oral notification last week, I am instructed by my government to notify the TSB that the United States has, for the period beginning on January 31, 1984 and ending on January 30, 1985, established a limit on imports from the Dominican Republic of 19,550 dozen for women's girls' and infants' wool sweaters (category 446) produced or manufactured in the Dominican Republic. The effective date of the establishment of this limit was April 18, 1984.

Although the request for consultations was made prior to the Dominican Republic's acceptance of the Arrangement as extended by the 1981 protocol, it is the U.S. view that the restraint resulting from this request should be considered as an action pursuant to Article 3 of the Arrangement. The detailed factual statement which accompanied the original request for consultations is attached.

As I indicated in my discussion with you, the United States Government remains willing to resume consultations on this category at any mutually convenient date.

Sincerely,

Robert E. Shephard  
Minister-Counselor

Attachment (as stated)

U.S. NOTE - JAN 31, 1984

-- I HAVE THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES, DONE AT GENEVA ON DECEMBER 22, 1973 AND EXTENDED BY PROTOCOLS ADOPTED RESPECTIVELY ON DECEMBER 14, 1977, AND DECEMBER 22, 1981, AT GENEVA (THE ARRANGEMENT). DURING RECENT MONTHS, MY GOVERNMENT HAS NOTED A SHARP RISE IN IMPORTS OF WOOL SWEATERS FOR WOMEN, GIRLS AND INFANTS (CATEGORY 446) FROM THE DOMINICAN REPUBLIC. DURING THE YEAR ENDING NOVEMBER 1983 THE UNITED STATES IMPORTED 26,254 DOZEN SWEATERS IN THIS CATEGORY FROM THE DOMINICAN REPUBLIC, AN INCREASE OF 182 PERCENT OVER THE SAME PERIOD ONE YEAR EARLIER.

-- WOMEN'S, GIRLS' AND INFANTS' WOOL SWEATERS ARE A SENSITIVE APPAREL PRODUCT IN THE UNITED STATES. AFTER CAREFUL REVIEW, THE GOVERNMENT OF THE UNITED STATES HAS CONCLUDED THAT IMPORTS FROM THE DOMINICAN REPUBLIC IN THIS CATEGORY HAVE CONTRIBUTED TO THE DISRUPTION OR THREAT OF DISRUPTION OF THE MARKET IN THE UNITED STATES. A STATEMENT OF THE REASONS AND JUSTIFICATION FOR THIS CONCLUSION, WITH CURRENT DATA, IS ENCLOSED WITH THIS NOTE. ACCORDINGLY, THE GOVERNMENT OF THE UNITED STATES REQUESTS CONSULTATIONS WITH THE GOVERNMENT OF THE DOMINICAN REPUBLIC ON CATEGORY 446 WITH A VIEW TOWARD DISCUSSING THE SETTING OF AN APPROPRIATE LEVEL OF RESTRAINT ON EXPORTS OF THESE PRODUCTS FROM THE DOMINICAN REPUBLIC TO THE UNITED STATES.

-- THE GOVERNMENT OF THE UNITED STATES LOOKS FORWARD TO REACHING A MUTUALLY SATISFACTORY SOLUTION TO THIS MATTER WITHIN SIXTY DAYS, OR AS SOON AS IT IS POSSIBLE TO HOLD CONSULTATIONS. THE GOVERNMENT OF THE UNITED STATES, HOWEVER, RESERVES ITS RIGHT UNDER THE ARRANGEMENT TO RESTRAIN IMPORTS OF WOMEN'S, GIRLS' AND INFANTS' WOOL SWEATERS PRODUCED IN THE DOMINICAN REPUBLIC AND EXPORTED TO THE UNITED STATES DURING THE TWELVE-MONTH PERIOD BEGINNING WITH THE DATE OF RECEIPT OF THIS REQUEST TO A LEVEL NOT LESS THAN THE LEVEL OF UNITED STATES' IMPORTS OF THESE PRODUCTS FROM THE DOMINICAN REPUBLIC DURING THE PERIOD NOVEMBER 1, 1982 TO OCTOBER 31, 1983, I.E., 19,550 DOZEN.

-- MY GOVERNMENT WOULD APPRECIATE THE VIEWS OF THE GOVERNMENT OF THE DOMINICAN REPUBLIC WITH RESPECT TO THE SITUATION PERTAINING TO EXPORTS IN CATEGORY 446 TO THE UNITED STATES.

-- (COMPLIMENTARY CLOSING)

ENCLOSURE:  
AS STATED.

MARKET STATEMENT  
CATEGORY 446 WOMEN'S, GIRLS' AND  
-- INFANTS' WOOL  
-- SWEATERS

DOMINICAN REPUBLIC  
JANUARY 1984

U.S. IMPORTS OF CATEGORY 446 FROM THE DOMINICAN REPUBLIC WERE 25,572 DOZEN DURING JANUARY-NOVEMBER 1983, UP 175.6 PERCENT FROM THE 9,245 DOZEN IMPORTED A YEAR EARLIER. THIS SHARP AND SUBSTANTIAL INCREASE OF IMPORTS IS IN A MARKET SECTOR ALREADY ADVERSELY AFFECTED BY IMPORTS. THESE IMPORTS FROM THE DOMINICAN REPUBLIC ARE IMPORTED AT DUTY-FAID VALUES BELOW THE U.S. PRODUCER PRICES FOR COMPARABLE SWEATERS.

U.S. IMPORTS OF CATEGORY 446 WERE EQUAL TO TWO AND ONE-HALF TIMES THE DOMESTIC PRODUCTION IN 1982. IMPORTS FOR THE FIRST ELEVEN MONTHS OF 1983 WERE UP 23.8 PERCENT FROM 1982 TO A LEVEL OF 1,836,473 DOZEN. THIS ELEVEN MONTH TOTAL EXCEEDED THE FULL-YEAR 1982 IMPORTS BY 17.8 PERCENT. THE FULL YEAR 1983 IMPORTS WILL BE THE HIGHEST ON RECORD WHEN DATA BECOME AVAILABLE.

DOMESTIC PRODUCTION OF CATEGORY 446 HAS BEEN SEVERELY AFFECTED BY IMPORTS FOR A NUMBER OF YEARS. DOMESTIC PRODUCTION HAS BEEN BELOW IMPORTS FOR A DECADE. THE RATIO OF IMPORTS TO DOMESTIC PRODUCTION WAS 250.7 IN 1982 AND WILL BE HIGHER IN 1983 DUE TO THE SUBSTANTIAL INCREASE IN IMPORTS.

APPROXIMATELY 92 PERCENT OF THE CATEGORY 446 IMPORTS FROM THE DOMINICAN REPUBLIC WERE ENTERED UNDER TSUSA NO. 383.6371 -- WOMEN'S WOOL SWEATERS. THE DUTY-PAID VALUES OF THESE IMPORTS FROM THE DOMINICAN REPUBLIC ARE BELOW THE

S. PRODUCER PRICES FOR COMPARABLE SWEATERS.

CATEGORY 446: U.S. IMPORTS FROM THE DOMINICAN REPUBLIC AND TOTAL  
-DOZEN-

PERIOD	DOMINICAN REPUBLIC	OTHER	TOTAL
1981	513	1,671,626	1,672,319
1982	9,927	1,551,855	1,561,782

JANUARY-NOVEMBER

--1982	9,245	1,474,381	1,483,626
--1983	25,572	1,810,898	1,836,470

CATEGORY 446: U.S. PRODUCTION, IMPORTS, AND IMPORT/PRODUCTION RATIO  
-1,000 DOZEN-

PERIOD	PRODUCTION	IMPORTS	I/P RATIO
1981	631	1,672	275.2
1982	623	1,562	250.7

JANUARY-NOVEMBER

--1982	1,484
--1983	1,836

CATEGORY 446: DUTY-PAID VALUE AND U.S. PRODUCER PRICE

-U.S. DOLLARS PER DOZEN-

TSUSA NO. AND SOURCE	VALUE/PRICE
-- 383.6371	
-- DOMINICAN REPUBLIC	71.74
-- SRI LANKA	63.90
-- CHINA	75.98
-- MAURITIUS	74.19
-- U.S. PRODUCER PRICE	85.00 - 95.00