

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/996*
10 July 1984

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Reports on Article 3:5 Action

Sweden/Turkey

Note by the Chairman

Attached are reports¹ received from Turkey and Sweden, in accordance with the TSB's recommendation, concerning their consultations on knitted underwear, sweaters, pullovers, jumpers, etc. (Group 4/5) and trousers (Group 8).

¹ COM.TEX/SB/947

* English only/Anglais seulement/Inglés solamente

TS/140-3

PERMANENT MISSION OF TURKEY

GENEVA

561

Geneva, 27 June 1984

Dear Mr. Chairman,

I have the honour to refer to the recommendation adopted by the Textile Surveillance Body on 14 April 1984, concerning the unilateral measures taken by Sweden in order to restrict the import of certain clothing products from Turkey. As you know, the TSB had recommended that the two parties consult on these measures and that they report on their consultations by 30 June 1984.

The said consultations have taken place in Turkey between 5 and 7 June 1984. At the outset of the consultations, the Turkish side requested the Swedish side to lift the unilateral restriction in view of the fact that the TSB had concluded that "the existence of market disruption caused by imports from Turkey... had not been established". The Swedish side replied that market disruption had not been established because information supplied to the TSB had been insufficient and that should the case be taken up by it again, Sweden would be able to prove its point with the use of more wholesome data. The Swedish side also said that in view of the position occupied by Turkish imports in the Swedish market, they were unable to lift the unilateral restriction. Instead they made the following new offer as part of an agreement to be concluded under Article 4 of the MFA.

Categories IV and V : 1.500.000 pieces

Category VIII : 450.000 pieces

H.E. Mr. Marcelo Raffaelli
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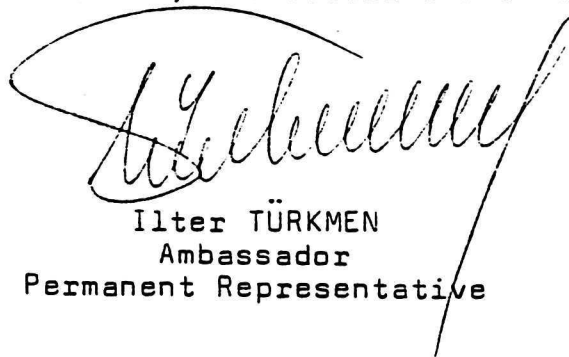
ANSWERED	DOC. ISSUED	FOLIO
TEX-50996		
29 JUN 1984		
For	Action	Comment
Cabinet of DG		
Info. Service		
OFFICE L. GEN. AFF.		
Sess. / Council Aff. Div.		
CHAIRMAN TSB	X	

For	Action	Comment	Inf.
OPER. DEPT. A			✓
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 Off.			
Conference Off.			

The Turkish side expressed the view that since the biggest share of imports of textile and clothing into Sweden was from unrestrained sources, it was impossible to accept the argument that Turkish exports caused disruption of the Swedish market. The Turkish side also pointed out that the voluntary restrictions envisaged by Sweden would not enable Turkish exports to increase in the manner provided for by the MFA, that according to the statistics of the International Cotton Advisory Committee, Turkey was the biggest exporter of cotton among the countries subjected to restraints on their exports of textiles and that her position as a leading cotton producer entitled her to a more favourable treatment. The Turkish side stressed the fact that most of Sweden's imports of textiles came from countries which were not cotton producers and that Sweden was taking insufficient account of Turkey's circumstances. The Turkish side also requested Category IV to be removed from the products which would be subjected to restraint, since Turkey's share of Swedish imports in that category only amounted to 0,5 %. It was also pointed out that Turkey was willing to accept voluntary restraint for Categories V and VIII, but that because of Turkey's economic difficulties and the importance and size of her textile sector, the limit should be put at 2,5 million pieces for each of these categories. The Turkish side argued that a smaller quota was uneconomic and difficult to manage in view of the large number of textile exporting firms between which the quota would need to be shared.

However, the Swedish side was unable to accept the proposal of the Turkish side. It was felt that the gap between the two positions was too large to be closed at the present stage and that a date for renewed consultations could usefully be set only after indications appeared that this gap had narrowed.

Please accept, Mr. Chairman, the assurances of my highest consideration.



Ilter TÜRKMEN
Ambassador
Permanent Representative

Handed to the Jentons

TS/440-3

SWEDISH DELEGATION

ANSWERED	DOC. ISSUED	FOLIO
TEX-32/92		
REC - 2 JUL 1984		
For	At	Comment
Cabinet of DG		
Info. Service		
Gen. Sec. Aff.		
Spec. Sec. Aff. Div.		
Spec. Sec. Aff. Div.	X	

Geneva, 29 June, 1984

562

Ambassador M. Raffaelli
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For	Action	Comment	Int.
OPER. DEPT. A			X
Non-Tar M. Div.			
Development Div.			
Tech. Coop. Div.			
Trade Pol. Div.			
Spec. Proj. Div.	X		
OPER. DEPT. B			X
Econ. R/Anal. Unit			
Agriculture Div.			
Tariff Div.			
Tech. Bar. T. Div.			
Ext. Rel. Div.			
Int. Coop. Div.			
Adm. / Fin. Div.			
Trans. / Doc. Div.			
Training Div.			
Personnel Off.			
Reference Off.			

Dear Mr. Ambassador,

Representatives of the Government of Turkey and Sweden met on June 5-7, 1984 in Turkey and continued negotiations on a bilateral textile restraint agreement between the two countries.

It was, however, not possible to reach such an agreement during this meeting. The positions of the two delegations can be resumed as follows:

The Turkish side maintained its earlier proposal i.e. no restraint in group 4 (knitted underwear) and an annual level of 2 500 000 pieces in each of the groups 5 (sweaters, pullovers, jumpers etc) and 8 (trousers). It may be noted that in October 1983 the Turkish side was prepared to accept restraints also for group 4 and 10 (blouses).

The Swedish side proposed a level of 1 500 000 pieces for groups 4/5 and a level of 450 000 pieces for group 8. This is 29% and 36% respectively above actual imports during the reference period according to Annex B:1 of the MFA.

During the consultations the Swedish side stated its preparedness to continue negotiations shortly. The Swedish delegation also understood that the Turkish side would be willing to resume negotiations.

In order to alleviate, as far as possible, unnecessary disturbances for the trade the Swedish authorities have admitted 123 000 pieces in groups 4/5 and 81 000 pieces in group 8 over and above the established restraint levels.

The Swedish Government would appreciate if it would be allowed to report more fully on the matter on July 4, 1984 in the meeting of the Textiles Surveillance Body.

Yours sincerely,

Hans V. Ewerlöf
Ambassador
Permanent representative