

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

CONFIDENTIAL
TEX.SB/215
25 April 1977

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 3:6

Note by the Chairman

I attach a copy of the notification received from the EEC concerning a temporary restraint measure applied under Article 3:6 to imports of cotton yarn into the United Kingdom from India.

Also attached is a copy of the request for consultations previously addressed to me according to the provisions of Article 3:3.

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 3:6

Note du Président

Les membres de l'OST trouveront ci-joint copie de la notification de la CEE concernant une mesure temporaire de limitation qu'elle applique au titre de l'article 3:6 aux importations au Royaume-Uni de fils de coton en provenance de l'Inde.

Les membres de l'OST trouveront également ci-joint copie d'une demande de consultations qui m'a précédemment été adressée conformément aux dispositions de l'article 3:3.

**COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES**

Genève, le 20 avril 1977

IK/lm

Délégation permanente
auprès des organisations internationales
à Genève

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Monsieur le Président,

Sur instructions de mes Autorités, j'ai l'honneur de vous
communiquer copie d'une Note Verbale transmise par la Commission
des Communautés Européennes à la Mission de la République indienne
à Bruxelles. Dans cette note, la Communauté s'inquiète de la
perturbation causée à son marché par l'importation de fils de
coton en provenance de l'Inde, en conséquence de quoi, en vertu
des dispositions de l'article 3 § 6 de l'A.M.F., la Communauté
adopte des mesures de restrictions provisoires et demande la
coopération immédiate de l'Inde pour que le dommage subi n'augmente
pas.

En vous priant de bien vouloir porter le contenu de cette Note
Verbale à l'attention des membres de l'Organe de Surveillance, je
vous prie de croire, Monsieur le Président, à l'assurance de ma
considération la plus distinguée.

16-4-77	
215-15	
<input checked="" type="checkbox"/>	Président
<input checked="" type="checkbox"/>	1er Vice
<input checked="" type="checkbox"/>	2e Vice
<input checked="" type="checkbox"/>	Secrétaire
<input type="checkbox"/>	...

I. Klaric
I. Klaric

Monsieur P. WURTH
Président de l'Organe de
Surveillance des Textiles
Villa Le Boccage
Palais des Nations
1211 GENEVE

COMMISSION
OF THE
EUROPEAN COMMUNITIES

Directorate-General for
External Relations

I D 2

NOTE VERBALE

The Directorate-General for External Relations presents its compliments to the Mission of the Republic of India to the European Communities and has the honour to refer to the Arrangement regarding International Trade in Textiles, in particular Article 3 (6) thereof, and to the Directorate-General's Note Verbale No 1654 of 23.3.1977.

The Directorate-General for External Relations wishes to draw the attention of the authorities of India to the fact that the most recent statistical data available relating to the situation described in the Directorate-General's Note Verbale No 1654 show that imports into the United Kingdom of cotton yarn from India have been accelerating in the first months of 1977.

In the first two months of 1977 these imports reached 1,430 tons compared to 589 tons in the same period in 1976.

The Community finds that this acceleration gives reason to fear that these imports, if liberalised, would increase abruptly. This expectation is also supported by the fact that cotton yarn from India is imported at prices below those of yarns imported from any other supplying country.

In the light of these circumstances the Community finds that an immediate liberalisation of the imports into the United Kingdom of cotton yarn would create an exceptional situation where imports in a period of a few months could cause market disruption giving rise to damage difficult to repair. The Community therefore, in accordance with Article 3 (6) of the Arrangement, requests the immediate cooperation of India on a bilateral emergency basis to avoid such damage.

The Directorate-General will, according to the provisions of the said Article 3, communicate this request to the Textiles Surveillance Body, without delay.

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The Mission of the Republic of India
to the European Communities

avenue Molière 129
1190 BRUSSELS

The Directorate-General for External Relations avails itself of this opportunity to renew to the Republic of India the assurance of its highest consideration.

Brussels,

COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES

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Delegation permanente
auprès des organisations internationales
à Genève

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Genève, le 1er avril 1977

Monsieur le Président,

En application des dispositions du paragraphe 3 de l'article 5 de l'Arrangement Multifibres, j'ai l'honneur de vous communiquer copie de la Note verbale que la Communauté Economique Européenne vient d'adresser à la Mission de la République de l'Inde à Bruxelles. Cette Note verbale exprime les préoccupations de la Communauté au sujet des importations du Royaume-Uni de fils de coton et de robes et jupes pour femmes et jeunes filles en provenance de l'Inde, et est accompagnée des données factuelles les plus récentes concernant les éléments de désorganisation du marché. Par ailleurs, dans sa demande de consultations adressée à l'Inde, la Communauté attire l'attention sur le fait qu'il n'est pas fait recours à ce stade aux dispositions de l'article 6 paragraphe 3, bien que le caractère critique de la situation le justifierait.

La présente communication est faite pour l'information personnelle du Président de l'Organe de Surveillance et n'est pas à porter à la connaissance de ses membres.

Veillez agréer, Monsieur le Président, l'expression de mes salutations très distinguées.

I. Klaric

I. Klaric

Monsieur B. MURTH
Président de l'Organe de
Surveillance des Textiles
11a le bocage - Palais des Nations
1211 GENEVE

COMMISSION
OF THE
EUROPEAN COMMUNITIES

Directorate General for
External Relations

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Expedient: Abq-landt
le den: 23. III. 1977
per durch: _____

1057

NOTE VERBALE

The Directorate General for External Relations presents its compliments to the Mission of the Republic of India to the European Communities and has the honour to refer to the Arrangement regarding International Trade in Textiles, in particular Article 3 and Annex B thereof.

The Directorate General for External Relations wishes to draw the attention of the Indian authorities to the situation of market disruption which exists in the Community's market in the United Kingdom in respect of both cotton yarn (BTN position 55.05) and cotton dresses and skirts for women and girls (BTN position ex 61.02). Imports of the products in question from India, often at prices substantially below those prevailing on the Community market in question, are a cause of such disruption.

The Directorate General recognises that imports of the products mentioned above into the United Kingdom have hitherto been restrained under the Community's programme for the elimination of quantitative restrictions. Notwithstanding these measures, however, a situation of market disruption as described in Annex A of the MFA continues to exist in the United Kingdom. The Community considers it indispensable, in order to avoid an aggravation of the situation, that the measures presently in force until 31 March 1977 be replaced by other measures having a similar effect.

In these circumstances, the Community considers it appropriate to request consultations with the Indian authorities under the provisions of Article 3, paragraph 3 of the Arrangement. In conformity with these provisions this request for consultations is accompanied by a detailed factual statement of the reasons and justification for the request, including the latest data concerning elements of market disruption. A copy of this note verbale and its annexes are being communicated today to the Chairman of the T.S.B. for his confidential information.

The Directorate General wishes to affirm, on behalf of the Community, the latter's wish to reach a mutual understanding with the Indian authorities on these matters, and to agree upon restraint levels for the remainder of 1977 which will give the necessary guarantee to the relevant sectors of the Community textile and clothing industries and, at the same time, permit the orderly expansion of India's trade with the Community.

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The Mission of the Republic of India
to the European Communities
avenue Molière 129
1180 Bruxelles

In conclusion, the Directorate General would draw the attention of the Indian authorities to the fact that, despite the critical circumstances which exist in the textiles and clothing industries in the region of the Community concerned, the present request is not made under the terms of paragraph 6 of Article 3. Nonetheless, should imports of the products in question after 31 March 1977 and pending the expiry of the 60-day period prescribed in Article 3 (3) threaten to aggravate the situation, the Community reserves its rights under international instruments to which India and the Community are parties to take appropriate interim action pending a mutually satisfactory outcome to consultations.

The Directorate General for External Relations avails itself of this opportunity to renew to the Republic of India the assurance of its highest consideration.

Brussels, 23. III. 1977

Product : Women's, Girls' and Infants' Woven Cotton Dresses and Skirts

Annexe Code : 61.02-67,77

Member State : United Kingdom

('000 pieces)

1. <u>IMPORTS FROM India</u>			<u>ME</u>	<u>Third Countries</u>
	total cotton from India	of which handloom		
1973	440	177	4.700	16.000.
1974	441	359	5.500	18.600.
1975	460	147	7.000	23.600
1976	1.473.	757	7.900	27.600

2. <u>EXPORTS TO</u>	<u>World</u>
1973	6.700
1974	6.900
1975	11.600
1976	10.300

3. <u>DOMESTIC PRODUCTION</u>	
1973	49.300
1974	55.200
1975	63.100.
1976	63.900

4. <u>APPARENT DOMESTIC CONSUMPTION</u>	
1973	63.300.
1974	72.400.
1975	82.100.
1976	89.300

5. <u>IMPORT PENETRATION (% of all fibres)</u>	India (cotton)	Third Countries (all fibres)
1973	0,70	25,28
1974	0,61	27,69
1975	0,56	28,75
1976	0,85	31,13

6. MAIN SUPPLIERS

prices £ per unit (cotton)

pieces

Italy	3,38	(197.269)
Irish Republic	2,21	(258.816)
Hong Kong	2,54	(1.929.542)
Finland	7,88	(51.980)
India	2,19	(1.473.972)
Pakistan	1,68	(59.675)
Portugal	2,26	(95.365)
Bel-Lux	4,55	(85.567)
World	2,71	(4.879.185)
EEC	3,97	(663.822)
Third Countries	2,51	(4.215.363)

7. EMPLOYMENT in women's and girls' tailored outerwear industry

Thousands

October 1973	45.6
October 1974	44.6
October 1975	42.3
October 1976	43.1

Product : Cotton yarn - not put up for retail sale

HS Code : 55.05 (All)

Member State : United Kingdom

(tonnes)

1. <u>IMPORTS FROM</u>	<u>India</u>	<u>World</u>	<u>EEC</u>	<u>Third Countries</u>
1973	2.630	17.201	3.757	13.444
1974	3.379	31.240	6.326	24.914
1975	742	25.828	5.080	20.748
1976	6.199	30.590	6.692	23.898

2. <u>EXPORTS TO</u>	<u>World</u>	<u>EEC</u>	<u>Third Countries</u>
1973	13.013	5.944	7.096
1974	11.026	5.042	5.984
1975	9.310	5.917	4.393
1976	11.705	6.238	5.467

3. DOMESTIC PRODUCTION

1973	93.200
1974	80.700
1975	82.300
1976	90.320

4. PER CAPITA DOMESTIC CONSUMPTION

1973	97.388
1974	100.914
1975	98.818
1976	109.205

5. MARKET SHARE

	<u>India</u>	<u>All Countries</u>	<u>All Third Countries</u>
1973	2.64%	17.66%	13.5%
1974	3.39%	30.96%	25.01%
1975	0.75%	26.14%	21.03%
1976	5.70%	28.01%	21.97%

6. PRICES

Hong Kong	£ 1.90 p/kg
Pakistan	£ 1.06 p/kg
India	90 p/kg
Greece	£ 1.45 p/kg
Turkey	£ 1.19 p/kg
Spain	98 p/kg
Portugal	£ 1.40 p/kg
Israel	£ 1.28 p/kg

7. EMPLOYMENT in the spinning industries :

1973	20.050
1974	24.370
1975	22.250
1976	22.560

8. MAJOR SUPPLIERS in 1976

EEC	6.692
India	6.199
Portugal	5.200
Turkey	3.240
Spain	2.455
Greece	2.288
Pakistan	345
Hong Kong	631
Israel	701