

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/314  
11 July 1978

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report on the Status of Restrictive Measures in  
Thailand as requested by the TSB

Note by the Chairman

Attached hereto is a copy of the reply received from the mission of Thailand, in response to my letter of 28 April 1978, as well as to the TSB's request that Thailand should further report<sup>1</sup> on the situation in its textile industry and its relation to the restrictions applied to trade in textiles.<sup>2</sup>

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<sup>1</sup>For previous notifications see COM.TEX/SB/165 and 187.

<sup>2</sup>See COM.TEX/SB/188, para. 6 and COM.TEX/SB/196 para. 108.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Rapport sur la situation des restrictions en Thaïlande,  
demandé par l'OST

Note du Président

On trouvera ci-joint copie de la réponse de la mission de la Thaïlande à ma lettre du 28 avril 1978, ainsi qu'à la demande de l'OST qui invitait la Thaïlande à présenter un nouveau rapport<sup>1</sup> sur la situation de son industrie textile en relation avec les restrictions qu'elle applique à son commerce des textiles<sup>2</sup>.

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<sup>1</sup>Pour les notifications précédentes, voir les documents COM.TEX/SB/165 et 187.

<sup>2</sup>Voir les documents COM.TEX/SB/188, paragraphe 6, et COM.TEX/SB/196, paragraphe 108.



Report by Thailand concerning Import Control on  
Fibre and Yarn

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In June 1976 Thailand presented to the Textiles Surveillance Body a report on its textiles industry including an explanation of its import policy with regard to certain textile products. At that time Thailand had given reasons in support of its need to resort to import control on polyester fibre, polyester yarn, nylon filament and nylon stretched yarn. It was emphasised that the measure was taken without discrimination against products of any specific country and that it would be removed at the earliest opportunity. The TSB concluded that Thailand was not at that stage required to remove the import control and requested a further report on Thailand's textile industry and its relationship to restrictions in force in December 1977.

The current situation with regard to polyester fibre and yarn, and nylon filament and stretched yarn has not improved since 1976. The overall productive capacity has increased from 3,730 tons per month in 1974 to 7,090 tons per month in 1977. The unhealthy state of the world market together with the slow rate of increase in local demand have contributed towards the accumulation of a substantial surplus of the above-mentioned products as can be seen from the following:

<u>Description</u>	<u>Capacity</u>	<u>Consumption</u>	<u>Surplus</u>
Nylon filament yarn	1,130	800-1,000	130-330
Polyester yarn	1,860	1,000-1,200	660-860
Polyester fibre	4,100	2,700-2,900	1,200-1,400

1977, unit : ton/month

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With little export opportunity for these products, Thailand has found it necessary to continue to enforce import control with the aim of encouraging local industry to use more of these locally produced materials. It should be noted also that, while faced with serious balance of trade and payments deficits in 1977, Thailand has continued to confine import control on textiles to only a few products and to apply the same import permit regulations as was in force in 1976. Thailand does not intend to maintain the import control permanently. The situation is constantly under review and as soon as there is substantial improvement the products in question will be permitted to be imported freely in the same manner as other textile products.

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Table 1 : Thailand's Balance of Trade

Value : million baht

Year	Export	Import	Balance
1973	32,226	42,184	-9,958
1974	50,325	64,043	-13,718
1975	48,438	66,835	-10,146
1976	60,797	72,877	-14,780
1977*	73,260	90,957	-17,697

\*Preliminary figures

Source : Department of Customs

Table 2: Thailand's Balance of Textile Trade

Value : million baht

Item	1975			1976			1977(Jan. - June)		
	Import	Export	Balance	Import	Export	Balance	Import	Export	Balance
Cotton	1,670.4	-	-1,670.4	2,112.0	-	-2,112.0	1,495.8	0.1	-1,495.7
Cotton yarn	20.9	16.8	-4.1	12.3	55.0	42.7	3.5	24.6	21.1
Cotton fabrics	245.7	323.3	77.6	208.6	1,032.6	824.0	120.7	496.1	375.4
Man - made fibres	214.6	-	-214.6	273.4	-	-273.4	159.3	35.8	-123.5
Man - made yarn	249.2	124.3	-124.9	314.3	380.4	66.1	103.3	207.0	103.7
Man - made fabrics	529.9	479.9	-50.0	753.6	993.2	239.6	358.1	557.1	199.0
Garments	45.2	1,030.8	985.6	67.6	1,523.4	1,459.8	27.7	734.0	706.3
Total	2,975.9	1,975.1	-1,000.8	3,737.8	3,984.6	246.8	2,268.4	2,054.7	-213.7

Source : Bank of Thailand

Table 3 : Thailand's Imports of Textile Products  
 Subjected to Import Control

Description	1976		1977	
	Quantity Kgs.	Value C.I.F. Baht	Quantity Kgs.	Value C.I.F. Baht
Polyester fibre Polyester yarn Nylon filament yarn Nylon stretched yarn	3,506,251	238,498,813	2,882,443	135,397,897

Source : Department of Foreign Trade