

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/351

31 August 1978

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

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

The Textiles Surveillance Body has received from Thailand a periodic report¹ on the situation in its textile industry and its relation to the restrictions applied to trade in textiles.² This report was sent to the TSB in accordance with the procedures evolved for the review of restrictions notified under Article 2, paragraph 1 by countries participating in the Arrangement which are not contracting parties to the GATT. A copy of the report is circulated for the information of the participating countries.

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

²See COM.TEX/SB/188, paragraph 6 and COM.TEX/SB/196, paragraph 108.

4 July 1978

Sir,

In compliance with the request of the Textiles Surveillance Body, I have the honour to submit herewith a further report on Thailand's textile industry and its relationship to restrictions in force.

I would request you kindly, therefore, to bring the attached report to the attention of the Textiles Surveillance Body.

In this connexion, I wish to assure you that the Thai authorities concerned would be pleased to provide, where possible, any additional information should it be so required.

Accept, Sir, the assurances of my highest consideration

(signed) Manaspas Xuto
Ambassador
Permanent Representative of Thailand

Mr. P. Wurth,
Chairman,
Textiles Surveillance Body,
GATT,
Geneva.

REPORT BY THAILAND CONCERNING IMPORT CONTROL ON
FIBRE AND YARN

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 emphasized 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

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 were 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.

TABLE 1

Thailand's Balance of Trade

(Value: B million)

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 ¹	73,260	90,957	-17,697

¹Preliminary figures

Source: Department of Customs.

TABLE 2
Thailand's Balance of Textile Trade

(Value: B million)

Item	1975			1976			1977 (January-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	63.6	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 Controls

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.