

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COT/58

30 November 1965

Special Distribution

Original: English/French

LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Notifications under Article 2

Attached are notifications, in connexion with Article 2 of the Long-Term Arrangement, transmitted to the secretariat by the Governments of Australia, Austria, Denmark, Norway, Sweden and the United States and by the Commission of the European Economic Community in response to GATT/AIR/495 dated 29 September 1965.

A U S T R A L I A

Quota or import restrictions referred to in Article 2

1. Australia has no restrictions or quotas operating on cotton textiles as of 1 October 1965.
2. This position is unchanged from 1 October 1963.
3. No changes in restrictions or quotas are envisaged during the remainder of the Arrangement.

A U S T R I A

Quotas or import restrictions referred to in Article 2

1. Quotas effective as of 1 October 1965 for cotton textiles under restriction

(i) Import quota for Japan

(a) Cotton yarn (ex chapter 55)	64 tons
(b) Grey cotton fabrics (ex chapter 55)	180 tons
(c) Finished cotton fabrics, in the piece (ex chapters 55, 58, 59)	45 tons
(d) Knitted goods of cotton (ex chapter 60)	\$44,800
(e) Clothing and other made-up articles of cotton (ex chapters 58, 59, 61, 62)	\$55,000

(ii) Import quota for India

<u>Total</u>	<u>Grey-</u>	<u>Terry towels</u>	<u>Cotton yarns, finished</u>
tons	goods	and towelling	fabrics, miscellaneous
tons	tons	tons	tons
225	180	16	29

(iii) Import quota for Israel

Cotton textiles 8 tons

(iv) Import quota for Pakistan
Cotton fabrics 52.8 tons

(v) Import quota for the United Arab Republic
of which

<u>Total</u> tons	<u>Yarns</u> tons	<u>Fabrics</u> tons
25	9	16

(vi) Import quota for Mexico
Fabrics of cotton 8 tons

2. Changes in restrictions and quotas which took place during the first, second and third years of the Arrangement

(i) Import quota for Japan

(a) Cotton yarn (ex chapter 55)

For the twelve-month period beginning

1 October 1962 40 tons

1 October 1963 48 tons

1 October 1964 56 tons

(b) Grey cotton fabrics (ex chapter 55)

For the twelve-month period beginning

1 October 1962 120 tons

1 October 1963 140 tons

1 October 1964 160 tons

(c) Finished cotton fabrics, in the piece (ex chapters 55, 58, 59)

For the twelve-month period beginning

1 October 1962 30 tons

1 October 1963 35 tons

1 October 1964 40 tons

(d) Knitted goods of cotton (ex chapter 60)

For the twelve-month period beginning

1 October 1962	\$28,000
1 October 1963	\$33,600
1 October 1964	\$39,200

(e) Clothing and other made-up articles of cotton (ex chapters 58, 59, 61, 62)

For the twelve-month period beginning

1 October 1962	\$40,000
1 October 1963	\$45,000
1 October 1964	\$50,000

(ii) Import quota for India

<u>Period</u>	<u>Total</u>	<u>Grey-</u>	<u>Terry towels</u>	<u>Cotton yarns, finished</u>
	tons	goods	and towelling	fabrics, miscellaneous
		tons	tons	tons
1.10.62-30.9.63	150	120	10	20
1.10.63-30.9.64	175	140	12	23
1.10.64-30.9.65	200	160	14	26

(iii) Import quota for Israel

<u>Period</u>	<u>Cotton textiles</u>
	tons
1.10.62-30.9.63	5
1.10.63-30.9.64	6
1.10.64-30.9.65	7

(iv) Import quota for Pakistan

<u>Period</u>	<u>Cotton fabrics</u>
1.10.62-30.9.63	35.7 tons
1.10.63-30.9.64	41.4 tons
1.10.64-30.9.65	47.1 tons

(v) Import quota for the United Arab Republic

<u>Period</u>	<u>Total</u> tons	of which	
		<u>Yarns</u> tons	<u>Fabrics</u> tons
1.10.62-30.9.63	16	6	10
1.10.63-30.9.64	19	7	12
1.10.64-30.9.65	22	8	14

(vi) Import quota for Mexico

<u>Period</u>	<u>Fabrics of cotton</u>
1.10.62-30.9.63	5 tons
1.10.63-30.9.64	6 tons
1.10.64-30.9.65	7 tons

As can be seen from the above tables the annual increase in quotas amounted to 19 per cent in relation to the base period. This percentage corresponds to the Austrian obligation under Annex A to increase in the course of the five years for which the Arrangement shall remain in force the quotas by 95 per cent.

3. Changes in restrictions and quotas envisaged during the last year of the Arrangement

In accordance with Annex A of the Arrangement the import quotas will again be increased for the fifth year of the Arrangement by 19 per cent. Consequently, the following quotas will be opened:

(i) Import quota for Japan

(a) Cotton yarn (ex chapter 55)	72 tons
(b) Grey cotton fabrics (ex chapter 55)	200 tons
(c) Finished cotton fabrics, in the piece (ex chapters 55, 58, 59)	50 tons
(d) Knitted goods of cotton (ex chapter 60)	\$50,400
(e) Clothing and other made-up articles of cotton (ex chapters 58, 59, 61, 62)	\$60,000

(ii) Import quota for India

<u>Total</u> tons	<u>Grey- goods</u> tons	<u>Terry towels and towelling</u> tons	<u>Cotton yarns, finished fabrics, miscellaneous</u> tons
250	200	18	32

(iii) Import quota for Israel

Cotton textiles 9 tons

(iv) Import quota for Pakistan

Cotton fabrics 58.5 tons

(v) Import quota for the United Arab Republic

<u>Total</u> tons	of which	
	<u>Yarns</u> tons	<u>Fabrics</u> tons
28	10	18

(vi) Import quota for Mexico

Fabrics of cotton 9 tons

D E N M A R K

Quotas or import restrictions

1. No changes have taken place or are envisaged in the quotas fixed in the bilateral arrangement between Denmark and Japan which were notified to the secretariat in December 1963 and reproduced in document COT/25.

2. Denmark still maintains a quota for import of cotton yarn from the United Arab Republic. The quota, the size of which is based on the import of the said product from the United Arab Republic in 1962 (D.Kr.9.4 million) is increased yearly by 3 per cent in accordance with Annex A to the Long-Term Arrangement.

3. Furthermore, Denmark maintains import licensing of cotton textiles from the United Arab Republic, Colombia and the Republic of Korea, but - apart from the above-mentioned quota for cotton yarn - imports have so far not been restricted.

N O R W A Y

Quota or import restrictions referred to in Article 2

1. Restrictions and quotas effective as of 1 October 1965

Import quotas

	<u>US\$1000</u>
(a) <u>Japan</u> (1 October 1964-30 September 1965 ¹)	
Yarn, woven fabrics and other articles n.e.s.	1,007
Garments (including knitted and crocheted goods)	107
(b) <u>South Korea</u> (1 October 1965-30 September 1966)	
Woven fabrics	14

2. Changes in restrictions and quotas which took place during the first, second and third years of the Arrangement

(a) Japan

The quotas mentioned above have been increased by approximately 3 per cent each year according to the provisions in Article 2 of the Arrangement.

The following products have been liberalized:

1962: ex 55.05 Yarn for fishing purposes.

1963: ex 55.09 Gauze for dressings with not more than 32 warp and weft threads per square centimeter and unbleached fabrics weighing 720 grams or more per square metre.

58.01 Carpets, carpeting and rugs, knotted.

58.03 Hand-made tapestries.

59.03 Bonded fibre fabrics and articles thereof.

62.03 Sacks and bags.

1964: 58.07 Galloons, sinking lines and floating lines.

59.01 Wadding and articles of wadding, textile flock and dust and mill neps.

59.02 Felt and articles of felt, whether or not impregnated or coated.

59.04 Twine, cordage, ropes and cables, plaited or not.

¹See paragraph 3.

- 59.06 Other articles made from yarn, twine, cordage, ropes or cables, other than textile fabrics and articles made from such fabrics.
- 59.14 Wicks of woven, plaited or knitted textile materials, for lamps, stoves, lighters, candles and the like, tubular knitted gas mantle fabric and incandescent gas mantles.
- 59.16 Transmission, conveyor or elevator belts or belting, of textile material, whether or not strengthened with metal or other material.
- ex 59.17 Bolting cloth.
- 61.07 Ties, bow ties and cravats.
- 61.08 Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments.
- 61.11 Other made-up accessories for articles of apparel (e.g. dress shields, shoulder and other pads, muffs, sleeve protectors and pockets).

(b) South Korea

Until 1 October 1965 all imports from South Korea were regulated. From that date the same import arrangement is established for imports from this country as that formerly established for Japan.

3. Changes in restrictions and quotas envisaged during the remainder of the Arrangement

Changes in restrictions for imports from Japan are agreed upon in the annual trade negotiations. The next trade negotiations will begin in November 1965.

S W E D E N

Quotas or import restrictions

1. Restrictions and quotas effective as of 1 October 1965

Japan is the only participating country towards which Sweden maintains import restrictions. These restrictions do not cover the entire cotton-textile sector. The most important exceptions are grey cloth, gauze, handkerchiefs and pneumatic mattresses made of cotton and cotton yarn not put up for retail sale. For restricted cotton textiles Sweden at present maintains a quota of S.Kr.3.5 million (US\$0.7 million). The following BTN numbers are concerned:

(i) Cotton fabrics

ex 30.04, ex 55.08, ex 55.09

(ii) Other cotton textiles

55.06, ex 58.04, ex 58.05-06, ex 59.05, ex 58.08, ex 59.03-04, ex 59.07-09,
ex 59.11-17, ex 60.01-06, ex 61.01-04, ex 61.10, ex 62.01-02, ex 62.05,
ex 65.05.

As a comparison to the above-mentioned figure - S.Kr.3.5 million - for the restricted import of cotton textiles from Japan, it can be mentioned that the total import of cotton textiles from that country in 1964 amounted to more than S.Kr.22 million.

2. Changes in restrictions and quotas which took place during the first, second and third years of the Arrangement

When the Long-Term Arrangement Regarding Cotton Textiles entered into force, Japan was the only participating country towards which Sweden maintained import restrictions. The restrictions covered the entire textile sector, with certain exceptions. There was no special quota for cotton textiles.

Considering the provisions of the Long-Term Arrangement, the Governments of Sweden and Japan agreed during the first year of the Arrangement on a special quota for such cotton textiles which were subject to restrictions when imported into Sweden from Japan. The quota was fixed at S.Kr.3.5 million (about US\$0.7 million). One fifth of the total increase (one fifth of 15 per cent) undertaken by Sweden in accordance with Annex A of the Long-Term Arrangement was included in this figure.

During the second year of application of the Cotton Textile Arrangement a modification was introduced to the effect that goods - cotton gauze and carpets other than knitted - to an approximate value of S.Kr.0.5 million (US\$0.1 million) were exempted from restrictions without any corresponding lowering of the total value of the quota. Hereby considerably more scope was provided for imports of the remaining goods still restricted.

During the third year of the Arrangement no changes have taken place in the import restrictions on cotton textiles from Japan, as the negotiations which have been conducted on the trade relations between Sweden and Japan from 31 March 1965, when the earlier agreement expired, have so far not been concluded.

As illustrated by the above, Sweden has during the past three years more than fulfilled her undertakings under the Long-Term Arrangement.

3. Changes in restrictions and quotas envisaged during the remainder of the Arrangement

No indications of the future policy on import restrictions on cotton textiles can now be given apart from that Sweden intends to fulfil her obligations under the Long-Term Arrangement.

UNITED STATES

Quota or import restrictions referred to in Article 2

The United States maintains no restriction on imports of cotton textiles referable to Article 2.

EUROPEAN ECONOMIC COMMUNITY

1. The Commission of the European Economic Community has, on behalf of the member States of the Community, communicated the following:

- (i) a list of tariff items on which liberalization measures were applied during the first year of application of the Long-Term Arrangement by member States which still maintained quantitative restrictions on these products - Table A;
- (ii) a list of items liberalized during the second year of application of the Arrangement - Table B;
- (iii) a list of items liberalized during the third year of application of the Arrangement - Table C;
- (iv) a statement of the quotas opened by the member States in 1962, 1963, 1964 and 1965 for imports of cotton textiles. To meet the wish expressed by several countries at the first meeting of the Cotton Textiles Committee this table indicates the quotas for each member State and for each exporting country - Table D.

2. As regards the fourth year of application of the Arrangement, the Community is not yet in a position to furnish information regarding quotas, for the amount of these will, in particular, be determined by bilateral negotiations which have yet to take place.

TABLE A

List of tariff items on which liberalization measures have been applied since the entry into force of the Long-Term Arrangement by member States which still maintained quantitative restrictions on these products (during the first year).

Country	Tariff Item No.	Description of products
<u>France</u>	55.05	Cotton yarn, not put up for retail sale
	55.06	Cotton yarn, put up for retail sale
	55.07	Cotton gauze
	58.08	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain
	59.07	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers and the like; tracing cloth; prepared painting canvas; buckram and similar woven fabrics for hat foundation and similar uses
	59.08	Textile fabrics impregnated or coated with preparations of cellulose derivatives or of other artificial plastic materials
	59.09	Textile fabrics coated or impregnated with oil or preparations with a base of drying oil
	ex 59.12	Textile fabrics otherwise impregnated or coated; painted canvas being theatrical scenery, studio back-cloth or the like:
		- B. Other
	59.17	Textile fabrics and textile articles, of a kind commonly used in machinery or plant
	61.07	Ties, bow-ties and cravats
	61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments
	61.09	Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic
	62.04	Tarpaulins, sails, awnings, sun-blinds, tents and camping goods
	62.05	Other made-up textile articles (including dress patterns)

Country	Tariff Item No.	Description of products
<u>Federal</u>	58.04	Woven pile fabrics and chenille fabrics, of cotton
<u>Republic of</u>	(05)	
<u>Germany</u>	60.04	Undergarments, knitted or crocheted, not elastic or rubberized, of cotton
	(05)	
	ex 61.01	Men's and boys' outer garments of terry towelling
	(05)	
	ex 61.02	Women's outer garments of terry towelling
	(05)	
	ex 61.05	Handkerchiefs
<u>Netherlands</u>	ex 60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized
<u>and BLEU</u>		

TABLE B

List of items liberalized during the second year of application of the Long-Term Arrangement.

Country	Tariff Item No.	Description of products
<u>France</u>	59.13	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads
	60.01	Knitted or crocheted fabrics, not elastic nor rubberized
	60.06	Knitted or crocheted fabrics and articles thereof, elastic or rubberized (including elastic stockings)
	62.01 B	Travelling rugs and blankets, other than electrically warmed

TABLE C

List of items liberalized during the third year of application of the Long-Term Arrangement.

<u>Country</u>	<u>Tariff Item No.</u>	<u>Description of products</u>
<u>Federal</u>	5507.11	Woven fabrics for curtains, grey
<u>Republic of</u>	5507.19	Woven fabrics for curtains, other than grey
<u>Germany</u>	5507.91	Other gauze, grey
	5507.99	Other gauze, other than grey
	5509.40	Canvas, of cotton mixed with hemp or ramie
	5509.60	Canvas, of cotton <u>not</u> mixed with hemp or ramie

TABLE D

Quotas of cotton textile products opened to exporting countries by the member States of the European Economic Community in 1962, 1963, 1964 and 1965.

		France	Italy	Fed. Rep. of Germany	Benelux	Total ⁴
Japan	1962	1,350 t	300 t	1,637 t	850 t	4,137 t
	1963	1,525 t	580 t	1,803 t	930 t	4,838 t
	1964	1,700 t ¹	860 t	1,987 t	998 t	5,545 t
	1965	1,875 t ¹	1,140 t	2,184 t	(998 t) ²	(6,197 t)
India	1962	1,200 t	x	625 t	x	1,825 t
	1963	1,355 t	x	756 t	x	2,111 t
	1964	1,600 t	x	875 t	x	2,475 t
	1965	1,755 t	x	995 t	x	2,750 t
Pakistan	1962	225 t	x	97 t	x	322 t
	1963	250 t	x	116 t	x	366 t
	1964	275 t	x	138 t	x	413 t
	1965	300 t	x	155 t	x	455 t
Hong Kong	1962	225 t	x	x	x	225 t
	1963	250 t	x	x	x	250 t
	1964	275 t	x	x	x	275 t
	1965	300 t	x	x	x	300 t
Total ⁴	1962	3,000 t	300 t	2,359 t	850 t	6,509 t ³
	1963	3,380 t	580 t	2,675 t	930 t	7 565 t
	1964	3,850 t	860 t	3,000 t	998 t	8,708 t
	1965	4,230 t	1,140 t	3,334 t	(998 t) ²	9,702 t
Rep. of China (Taiwan)	1964			50 t		
	1965			44 t		
UAR	1964			122 t		
	1965	100 t		122 t		
Rep. of Korea	1965	50 t		103 t		

x = liberalized.

¹ Subject to the conclusion of a Franco-Japanese arrangement for 1965-1966 within the framework of the 1963 trade agreement.

² Provisional figures, the increases not having been negotiated yet.

³ This figure is higher than the base figure of 6,383 tons because quota increases were granted for the year 1962 after signature of the Arrangement.

⁴ Totals for 1965 have been added by the secretariat.