

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Agreement between Australia and Hong Kong

Addendum

The following communication has been received by the Director-General from the Permanent Mission of Australia for notification to the Cotton Textiles Committee.

Pursuant to paragraph 1 of Article 3 of the Long-Term Cotton Textiles Arrangement the Australian Government wishes to advise the Cotton Textiles Committee that on 19 May 1970 it forwarded to the Hong Kong Government a communication in the following terms:

"Reference is made to the consultations held between the Governments of Hong Kong and Australia from 23 to 25 June 1969 in Hong Kong on cotton denims, drills, dungarees and jeans under the terms of Article 3 of the GATT Cotton Textiles Arrangement.

"Following these consultations:

The Australian Government agreed not to pursue its request for restraint on cotton denims, dungarees, jeans and grey drills weighing not less than 6 ounces per square yard and not more than 15 ounces per square yard.

The Hong Kong Government agreed to restrain exports of cotton drills, other than grey weighing not less than 6 ounces per square yard and not more than 15 ounces per square yard to a limit of 950,000 square yards during the period 1 July 1969 to 30 June 1970. On 24 July 1969 the Government of Hong Kong and the Government of Australia formally accepted a Memorandum of Understanding which makes provision, inter alia, for consultations on request between the two Governments about any matter arising from or related to these arrangements.

"In accordance with the terms of Article 3, paragraph 6 of the GATT Cotton Textiles Arrangement and paragraph 5 of the forementioned Memorandum of Understanding, the Australian Government requests that further consultations take place between the Hong Kong Government and the Australian Government to

consider an extension of the arrangement between the two countries for a further period of twelve months. It is suggested that the consultations take place in Hong Kong on mutually agreeable dates in June 1970.

"The restraint exercised by Hong Kong in the export of drills other than grey has been the major factor in preventing disruption in the Australian market and termination of the arrangement would reintroduce the actual threat of market disruption and serious damage to the Australian industry.

"Australian production of drills other than grey on a moving twelve months' basis to February 1970 was 15.5 million square yards, the lowest for the past five years. For the eight months ended February 1970, Australian production was 9.7 million square yards compared to 12.1 million square yards in the same period of the previous year.

"Because of the contraction of the market, Hong Kong's share of imports for the eight months ended February 1970 rose to 82 per cent from 77 per cent in the corresponding period of last year, despite the exports restraints exercised. Hong Kong's share of the market in the eight months ended February 1970 as compared to the previous year has remained unchanged.

"It is the opinion of the Australian authorities that continuation of restraint by Hong Kong is necessary to avoid disruption of the Australian market.

"Particulars of relevant Australian production and import clearances are appended.

"The Cotton Textiles Committee is being notified of the Australian Government's request in accordance with the requirements of paragraph 1 of Article 3 of the Cotton Textiles Arrangement."

WOVEN COTTON DRILLS, DUNGAREES AND JEANS - OTHER THAN
UNBLEACHED, UNMERCEERIZED

Australian Import Clearances

	1966/67		1967/68		1968/69		8 months ended 1969	February 1970
	sq.yds. (1000)	\$1000	sq.yds. (1000)	\$1000	sq.yds. (1000)	\$1000	sq.yds. (1000)	sq.yds. (1000)
UK	2.4	1.3	2.6	1.3	1.7	1.1	1.7	0.7
Hong Kong	831.5	244.0	762.2	222.2	1,040.1	327.4	748.0	606.5
China M.	55.0	17.2	18.1	5.2	42.5	11.5	33.7	107.8
Japan	220.8	98.4	655.1	253.1	232.3	99.7	182.0	21.6
US	Neg.	Neg.	0.1	0.4	10.9	4.7	10.9	Neg.
Other	48.1	15.9	0.1	0.2	9.5	2.7	-	4.7
Total	1,157.8	376.8	1,438.2	432.4	1,337.0	447.1	976.3	741.3

AUSTRALIAN PRODUCTION (including jeans)

Period	'000 sq.yds.
1964/65	17,592
1965/66	17,601
1966/67	18,901
1967/68	19,371
1968/69	17,954
Twelve months to Feb. 1970	15,494
Eight months to Feb. 1969	12,114
Eight months to Feb. 1970	9,654

APPARENT AUSTRALIAN DEMAND FOR COTTON DRILLS, DUNGAREES AND JEANS
OTHER THAN UNBLEACHED, UNMERCERIZED

('000 sq.yds.)

Period	Import clearances	Australian production	Apparent market
1966/67	1,158	18,901	20,059
1967/68	1,438	19,371	20,809
1968/69	1,337	17,954	19,291
Twelve months to Feb. 1970	1,102	15,494	16,596
Eight months to Feb. 1969	976	12,114	13,090
Eight months to Feb. 1970	741	9,654	10,395

WOVEN COTTON DRILLS, DUNGAREES AND JEANS
(Other than Unbleached, Not Mercerized)

Australian Import Clearances from Selected Countries -
Moving Twelve-Monthly Basis

Quantities Only ('000 sq.yds.)

	China Mainland	Hong Kong	Japan	Total
October 1966 to September 1967	56.0	826.4	187.4	1,108.6
November 1966 to October 1967	56.9	783.5	193.2	1,064.5
December 1966 to November 1967	51.1	726.4	237.1	1,045.6
January 1967 to December 1967	51.1	744.6	303.6	1,130.3
February 1967 to January 1968	38.6	661.4	402.3	1,122.4
March 1967 to February 1968	31.9	727.1	442.7	1,220.6
April 1967 to March 1968	31.9	756.0	523.3	1,330.1
May 1967 to April 1968	21.0	770.6	529.1	1,339.6
June 1967 to May 1968	21.0	763.9	671.7	1,475.9
July 1967 to June 1968	18.1	762.2	655.0	1,438.1
August 1967 to July 1968	8.5	809.9	656.6	1,477.9
September 1967 to August 1968	25.3	789.1	750.7	1,578.0
October 1967 to September 1968	25.3	783.9	747.3	1,571.6
November 1967 to October 1968	24.4	861.2	763.2	1,663.8
December 1967 to November 1968	41.3	908.6	713.7	1,678.5
January 1968 to December 1968	41.3	887.2	660.3	1,604.2
February 1968 to January 1969	41.3	1,073.2	531.5	1,661.2
March 1968 to February 1969	41.3	1,048.7	478.1	1,582.6
April 1968 to March 1969	41.3	1,043.6	406.3	1,505.7
May 1968 to April 1969	41.3	1,065.8	395.0	1,526.1
June 1968 to May 1969	50.1	1,017.6	209.1	1,298.8
July 1968 to June 1969	42.5	1,040.2	232.2	1,337.0
August 1968 to July 1969	42.5	959.5	222.7	1,246.9
September 1968 to August 1969	25.7	1,054.2	105.7	1,207.8
October 1968 to September 1969	32.8	1,074.2	94.8	1,211.8
November 1968 to October 1969	43.6	1,017.0	85.2	1,155.8
December 1968 to November 1969	50.4	1,015.0	79.3	1,156.1
January 1969 to December 1969	55.2	1,040.0	67.4	1,173.0
February 1969 to January 1970	82.8	856.3	67.4	1,021.6
March 1969 to February 1970	116.6	898.4	72.0	1,102.2

WOVEN COTTON DRILLS, DUNGAREES AND JEANS
(Other than Unbleached, not Mercerized)

Australian Import Clearances from Selected Countries

Quantities Only (1000 sq.yds.)

	China Main- land	Hong Kong	India	Japan	UK	US	Other	Total
<u>1965</u>								
Nov.	-	92.4	1.6	27.0	2.0	-	9.8	132.8
Dec.	-	18.2	0.8	5.4	2.0	-	-	26.4
<u>1966</u>								
Jan.	17.3	14.7	3.2	51.4	8.1	-	-	94.7
Feb.	38.9	107.2	-	8.3	0.6	-	-	155.0
Mar.	-	101.1	-	15.2	0.2	-	2.7	119.2
Apr.	15.6	59.2	-	2.1	1.0	0.2	-	78.0
May	-	68.0	-	1.2	1.6	-	-	70.8
June	2.3	121.4	-	11.6	-	-	-	135.2
July	8.6	61.2	-	17.9	-	-	0.4	88.1
Aug.	-	61.0	-	41.0	-	0.1	-	102.1
Sept.	-	56.0	-	19.8	-	-	10.5	86.3
Oct.	-	98.8	7.8	3.8	0.5	-	-	110.6
Nov.	5.8	89.0	-	11.5	-	-	-	106.2
Dec.	-	46.9	-	-	-	-	-	46.9
<u>1967</u>								
Jan.	12.5	127.7	-	30.1	0.3	-	10.8	181.4
Feb.	6.7	25.5	-	13.0	1.9	-	-	47.1
Mar.	-	46.3	-	2.7	-	-	-	49.0
Apr.	10.9	55.8	-	9.5	-	-	-	76.2
May	-	67.5	1.5	49.7	-	-	-	118.7
June	10.5	95.9	-	22.0	-	-	16.5	144.9
July	9.6	47.4	-	7.9	-	-	-	64.8
Aug.	-	37.7	-	12.9	-	-	-	50.6
Sept.	-	87.9	-	24.3	-	-	-	112.2
Oct.	0.9	55.9	-	9.6	0.1	-	-	66.5
Nov.	-	31.9	-	55.4	-	-	-	87.3
Dec.	-	65.1	-	66.5	-	-	-	131.6

	China Main- land	Hong Kong	India	Japan	UK	US	Other	Total
<u>1968</u>								
Jan.	-	44.5	-	128.8	-	0.1	0.1	173.5
Feb.	-	91.2	-	53.4	0.6	-	0.1	145.3
Mar.	-	75.2	-	83.3	-	-	-	158.5
Apr.	-	70.4	-	15.3	-	-	-	85.7
May	-	60.8	-	192.3	1.9	-	-	255.0
June	7.6	94.2	-	5.3	-	-	-	107.1
July	-	95.1	-	9.5	-	-	-	104.6
Aug.	16.8	16.9	-	117.0	-	-	-	150.7
Sept.	-	82.7	-	10.9	1.2	10.9	0.1	105.8
Oct.	-	133.2	-	25.5	-	-	-	158.7
Nov.	16.9	79.3	-	5.9	-	-	-	102.0
Dec.	-	43.7	-	13.1	0.5	-	-	57.3
<u>1969</u>								
Jan.	-	230.5	-	-	-	-	-	230.5
Feb.	-	66.7	-	-	-	-	-	66.7
Mar.	-	70.1	-	11.5	-	-	-	81.6
Apr.	-	92.6	-	4.0	-	-	9.6	106.1
May	8.8	12.6	-	6.4	-	-	-	27.7
June	-	116.8	-	28.4	-	-	-	145.3
July	-	14.4	-	-	-	-	-	14.5
Aug.	-	111.6	-	-	-	-	-	111.6
Sept.	7.1	102.7	-	-	-	-	-	109.8
Oct.	10.8	76.0	-	15.9	-	-	-	102.7
Nov.	23.7	77.8	-	-	0.7	-	-	102.3
Dec.	4.8	68.2	-	1.2	-	-	-	74.2
<u>1970</u>								
Jan.	27.6	46.8	-	-	-	-	4.6	79.1
Feb.	33.8	108.8	-	4.6	-	-	-	147.3