

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AUSTRALIA - ARTICLE XIX NOTIFICATION

Action in Respect of Certain Apparel Items

The following communication dated 6 March 1975 has been received from the Government of Australia.

The Australian Government wishes to advise the contracting parties, in accordance with Article XIX of the GATT, that it has decided to introduce increased duties on some imports of the following items of apparel:

- (A) Ex 60.05.100 - Costumes and robes containing wool, silk or man-made fibres,
- (B) Ex 61.02.110 - Costumes and robes containing wool and exceeding 56 cm. in length (except for infants in arms, parts and fabric shaped for making garments).

Imports at non-disruptive levels will be admitted at pre-existing rates of duty. Imports of the above items in excess of such levels will incur additional duties at the rate of \$A 12 per kg. The new duty arrangements apply to import clearances on and after 1 March 1975.

These arrangements involve the temporary suspension in part of maximum tariff rates bound to France as initial negotiator, in order to remedy serious injury to domestic producers caused by a disruptive surge in imports.

The decision to introduce these arrangements was taken in the light of a report by the Textiles Authority within the Australian Industries Assistance Commission. Following a public inquiry at which evidence was presented by all interested parties, the Textiles Authority reported that in respect, inter alia, of the apparel items under reference there had developed a rapid build-up of supplies, a slowing down in consumer demand for clothing and abnormally high stock levels. The Authority's finding was that imports of the goods under reference were causing market disruption.

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Overall, imports into Australia of clothing increased in volume terms by approximately 70 per cent in 1973-74 and by more than 120 per cent in the first quarter of 1974-75 compared with the corresponding period of 1973-74. Total imports cleared for home consumption of the two bound items referred to above were as follows ('000 units):

	<u>1972/73</u>	<u>1973/74</u>	<u>7 months ending Jan. 74</u>	<u>7 months ending Jan. 75</u>
Ex 60.05.100	823	1,271	550	1,273
Ex 61.02.110	8	19	5	14

Despite the introduction of new and substantial adjustment assistance, restructuring and retraining programmes, official employment statistics indicate that unemployment in the Australian textiles and apparel industry is at record high levels.

The new duty arrangements are short-term measures of assistance to the local industry pending receipt in 1976 of a report by the Industries Assistance Commission on the long-term protective requirements of the Australian clothing industry. The Australian Government has stated publicly that any future investment decisions by local manufacturers should not be based on the assumption that the levels of assistance provided by these temporary arrangements will continue in the longer term.

The Australian Government is ready to enter into Article XIX consultations with any contracting party having a substantial interest in the export to Australia of the two apparel items notified above.