

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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Committee on Trade and Development
Sub-Committee on Protective Measures
Seventh Session
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NOTIFICATION BY SRI LANKA

The following communication, dated 31 August 1984, has been received from the Permanent Mission of Sri Lanka.

SUB-COMMITTEE ON PROTECTIVE MEASURES
NOTIFICATION OF SRI LANKA - PROTECTIVE ACTION
TAKEN AGAINST THEIR IMPORTS BY OTHER COUNTRIES

Protective measures	Country adopting the measures	Details of Products covered and tariff line	Name of protectionist action and the date from which applied	Trade coverage	Remarks
Investigation concerning filed countervailing duty petitions	U.S.A.	All categories of textiles and apparel products exported from Sri Lanka to the U.S.A in 1983. Details will follow.	Petitions filed July 19 - July 24. Investigations initiated 20 days after the filing of the petitions.	Details will follow	<p>1. The filing of countervailing duty petitions against imports of textiles and textile products from 13 developing countries, non-signatories of the GATT Code on Sub-sidies and Countervailing Measures, and the following investigations by the US administration are the reflection of increased protectionist pressures from the textile industry. Even if the Department of Commerce does not reach an affirmative determination leading to the imposition of countervailing duties, the investigations are in themselves impediments to trade, in view of the harassment, deterring effects and costs involved.</p> <p>2. If, as a result of the investigations, the Commerce Department reaches an affirmative final determination and countervailing duties are imposed, they would constitute trade restrictions additional to those imposed under the MFA and would therefore conflict with Article 9 of the MFA and also violate the provisions of Paragraphs 5 and 23 of the Protocol of Extension of 1981.</p>

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3. A most serious discrimination against the developing countries is the imposition of countervailing duties without any showing of injury for non-signatories of the Code on Subsidies and Countervailing Measures. This is in flagrant contradiction to the obligations under Article 1 of the GATT.

4. The discriminatory character of the petitions filed and of the investigations is also evidenced by their unprecedented scope and intensity covering practically all textile and clothing items exported by 13 developing countries, representing a substantial proportion of their export earnings.

5. The investigations violate the commitments taken in the Ministerial Declaration, especially those under Article 7 (i) "... to resist protectionist pressures in the formulation and implementation of national trade policy ... and also to refrain from taking or maintaining any measures inconsistent with GATT and to make determined efforts to avoid measures which would limit or distort international trade".