



GLOBAL ALLIANCE *for* FAIR TEXTILE TRADE

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The 49 Nation / World Textile Group - GAFTT Endorses Mauritian Government Call for Emergency WTO Meeting on Textile & Clothing Trade

July 20, 2004

WASHINGTON, DC – The Global Alliance for Fair Textile Trade (GAFTT) lauded the government of Mauritius for officially petitioning the World Trade Organization to hold a special meeting to discuss the ramifications for the developing world associated with the phaseout of quotas on textile and apparel products scheduled for January 1, 2005.

The Mauritian government sent the request to the WTO this week after the African, Caribbean and Pacific (ACP) countries endorsed the call during the same weekend as the WTO G-90 Ministerial meetings in Mauritius on July 12-13.

“GAFTT is most grateful for the Mauritian government’s call for an emergency WTO meeting. Such a call is a key policy plank for the Istanbul Declaration Coalition, a movement representing more than 90 trade associations from 49 countries on five different continents. The ramifications of the quota phaseout are not a local issue, but an international crisis to be solved on an emergency basis by WTO. This is not about protectionism but a fight against job destruction by an unfair monopoly,” said Ziya Sukun, Executive Director of ITKIB Association of New York, a trade association promoting Turkish textile and apparel exports.

GAFTT members pledged to urge their governments to express support for the Mauritian call and demand that the WTO promptly schedule an emergency meeting at the earliest feasible date to analyze market trends in the textile and apparel categories that have already been released from quota.

An analysis of the U.S. market in apparel categories released from quota in 2002 shows that China boosted its market share in those categories from 9 percent in 2001 to 65 percent as of March 2004.

“These numbers are shocking and disturbing for sub-Saharan Africa, an emerging supplier of clothing to the world,” said John Hargreaves, Vice President of the Madagascar Export Promotion Association. “They prove that China will monopolize the U.S. market in short order once quotas expire. In addition, we are concerned about Chinese penetration into the European market. China rapidly captured substantial segments of European market share after 2002 as well. Despite having the AGOA with the United States and the ACP accords with the European Union, sub-Saharan Africa’s textile and clothing manufacturers stand little chance of survival vis -à-vis China, unless remedial measures are taken.”

The position of GAFTT is that no one country or small group of countries should be allowed to monopolize world trade in textiles and clothing at the expense of the rest of the world and especially the truly developing world. Such a monopoly could cause the loss of millions of jobs worldwide and redirect \$200 billion in trade flow.

“For many countries in the developing world, textile and clothing manufacturing is the only industrial sector that generates significant export earnings. If the jobs associated with those exports were to be destroyed, those countries would have no

industry in which to transition unemployed textile and clothing manufacturing workers,” remarked M.P.T. Cooray, Secretary General of Sri Lanka’s Joint Apparel Association Forum.

“By artificially pegging its currency to the U.S. dollar, giving export tax rebates, tolerating hundreds of billions in non-performing loans, providing reduced utility and shipping rates and maintaining money-losing state-owned enterprises, China effectively shelters its textile and clothing industry from market forces. No company operating in a free-market economy can compete with heavily subsidized Chinese companies who do not play by free-market rules,” argued Jorge Mufarech Bibán, President of Peru’s Comité Textil de la Sociedad Nacional de Industrias.

Said Raul Garcia, Director General of the Cámara Nacional de la Industria del Vestido (CNIV), “If a country like Mexico that has free trade access, a competitive labor force, and a land bridge with the United States cannot compete with China in the \$77 billion U.S. textile and clothing export market, how can the rest of the world realistically be expected to compete with China in the U.S. and other developed-world markets?”

“Jobs in the developing world are not the only textile and apparel manufacturing jobs at risk. There are more than 700,000 Americans directly employed in the industry. Two-thirds to 75 percent of those jobs are at risk if the China problem is not addressed,” stressed Cass Johnson, President of the National Council of Textile Organizations (NCTO).

“There are approximately 2.7 million textile and clothing manufacturing workers in the EU 25 alone. Many of these jobs are also at risk if nothing is done to prevent China from monopolizing the world textile and clothing market,” said Michele Anselme, Secretary General of Eurocoton, an umbrella trade association representing textile companies from nine European countries.

Concluded Auggie Tantillo, Executive Director of the American Manufacturing Trade Action Coalition (AMTAC), “The quota phaseout is an issue with significant worldwide economic and national security implications. There is no doubt that a Chinese monopoly in world textile and clothing trade would damage the economies of numerous nations on the front line of the war on terrorism such as Morocco, Tunisia, Egypt, Jordan, Turkey, Kenya, Sri Lanka, Bangladesh, Thailand, Malaysia, Indonesia and the Philippines.”

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You may also visit the GAFTT website at www.fairtextiletrade.org.

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Textile and Clothing Trade Associations Endorsing the Istanbul Declaration as of July 19, 2004.

Argentina – Federacion Argentina de Industrias Textiles (FADIT-FITA)
Austria – Association of the Austrian Clothing Industry
Austria – Fachverband der Textilindustrie Osterreichs (Die Textilindustrie)
Austria – Eurocoton
Austria – Vereinigung Textilindustrie
Austria – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Bangladesh – Bangladesh Textile Mills Association (BTMA)
Bangladesh – Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
Bangladesh – The Federation of Bangladesh Chambers of Commerce and Industry
Bangladesh – Bangladesh Terry Towel & Linen Manufacturers and Exporters Assoc.
Belgium – Federation Belge de L’Industrie Textile (FEBELTEX)
Belgium – Eurocoton
Belgium – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Belgium – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
Bolivia – Asociacion Nacional de Textileros de Bolivia
Bolivia – Federacion Textil Andina
Botswana – Botswana Export Development and Investment Authority (BEDIA)
Bulgaria – Association of Apparel and Textile Exporters in Bulgaria
Bulgaria – Bulgarian Association of Textile and Clothing
Bulgaria – Bulgarian Industrial Chamber
Bulgaria – Bulgarian Chamber of Commerce and Industry
Chile – Instituto Textil de Chile – Asociacion Gremial
Colombia – Asociacion Colombiana de Productores Textiles (ASCOLTEX)
Colombia – Federacion Textil Andina
Czech Republic – Association of Textile-Clothing-Leather Industries
Dominican Republic – Dominican Free Zones Association (ADZONA)
Denmark – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Ecuador – Asociacion Textil del Ecuador (AITE)
Ecuador – Federacion Textil Andina
France – Eurocoton
France – Federation Francaise des Industries Lainiere et Cotonniere (FFILC)
France – Union Francaise des Industries de l’Habillement (UFIH)
France – Union des Industries Textiles (UIT)
France – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
France – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
Germany – Eurocoton
Germany – Industrievereinigung Garne – Gewebe Technische Textilien
Germany – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Ghana – Gold Coast of Ghana
Greece – Association des Industries Cotonnieres de Grece

Greece – Hellenic Fashion Industry Association
Greece – Eurocoton
Greece – Panhellenic Union of Cotton Ginners and Exporters
Italy – Associazione Italiana Industrie della Filliera Tessile Abbigliamento (AIIFTA)
Italy – Associazione Tessile Italiana (ATI)
Italy – Eurocoton
Italy – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Italy – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
Ivory Coast – Agency for the Promotion of Exports (APEX-CI)
Kenya – Kenya Apparel Manufacturers Exporters Association
Kenya – Kenya Association of Manufacturers – Textile Sector (KAM)
Latvia – Association of Textile and Clothing Industry
Lesotho – Lesotho Textile Exporters Association
Lithuania – Lithuanian Apparel and Textile Industry Association
Madagascar – Madagascar Export Promotion Association (GEFP)
Mauritius – Mauritius Export Processing Zone Association (MEPZA)
Mauritius – Mauritius-US Business Association (MUSBA)
Mexico – Camera Nacional de la Industria Textil (CANAINTEX)
Mexico – Cámara Nacional de la Industria del Vestido (CNIV)
Mexico – Cámara Mexicana de la Industria Textil Central
Mexico – Cámara Textil de Occidente
Namibia – Namibian Investment Authority
Nepal – Garment Association of Nepal (GAN)
Netherlands – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Norway – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Paraguay – Cámara Textil Paraguaya
Peru – Comité de Confecciones de la Sociedad Nacional de Industrias del Perú
Peru – Comité Textil de la Sociedad Nacional de Industrias del Perú
Peru – Federacion Textil Andina
Philippines – Confederation of Garments Exporters of the Philippines
Poland – The Gdynia Cotton Association
Poland – Polish Textile and Clothing Chamber
Poland – Polish Chamber of Textile Industry
Poland – Union of Employers of Textile Industry
Portugal – Federation of Portuguese Textile and Clothing Industry (FITVEP)
Portugal – Textile and Apparel Association of Portugal (ATP)
Senegal – Agency for the Promotion of Investments and Exports (APIX)
Slovenia – Chamber of Commerce and Industry of Slovenia, Textiles, Clothing and Leather Processing Association
South Africa – Clothing Trade Council of South Africa (CloTrade)
South Africa – Export Council for the Clothing Industry in South Africa
South Africa – South African Textile Industry Export Council (SATIEC)
South Africa – Textile Federation of South Africa (TEXFED)
Spain – Agrupacion Espanola de Desmotadores de Algodon (AEDA)
Spain – Asociacion Industrial de Proceso Algodonero (AITPA)

Spain – Consejo Intertextil Espanol
Spain – Eurocoton
Spain – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
Sri Lanka – Joint Apparel Association Forum
Sri Lanka – National Apparel Exporters Association
Swaziland – Swaziland Investment Promotion Authority (SIPA)
Swaziland – Swaziland Textile Exporters Association (STEA)
Switzerland – Eurocoton
Switzerland – Swiss Spinning Committee
Switzerland – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Switzerland – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
Tanzania – Tanzania Investment Center (TIC)
Turkey – Turkish Textile and Raw Materials Exporters Association (ITKIB Textiles)
Turkey – Turkish Ready Wear and Garments Exporters Association (ITKIB Apparel)
Turkey – Turkish Clothing Manufacturers Association (TGSD)
Turkey – Turkish Textile Employers Association (TUTSIS)
Turkey – Eurocoton
Turkey – Joint Committee of the Textile Finishing Industry in the E.U. (CRIET)
Turkey – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
United Kingdom – Joint Comte. of the Textile Finishing Industry in the E.U. (CRIET)
United Kingdom – International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk (AIUFFAS)
United States – American Manufacturing Trade Action Coalition (AMTAC)
United States – American Yarn Spinners Association (AYSA)
United States – National Cotton Council (NCC)
United States – National Council of Textile Organizations (NCTO)
United States – National Textile Association (NTA)
Uruguay – Asociacion de Industrias Textiles del Uruguay
Venezuela – Asociacion Textil Venezolana (ATV)
Venezuela – Federacion Textil Andina
Zambia – Export Board of Zambia
Zambia – Textile Producers Association of Zambia