

# **Summit on Fair Trade in Textiles and Clothing Brussels, Belgium – June 15 to 17**

sponsored by

**ITKIB Association of New York  
American Manufacturing Trade Action Coalition  
National Council of Textile Organizations**

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## **Textile and Clothing Trade Associations from 47 Countries Call for Emergency WTO Meeting to Address Crisis Associated with Expiration of Textile and Apparel Quotas**

### **30 Million Jobs at Stake Worldwide**

June 17, 2004

BRUSSELS, BELGIUM – Textile and clothing trade associations attending the Summit on Fair Trade in Textile and Clothing released a communiqué calling for an emergency meeting of the WTO to analyze and identify WTO solutions to the pending crisis associated with the expiration of textile and apparel quotas on January 1, 2005.

The Summit Communiqué also expressed support for a three-year extension of textile and apparel quotas, the implementation of automatic safeguard mechanisms to prevent disruptive surges of textile and clothing imports, and expedited and effective remedies to unfair trading practices employed by certain major suppliers.

Textile and clothing executives and government observers from twenty-five (25) countries attended the Summit.

“The expiration of worldwide textile and apparel quotas represents a crisis of unprecedented worldwide proportions. Thirty (30) million textile and clothing manufacturing workers will lose their jobs and US\$200 billion in world market share will be lost if one or two countries monopolize the world’s textile and clothing market,” said Suleyman Orakcioglu, Chairman of ITKIB Association (Turkey).

“The WTO has two choices. It can do nothing and witness a massive economic catastrophe, or it can take decisive action to ensure that world trade in textiles and clothing is not disrupted. Clearly, the latter action is the only way to preserve economic stability in the textile and clothing manufacturing sector,” said Jean-Francois Gribomont, outgoing Eurocoton President.

“Clearly it is time for governments to act. Summit attendees are urging all governments whose textile and clothing manufacturing industries are at risk to petition the WTO for an emergency meeting to discuss the textile and clothing trade crisis,” announced Allen Gant, Chairman of the National Council of Textile Organizations (United States).

“There is no need to speculate on what will happen after quotas expire on January 1, 2005. A few countries are well positioned to monopolize the world market. For example, Japan and Australia are developed countries with no quotas on textile and apparel imports. China now controls more than 75 percent market share in those countries. In the United States, in apparel categories released from quotas on January 1, 2002, China jumped from 9 percent market share in 2001 to 65 percent market share as of March 2004. To make matters worse, Chinese market share in these categories is still increasing,” stressed Cass Johnson, President of the National Council of Textile Organizations.

“In the last few days, we have read reports that China is shipping goods right now to bonded warehouses in the United States so they immediately can surge into the U.S. market upon the expiration of quotas. Moreover, Chinese companies are reporting dramatic increases in orders. Finally, one major U.S. apparel company announced last week that they were moving nearly 4,000 jobs from North America to East Asia in anticipation of the expiration of quotas. If nothing is done soon, millions of jobs will be at risk worldwide even before quotas expire,” commented Auggie Tantillo, Executive Director of the American Manufacturing Trade Action Coalition (United States).

“We need fair trade so the global economy can be disciplined. This is not protectionism but a fight against a monopoly by China. It is critical to note that this is an international crisis. Every major region of the world will suffer substantial job losses if nothing is done about China,” concluded Ziya Sukun, Executive Director of ITKIB Association of New York.

A copy of the Summit Declaration is attached.

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*Brussels Communiqué by the Istanbul Declaration Partners  
in the Global Alliance for Fair Trade in Textiles and Clothing*

*Brussels, June 17, 2004*

**Over 30 Million Jobs at Stake in Quota Phase-out – Action Demanded**

As participants in the 90 member Global Alliance for Fair Trade in Textiles and Clothing representing 47 countries, the attendees of the recent Summit on Fair Trade in Textiles and Clothing in Brussels agreed to the following statement in affirmation of our original commitments in the Istanbul Declaration:

A) A crisis of unprecedented dimensions in textiles and clothing is now at hand. This will have profound ramifications, particularly for least developed and developing countries around the world;

B) Since the quota phase-out was initiated, anti-competitive and trade-distorting practices have been introduced by a few major exporting countries that now seek to monopolize trade in this vital sector;

C) The expiration of textile and clothing quotas in January 2005 will exacerbate disruption in the global marketplace. This will lead to a catastrophic transfer of wealth and the loss of at least 30 million direct jobs, mostly in developing and least developed countries. The heaviest burden will fall on women, who represent the majority of employment in this sector.

Textile and clothing production is an essential first step in the development of a strong and productive economy. As a consequence, textiles and clothing provides an important source of economic and social stability and the loss of tens of millions of jobs in textiles and clothing cannot be balanced by new jobs in other sectors. In addition, the threat from international terrorism to countries around the world can only be exacerbated by a quota phase-out that causes widespread global unemployment and instability.

We are concerned that the transition to open textile and clothing markets should proceed in a manner that serves the original WTO intent to create conditions of fair, open and equitable textile trade. We note that the intent was specifically to benefit developing and least developed countries, many of which will now suffer greatly from the current quota phase-out. **As a result, we commit to call for our individual governments to undertake the following critical actions:**

1. Request an emergency meeting of the WTO in order to analyze and identify WTO solutions to the pending crisis associated with the expiration of textile and clothing quotas on January 1, 2005. These could include an extension of the current system, the development of a new system or the use of other WTO mechanisms.
2. Implement automatic and seamless transitional safeguard mechanisms in order to prevent massive disruptive surges of trade from a few countries. The damage associated with the removal of a limited number of quotas in 2002 under the third stage of the phase-out must not be repeated. For

example, during that removal, almost all the benefits went to a single supplier, which significantly cut prices.

3. Demand expedited and effective remedies to all types of unfair trading practices employed by certain major supplying countries, including currency manipulation, state sponsored subsidies and state provided non-performing loans, among others.

We call upon the nations that seek to dominate this trade through unfair trade practices to recognize that the impoverishment of numerous countries around the world is not in their own long-term interests, either in terms of security, social stability or responsible international behavior. We appeal to them to assume a leadership role in promoting a fair and equitable trading system in textiles and clothing.

Attendees of Summit on Fair Trade in Textiles and Clothing, June 16-17.

AUSTRIA	ASSOCIATION OF THE AUSTRIAN CLOTHING INDUSTRY
AUSTRIA	ASSOCIATION OF AUSTRIAN TEXTILE INDUSTRIES
BANGLADESH	BANGLADESH KNITWEAR MANUFACTURERS & EXPORTERS ASSOCIATION
BELGIUM	FEBELTEX
EU	CRIET – EUROPEAN TEXTILE FINISHERS ORGANISATION
EU	EUROCOTON
EU	AIUFFASS - INTERNATIONAL ASSOCIATION OF USERS OF SYNTHETIC AND ARTIFICIAL YARNS AND SILK
BULGARIA	ASSOCIATION OF APPAREL AND TEXTILE EXPORTERS IN BULGARIA
CAMBODIA	GARMENT MANUFACTURERS ASSOCIATION IN CAMBODIA
CZECH REPUBLIC	ATOK - ASSOCIATION OF TEXTILE CLOTHING AND LEATHER INDUSTRY
FRANCE	UFIH - FRENCH APPAREL ASSOCIATION
FRANCE	UIT – UNION DES INDUSTRIES TEXTILES
GERMANY	INDUSTRIEVERBAND GARNE - GEWEBE TECHNISCHE TEXTILIEN E.V
GREECE	HELLENIC FASHION INDUSTRY ASSOCIATION
ITALY	ASSOCIAZIONE TESSILE ITALIANA
ITALY	SISTEMA MODA ITALIA
LAOS	THE LAO TEXTILE AND GARMENT INDUSTRY GROUP
MADAGASCAR	GROUPEMENT DES ENTREPRISES FRANCHES ET PARTENAIRES OF
MAURITIUS	MAURITIUS EXPORT PROCESSING ZONE ASSOCIATION
MEXICO	CAMARA MEXICANA DE LA INDUSTRIA TEXTIL
MEXICO	MEXICAN NATIONAL CHAMBER OF THE APPAREL INDUSTRY
MOROCCO	AMITH THE MOROCCAN ASSOCIATION OF THE TEXTILES & CLOTHING
PERU	SOCIEDAD NACIONAL DE INDUSTRIAS COMITE TEXTIL
PORTUGAL	ATP PORTUEGESE TEXTILE AND CLOTHING ASSOCIATION
PORTUGAL	FEDERATION OF THE PORTUGUESE TEXTILE AND CLOTHING INDUSTRY
SOUTH AFRICA	TEXFED/SATIEC
SPAIN	CONSEJO INTERTEXTIL ESPANOL
SRI LANKA	JOINT APPAREL ASSOCIATION FORUM
SRI LANKA	NATIONAL APPAREL EXPORTERS ASSOCIATION
TURKEY	ITKIB-TEXTILE AND APPAREL ASSOCIATION
TURKEY	TUTSIS
TURKEY	TURKISH-U.S. BUSINESS COUNCIL OF DEIK
USA	ITKIB ASSOCIATION – NEW YORK
USA	AMERICAN MANUFACTURING TRADE ACTION COALITION
USA	NATIONAL COUNCIL OF TEXTILE ORGANIZATIONS
USA	NATIONAL TEXTILE ASSOCIATION