



Textile Trade Associations Endorse Turkey's Proposal for Separate Textile Negotiations Within WTO NAMA Talks

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For Immediate Release

GENEVA, SWITZERLAND – ITKIB Association USA, the American Manufacturing Trade Action Coalition (AMTAC), and the National Council of Textile Organizations (NCTO) endorsed the Republic of Turkey's formal proposal for a separate sectoral negotiation for textile and clothing products within the WTO's Non-Agricultural Market Access (NAMA) talks.

The proposal was made today at a special WTO NAMA meeting in Geneva called by Turkey. A sectoral would allow WTO members to negotiate different treatment for textiles and clothing as compared to other products that would be covered by a general formula of tariff reductions.

The trade associations noted and applauded the strong statement made in Geneva today by the U.S. government indicating that the paper was an excellent starting point and an agreeable format for discussion on the issue of textiles and apparel in the ongoing WTO negotiations.

“Treating the textile and clothing sector separate from other products is only common sense. No other industrial sector is as unique and sensitive to the global economy. Unlike the automotive, computer, or other high-tech sectors, the textile and clothing industry is the only manufacturing sector that is nearly universal regardless of a country's position on the global economic development scale. This fact has been recognized in all previous rounds and it must continue to be recognized if the WTO is to truly fulfill its mandate as the Development Round,” said Ziya Sukun, Executive Director of ITKIB Association USA, a coalition of Turkish textile and clothing trade associations.

Cass Johnson, President of the National Council of Textile Organizations (NCTO), commented, “Turkey's proposal is an acknowledgement that if textiles are not addressed in a sectoral manner, substantial export markets in sub-Saharan Africa, Latin America, North Africa, the Middle East, and least-developed Asian countries will be destroyed. Such an evisceration would destabilize large portions of global trade in textiles and clothing. The Doha Development Round was never meant to be ‘the Benefits for China Only Round,’ but that is exactly what will happen unless a serious discussion regarding textiles is allowed. A sectoral for textiles and clothing is the only way to allow for true market liberalization to occur for developing countries.”

“The sectoral proffered by Turkey recognizes that global trade in textiles and clothing is today at risk of being monopolized by a handful of countries. Millions of jobs in dozens of countries, many the poorest in the world, will be eliminated unless the WTO addresses the unique aspects of the textile and clothing sector in a rational way. A sectoral is the only way the WTO can stop the severe disruption afflicting global trade in textiles now and ensure the orderly development of trade in the future,” said Auggie Tantillo, Executive Director of the American Manufacturing Trade Action Coalition (AMTAC).

In apparel categories removed from quota in the EU and the United States for more than three years, China's import market share is now 67 percent in the United States and 74 percent in the European Union. The next highest share is Thailand with 2.5 percent.

Cámara Nacional de la Industria Textil (CANAINTEX), Mexico's national textile trade association, also announced support for the Turkish effort. Erika Moreno, CANAINTEX Director of External Commerce stated, "The WTO, and the GATT before that, were created to ensure that all member countries had a fair opportunity to participate in the global trading environment and to ensure the orderly development of trade across sectors. Without a textile sectoral, this objective cannot be achieved."

During 2005, in apparel categories that were removed from quotas, China increased its market share in the United States from 16 percent to 39 percent and, in the EU, from 27 percent to 48 percent. The 2005 surge in imports from China mirrored almost exactly a similar surge in 2002 when China was released from a smaller number of apparel quotas. China's import market share in the 2002 product categories is now 67 percent in the United States and 74 percent in the European Union. The next highest share is Thailand with 2.5 percent. If China continues at its current pace in the 2005 categories not covered by safeguards, it will reach a 70 percent share of the import market by June 2007.¹

To demonstrate the sector's economic sensitivity, according to the United Nations COMTRADE Database, global trade in textile and clothing-related products totaled nearly \$440 billion in 2004. As a percentage of imports reported by all reporting countries, special administrative regions, territories, and possessions (the World), textile and clothing-related products accounted for 10 percent or more of trade from more than 50 individual countries. In addition, the World imported more than \$1 billion in textile and clothing-related products from more than 50 individual countries.

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¹ See China Versus the World – A Comprehensive Analysis of Apparel Trade in Quota-Free Categories and Quota-Restrained Categories into the United States and European Union, a report issued February 28, 2006 by the National Council of Textile Organizations. A copy of the report can be found at <http://www.ncto.org/newsroom/chinavsworld.pdf>.