

Contact: Cass Johnson
202-822-8025

December 7, 2005

Trade Groups from AFRICA Say Trade Preferences Must be Preserved in Hong Kong

ACTIF Joins Western Hemisphere Groups in Strongly Opposing LDC Duty-Free, Quota-Free Initiative for Textiles as Destructive to African Textile and Apparel Industries Calls a “Textile Sectoral” a Must-Have in Hong Kong

Washington DC) Today, the African Cotton and Textile Industry Federation (ACTIF) joined textile and apparel groups in the CAFTA/NAFTA/ANDEAN countries in calling on their respective governments to insist that existing trade preferences concerning textile and apparel products be preserved at the Hong Kong Ministerial.

ACTIF said that trade preferences currently given to its member countries must not be negated or eliminated by new tariff schemes proposed by other countries. This includes an EU-backed proposal that all least-developed countries (LDCs) be given duty-free, quota free (DF/QF) access for textile products. ACTIF pointed out that giving new duty-free status to “super-competitors,” such as Bangladesh, would cost jobs in vulnerable African textile and apparel sectors. ACTIF member countries already receive duty-free, quota-free access as part of the AGOA trade preference program with the United States.

Jas Bedi, Chairman of ACTIF, said, “Thanks to trade preferences in place in the US and EU, African textile and apparel exports now provide jobs for hundreds of thousands of African workers that had no jobs before. We appeal to our governments to make sure these trade preferences remain intact and that our textile and apparel sectors are not given away to countries seeking to eliminate or negate our preferences through drastic tariff cuts or other tariff schemes, including the EU-backed LDC duty-free, quota-free initiative.”

ACTIF also joined Western Hemisphere trade groups in calling for textile and apparel products to be removed from the industrial products classification in the NAMA talks and be put in a separate sectoral on market access during the upcoming Hong Kong Ministerial. ACTIF noted that the objective of such a sectoral negotiation must be to preserve existing trade preferences.

ACTIF is a pan-African textile association and represents textile and apparel associations from 13 African nations, including Botswana, Egypt, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

ACTIF also noted that hundreds of thousands of recently created textile and apparel jobs in Africa are

threatened by devastating tariff cuts proposed by China and other countries under a Swiss Formula approach in the industrial products classification. These tariff cuts would cause most U.S. textile tariffs to drop below five percent and destroy the trade preferences currently in place in the AGOA, CAFTA, ANDEAN and NAFTA countries. Textile and apparel exports from the ACTIF countries totaled almost \$5 billion last year.

Cass Johnson, President of NCTO, said, "The addition of ACTIF to our efforts represents a growing chorus of voices that insist their textile and apparel sectors not be handed over to China or other countries seeking to eliminate textile trade preference programs. The Hong Kong Ministerial must not be a guise for dis-enfranchising millions of workers in Africa and the Western Hemisphere that depend on textiles and apparel for their livelihoods."

The groups noted that only in a separate textile sectoral negotiation can the need for a special safeguard or other compensating mechanism against China's unfair trade practices be discussed. Prior to the introduction of safeguards earlier this year, Chinese textile and apparel exports to the U.S. and EU market increased by \$9 billion while exports from developing countries decreased by \$5 billion.

In the WTO draft text issued by Director General Lamy recently, it stated that a textile and apparel sectoral was now under active discussion by member states. However, the draft text also contained language that would grant Bangladesh duty-free, quota-free access for textile products. Since quotas were removed, exports of textile and apparel products from Bangladesh to the United States have increased by more than \$400 million, while African exports have declined by almost \$50 million.

For more information, see:

NCTO Release- "NCTO Warns that LDC Initiative Could Destroy African, Middle Eastern and Western Hemisphere Trade Preferences", 12/5/05: <http://www.ncto.org/newsroom/pr200540.pdf>

NCTO Release – "NAFTA, CAFTA, ANDEAN Trade Groups Say Textile Sectoral is a Must-Have in Hong Kong," 12/14/05: <http://www.ncto.org/newsroom/pr200537.asp>

#