The 47 Nation / Istanbul Declaration Coalition
Endorses Mauritian Government Call for
Emergency WTO Meeting on Textile & Clothing Trade

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New York – 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.

"World Textile Associations are most grateful for the Mauritian government's call for an emergency WTO meeting". "Mauritian call on WTO is a key policy plank for the Istanbul Declaration Coalition which includes 47 Nations from 5 Continents. This is not a Local Issue but an International Problem to be solved on an emergency basis by WTO. It is not an about protectionism but it is a fight against monopoly and keeping jobs" said ITKIB Association Executive Director Ziya Sukun

GAFTT partners 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 form 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," said Cass Johnson, President of National Council of Textile Organizations (NCTO), a U.S. trade association. "They prove that China will monopolize the U.S. market in short order once quotas expire."

"China rapidly captured substantial segments of European market share as well, displacing both African and European market share," added Michele Anselme, Secretary General of Eurocoton.
A European Organization which represents 9 Countries within the International Coalition.

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," continued Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Chairman Fazlul Hoque.

"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 pegging its currency to the U.S. dollar, giving export tax rebates, tolerating hundreds of billions 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, President of Peru's Comité Textil de la Sociedad Nacional de Industrias.

Questioned Raul Garcia, Director General of the Mexican National Chamber of Apparel Industries, "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?"

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 several 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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