

GAFTT - GLOBAL ALLIANCE FOR FAIR TEXTILE TRADE

ISTANBUL DECLARATION COALITION PARTNERS

More than 90 Trade Groups From 49 Countries Supporting Fair Trade for a Safer World

NEWSLETTER – July 22, 2004

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1. Government of Bangladesh Requests Quota Phase-out be Extended!

The Bangladesh government has confirmed that it has sent a letter to the Director General of the WTO asking for the WTO to extend the quota phase-out. In the letter, dated July 10, the government cited “unethical” behavior on the part of certain countries and the “serious implications for least developed countries.”

Citing the vulnerability of least developed countries, Bangladesh said that “there should be further prolonging of the extension of the transition period.”

GAFTT members are strongly urged to ask their governments to send similar communications, either publicly or privately, to the Director General in Geneva.

2. Mauritius Letter Sent to WTO Asking for Emergency Meeting – copy attached.

The government of Mauritius has released a copy of a letter sent to the Director General of the WTO requesting an emergency meeting the WTO. The letter from J.T. Cuttaree, Minister of Foreign Affairs, Republic of Mauritius, requests that the WTO “convene an emergency

910 16th ST., NW • Suite 410
+1 202-452-0866 • fax: +1 202-452-

Next Steps for the Global Alliance

1. TOP PRIORITY: Contact your government and urge them to follow the example of Mauritius and Bangladesh and send a letter to Director-General Supachi of the WTO urging him to convene an emergency meeting of the WTO on the impact of the quota phase-out. **A copy of the Mauritius letter is attached.**

2. TOP PRIORITY: Ask your Geneva representative to attend the GAFTT briefing at 6 pm with dinner to follow at the Mandarin Oriental Hotel du Rhone, Quai Turetini 1, 1201 Geneva. Cass Johnson, Augustine Tantillo and Ziya Sukun, among others, will be reachable at the Mandarin Hotel beginning Sunday afternoon -- Phone 00 41 22 909 0000 -- Fax 41 22 909 0010. In addition, GAAFT members are available to conduct private briefings on Tuesday, July 27th.

3. Ask other groups to join – Just go to the website: www.fairtextiletrade.org or www.itkibUSA.org and click on the link “Contact the FTTA.”

4. Read the GAAFT fact sheet on the Quota Phase-out. A copy is attached.

5. Let us know what you are doing and we will publicize it – If you hold a press conference, get newspaper coverage, send letters to your governments, get a government commitment, let us know and we will let everyone else know

meeting of the Council on Goods at the earliest possible date (and preferably in August) to examine the unintended consequences of the MFA quota phase-out and to explore ways to protect LDC and other vulnerable economies from the loss of these trade and employment opportunities upon which their fragile economies depend.” A copy of the letter is attached.

3. US Textile CEOs Lobby Congress on Quota Phase-out; Will Launch Media, Grass-roots campaign in Carolinas

In the largest lobbying effort by the textile industry in Washington in more than 15 years, more than 100 textile CEO's and representatives lobbied 48 House and Senate offices from more than 25 states. The purpose of the visits was to seek Congressional backing in persuading the Bush Administration to act to keep artificially low-priced Chinese imports from flooding the US market once quotas on imports from China are removed on January 1, 2005.

Allen Gant, Chairman of the National Council of Textile Organizations, said, “This industry, in collaboration with over 90 textile and apparel groups from 49 countries around the world, is appealing today to the Bush Administration to stop China from taking over world trade in textiles and apparel. Unless the Administration steps to the plate, over the next two years, 75 percent of the 702,000 U.S. textile and apparel workers along with 30 million other workers around the world will lose their jobs. Orders are already shifting – our industries need to see results from their governments.”

Gant said, “Specifically, the U.S. textile industry has asked the Administration to recognize that China poses a severe threat to the domestic textile industry and to use appropriate safeguard actions, as allowed under WTO rules. To date, the Administration has refused to consider safeguard actions before the actual occurrence of damage in the marketplace. The U.S. textile industry and the developing world cannot afford to wait for actual damage to occur because millions of jobs will be lost. Instead, we urge that a comprehensive safeguard mechanism be put into place prior to January 1 that will cover the more than \$60 billion in textile and apparel imports still under quota.”

Textile leaders also announced that the industry had agreed to launch a major media and grassroots campaign in the Carolinas. The media campaign will include print, radio and billboards highlighting the loss of textile and manufacturing jobs and lack of effective government action.

Another component of the grassroots campaign will seek to reach as many of the 156,500 textile and apparel employees and their families in the Carolinas as possible. It will utilize voter registration drives, major rallies, picnics and leafleting and direct mail. The campaign will be officially launched on August 17 in North Carolina at which time the industry will open a campaign office, also in North Carolina.

4. GAFTT & Euratex to Brief Government and WTO staff in Geneva Next Week

Members from GAFTT will be in Geneva on Monday and Tuesday, July 26-27, prior to the General Council meetings. GAFTT members will be joined by Euratex, which has called upon the European Commission to support an emergency meeting of the WTO. The briefings are designed to educate WTO staff about the need for an emergency meeting and the threat facing 30 million textile and apparel workers around the world.

You are encouraged to ask your government's Geneva representatives to attend the briefing. The briefing begins at 6 pm with dinner to follow at. It will be held at the Mandarin Oriental Hotel du Rhone, Quai Turettini 1, 1201 Geneva. Cass Johnson, Augustine Tantillo and Ziya Sukun will be reachable at the Mandarin Hotel beginning Sunday afternoon, July 5th -- Phone 00 41 22 909 0000 -- Fax 41 22 909 0010.

In addition, GAAFT members are available to conduct private briefings on Tuesday, July 27th. Please notify us if you or your government representative will attend. For more information, contact GAFTT members by e-mail or phone (list at end of the newsletter.)

5. Zoellick Highlights Quota Phase-out Concerns at G-90

In his opening statement to the G-90 last week, US Trade Representative Robert Zoellick offered his most expansive remarks to date on the quota phase-out, noting that the transition to a quota-free world needs to be carefully examined. Zoellick said:

“I’ve had an increasing sense of discussions with a number of you about the work that we’ll have to do together as the quotas end on textiles and apparel at the end of 2004. This will clearly create strong competition from a small number of developing countries. We need of course to respect their development needs. At the same time all of us need to work together – developed countries, G-20 countries, G-90 countries, to try to help this transition.”

6. GAFTT Produces Concise Fact Sheet on the Impact of the Quota Phase-out

GAFTT has produced a two page reference sheet on the impact of the quota phase-out. The sheet includes sourcing information and statistical data. A copy is attached or you can go to the homepage of the GAFTT website at: www.fairtextiletrade.org

7. NOTABLE EVENTS

- **Portuguese Textile and Clothing Industry holds press conference on need for WTO meeting**

The Federation of the Portuguese Textile and Clothing Industry held a press conference on June 23rd on the damage the phase-out of quotas will have on Portuguese industry. The press conference was covered by three television channels as well as radio stations and leading newspapers. The Portuguese industry has also contacted leading textile unions and asked for their support.

- **Mexican Senate Asks Mexican Government to Support Emergency WTO Meeting**

The Commission of Trade and Industrial Development of the Mexican Senate has asked the Minister of Economy, Fernando Canales, to call for an emergency meeting of the WTO in order to analyze and evaluate the impact of the elimination of textile quotas and enforce China’s WTO commitments in the textile sector.

GAFTT Contacts for Questions or More Information

Ziya Sukun
Executive Director
ITKIB Association USA

+1 212 398-6241
+1 212 398-6244 fax
zsukun@itkibUSA.org
www.itkibUSA.org

Lloyd Wood
Media Relations Director
AMTAC

+1 202 452-0866
+1 202 452-0739 fax
lwood@amtacdc.org
www.amtacdc.org

Cass Johnson
President
NCTO

+1 202 756-1422
+1 202 756-1520 fax
cjohnson@ncto.org
www.ncto.org