

ITKIB Association USA

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Major European Textile & Apparel Associations from Italy Belgium and Austria Agree to The Istanbul Declaration

More Nations Expected to Join The Istanbul Declaration Calling for Immediate Action by WTO to Prevent Global Market Invasion and Monopoly by China

(Istanbul TR) -- On March 12th, trade groups representing the major textile and apparel producers in Europe joined their fellow American and Turkish Trade Associations following Mexico to sign The Istanbul Declaration for Fair Trade in Textiles and Clothing.

Four groups representing three European Countries called upon other textile and apparel associations around the world to join the campaign to prevent global domination of this vital sector by China and a few other countries. The Italian Group will be briefing The Minister of Industry in Rome next week.

In addition to endorsing the Declaration, which calls on the World Trade Organization (WTO) to hold an emergency meeting by July 1st on the quota phase-out, the European Groups emphasized the need for the WTO to immediately begin to address the various unfair trade practices used by China, which include currency manipulation, state subsidies, illegal tax rebates and the deliberate propagation of non-performing loans by government-controlled banks. These trade practices, they said, have enabled to China to gain a chokehold on world market in textile and apparel trade.

The move by the European Groups to support the "Istanbul Declaration" signals a growing campaign to prevent a worldwide take-over of textile and apparel by a small number of countries that aggressively use unfair and illegal trade practices to gain a competitive advantage.

European Industry Leaders from Italy Belgium and Austria noted that the phase-out of quotas had originally been intended to benefit producers worldwide, but with the rise of unfair trade practices by the largest suppliers, they said a quota phase-out today would cause instant damage to their domestic industries.

The Istanbul Declaration was signed on March 4th by the Istanbul Textile and Apparel Exporters Association (ITKIB), the American Manufacturing Trade Action Coalition (AMTAC) and the American Textile Manufacturers Institute (ATMI), and on the next day by the Mexican National Chamber of Textile Industry (CANAINTEX). The textile groups argue that circumstances associated with the textile and clothing quota phase-out process have changed dramatically since the adoption of the Uruguay Round and the initiation of the quota phase-out process in 1995.

Ziya Sukun (ITKIB USA) has noted that ; in reference to Textile and Apparel, the January 2002 admission of the Republic of China into the WTO represents a Significant Change in Circumstances not present during consideration in the early 1990's of a timetable for the phase-out of quotas. Therefore a Review of Quota-Phase-Out TimeTable for the Textile & Apparel Industries may be essential for Global Trade. “

The Italian Groups represented by Ottavio Festa Bianchet (AIIFTA) and Tito Burgi (ATI) have emphasized their intention to make minor changes and modify the Istanbul Declaration in reference to the needs of the European Markets and their Global approach

In addition, Ziya Sukun of ITKIB New York have stated that ; global trade in this sector has been compromised by the use of illegal practices. These practices include deliberate currency undervaluation, state subsidies and the proliferation of non-performing loans and rebate schemes, among others. These illegal practices have allowed countries such as China to reduce prices for textile and apparel products by as much as 75 percent, giving them an overwhelming and unfair advantage in world markets for textiles and apparel trade”

The industry initiative also proposes that WTO members undertake a full review of global textile and clothing production to determine whether to finalize the phase-out process on January 1, 2008 or to develop an appropriate alternative arrangement.

The Turkish and U.S. Trade Associations with Mexico had stated last week that they would conduct a worldwide effort to gather support among industry groups for the initiative.

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Associazione Italiana delle Industrie della Filliera Tessile Abbigliamento

ITALY Tito Burgi / ATI
Associazione Tessile Italiana

BELGIUM Jean Francois Gribomont / EuroCotton
Committee of the Eurpean Cotton and Allied Textile Industries

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Istanbul Declaration

Fair Trade for Textiles and Clothing

Dear Director General of the World Trade Organization:

We the undersigned are representatives of textile and clothing producers from countries and regions throughout the globe. We have joined together to call upon the World Trade Organization (WTO) to act immediately to extend the deadline for implementation of the final integration stage to December 31, 2007. We believe that it is critical that the WTO take this step as soon as possible for the following reasons:

1) Circumstances associated with the textile and clothing quota integration process have changed dramatically since the adoption of the Uruguay Round and the initiation of the quota phase-out process in 1995. For example, the January, 2002 admission of the People's Republic of China into the WTO represents a substantial and material condition not contemplated when our countries agreed to the Uruguay Round timetable for the quota phase out. The fact that China will now be treated as a WTO member for purposes of the phase out has irrevocably altered the reasonable transformation of global production and sourcing patterns that the elimination of quotas had originally intended.

2) As numerous credible studies have shown, if quotas are removed on January 1st, 2005 global textile and clothing trade will be monopolized by a few countries such as China. The consequence will be massive job disruption and business bankruptcies in dozens of countries dependant upon textile and clothing exports.

In textile categories in the United States where a number of quotas have already been eliminated, China has taken almost 60 percent of the market in less than two years and is continuing to increase its share. Chinese textile exports have also quickly captured a dramatic portion of the market in other regions and countries, including the EU, Japan, and Australia. China's massive growth has come at the expense of virtually all other participants in the market, especially the least developed and the developing countries which are poised to lose as many as 30 million jobs due to the quota phase-out.

3) As the quota phase-out draws to a close, it is evident that trade in this sector has been compromised by the use of trade distorting practices in a few dominant countries. These practices include deliberate currency undervaluation, state subsidies and the proliferation of non-performing loans and rebate schemes, among others. For example, such trade distorting practices have allowed China to drop prices for textile and apparel products by as much as 75 percent, and have given China an unassailable and unfair advantage in world markets for textiles and clothing.

4) The phase-out of textile and clothing quotas was intended to liberalize trade for all nations, not to ensure domination of world trade in textiles and clothing by countries that use unfair trade practices. The creation of a monopoly position by a very few countries will be disastrous to the health and well being of the many developing world economies that are dependent of this vital export sector.

Accordingly, we urge the World Trade Organization to act immediately to extend the deadline for implementation of the final integration stage to December 31, 2007. During the interim period, WTO members should undertake a full review of global textile and clothing production, export and market circumstances so as to determine whether to finalize the phase-out process on January 1, 2008 or to develop an appropriate alternative arrangement.

Due to the threat of massive trade and economic disruption associated with the ending of the current textile regime on January 1, 2005, we strongly urge the World Trade Organization to convene an emergency session to discuss this proposal not later than July 1, 2004.

Thank you for your attention to this critical request.

ITKIB Textiles
Turkish Textile and Raw Materials
Exporters Association

American Textile Manufacturers Institute
ATMI

ITKIB Apparel
Turkish ReadyWear and Garments
Exporters Association

American Manufacturing Trade Action Coalition
AMTAC

TGSD
Turkish Clothing Manufacturers Association

National Textile Chamber of Mexico
CANAINTEX

TUTSIS
Turkish Textile Industry Employers Association