



Istanbul Declaration Gains First Asian Endorsements from Bangladesh and Philippines – 25 New Endorsements Total

Istanbul Declaration Summit to be Held in Brussels, Belgium June 15 to 17

May 27, 2004

WASHINGTON, DC – Twenty-five (25) additional textile and clothing trade associations from sixteen (16) different countries have endorsed the Istanbul Declaration since April 13. Seventy-one (71) trade associations from thirty-eight (38) different countries now champion the Istanbul Declaration.

Pledges of support from the Bangladesh Textile Mills Association (BTMA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and the Confederation of Garments Exporters of the Philippines highlighted the new endorsements.

The new signatories from Bangladesh and the Philippines are the first Asian endorsements of the Istanbul Declaration.

Additional textile and clothing trade associations from Bulgaria, Chile, France, Kenya, Mauritius, Mexico, Peru, Portugal, South Africa, Spain, Swaziland, United States, Uruguay, and Zambia also endorsed the Istanbul Declaration.

The Istanbul Declaration is a letter to the Director General of the World Trade Organization (WTO) calling for an emergency meeting of the WTO and a delay in the phaseout of worldwide textile and apparel quotas.

Ziya Sukun, Executive Director of the Turkish textile and apparel trade association, ITKIB Association, USA said, “We are pleased by the determination demonstrated by all the new members of the Istanbul Declaration coalition to address the threat posed by China’s global export surge. Moreover, we pledge to continue our recruiting efforts in all regions of the world.”

Istanbul Declaration Summit to be held in Brussels in June

ITKIB Association, the American Manufacturing Trade Action Coalition (AMTAC), and the National Council of Textile Organizations (NCTO) also announced an international summit on Thursday.

The Istanbul Declaration Summit on Fair Trade in Textiles and Clothing will be held in Brussels, Belgium from June 15 to 17.

The purpose of the summit is to bring world industry leaders together from the textile and clothing sector to plan common action to persuade the World Trade Organization to address the certain catastrophic fallout to be associated with the phaseout of textile and apparel quotas on January 1, 2005.

According to studies, through the use of massive export subsidies and other illegal trade practices, China and a few other countries are poised to monopolize world trade in textiles and apparel if quotas are removed as scheduled on January 1, 2005. Up to 30 million jobs around the world are expected to be lost – many in least-developed countries.

Many developing and least developed countries dependent on textile and apparel export markets face economic ruin if importers and retailers shift orders to take advantage of Chinese subsidies.

In the United States, over the last two years, importers increased their orders from China by 830 percent in 29 apparel categories where China was removed from quota. Chinese market share of those products rose from 9 percent at the beginning of 2002 to 65 percent by March 2004 – and the share is continuing to grow.

American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo said, “Not only will the United States lose more than 75 percent of its textile and apparel manufacturing sector, but millions of the expected 30 million job losses will occur in countries on the frontline in the war on terrorism such as Bangladesh, Sri Lanka, Malaysia, Thailand, Indonesia, Morocco, Tunisia, Turkey, Jordan, and Egypt.”

“Destabilizing the economies of these critical allies by damaging their textile and apparel industries with the quota phaseout will only make the war on terrorism that much more difficult to win,” continued Tantillo.

National Council of Textile Organizations (NCTO) President Cass Johnson said, “Every national textile association in this coalition faces a three-dimensional threat from China’s highly subsidized export machine. Coalition members face the loss of significant market share in their own domestic market, in first-world markets, and in critical developing-world markets.”

“Unquestionably, China is today illegally pegging its currency and subsidizing its textile and clothing exports to a degree never before imagined. Textile and apparel groups around the world see the writing on the wall and are now rising up behind the Declaration and demanding that their governments and the WTO act,” Johnson concluded.

For more information on the Istanbul Declaration, go to www.fairtextiletrade.org

Contacts:

ITKIB (New York) – Ziya Sukun – +1 (212) 398-6241 or itkibusa@aol.com

AMTAC (Washington) – Lloyd Wood – +1 (202) 452-0866 or lwood@amtacdc.org

NCTO (Washington) – Cass Johnson – +1 (202) 756-1422 or cjohnson@ncto.org

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Textile and Clothing Trade Associations Endorsing the Istanbul Declaration as of May 26, 2004.

(New endorsements are in italics.)

Austria – Fachverband der Textilindustrie Österreichs (Die Textilindustrie)
Austria – Eurocoton
Austria – Vereinigung Textilindustrie
Bangladesh – Bangladesh Textile Mills Association (BTMA)
Bangladesh – Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
Bangladesh – The Federation of Bangladesh Chambers of Commerce and Industry
Belgium – Federation Belge de L'Industrie Textile (FEBELTEX)
Belgium – Eurocoton
Bolivia – Asociacion Nacional de Textileros de Bolivia
Bolivia – Federacion Textil Andina
Botswana – Botswana Export Development and Investment Authority (BEDIA)
Bulgaria – Association of Apparel and Textile Exporters in Bulgaria
Chile – Instituto Textil de Chile – Asociacion Gremial
Colombia – Asociacion Colombiana de Productores Textiles (ASCOLTEX)
Colombia – Federacion Textil Andina
Czech Republic – Association of Textile-Clothing-Leather Industries
Ecuador – Asociacion Textil del Ecuador (AITE)
Ecuador – Federacion Textil Andina
France – Eurocoton
France – Federation Francaise des Industries Lainiere et Cotonniere (FFILC)
France – Union Francaise des Industries de l'Habillement (UFIH)
France – Union des Industries Textiles (UIT)
Germany – Eurocoton
Germany – Industrievereinigung Garne – Gewebe Technische Textilien
Ghana – Gold Coast of Ghana
Greece – Association des Industries Cotonnieres de Grece
Greece – Eurocoton
Greece – Panhellenic Union of Cotton Ginners and Exporters
Italy – Associazione Italiana Industrie della Filliera Tessile Abbigliamento (AIIFTA)
Italy – Associazione Tessile Italiana (ATI)
Italy – Eurocoton
Ivory Coast – Agency for the Promotion of Exports (APEX-CI)
Kenya – Kenya Apparel Manufacturers Exporters Association
Kenya – Kenya Association of Manufacturers – Textile Sector (KAM)
Lesotho – Lesotho Textile Exporters Association
Madagascar – Madagascar Export Promotion Association (GEFP)
Mauritius – Mauritius Export Processing Zone Association (MEPZA)
Mauritius – Mauritius-US Business Association (MUSBA)
Mexico – Camera Nacional de la Industria Textil (CANAINTEX)
Mexico – Cámara Nacional de la Industria del Vestido (CNIV)
Mexico – Cámara Mexicana de la Industria Textil Central

Mexico – Cámara Textil de Occidente
 Namibia – Namibian Investment Authority
Peru – Comité de Confecciones de la Sociedad Nacional de Industrias del Perú
 Peru – Comité Textil de la Sociedad Nacional de Industrias del Perú
 Peru – Federacion Textil Andina
Philippines – Confederation of Garments Exporters of the Philippines
 Poland – The Gdynia Cotton Association
 Poland – Polish Textile and Clothing Chamber
 Poland – Polish Chamber of Textile Industry
 Poland – Union of Employers of Textile Industry
Portugal – Federation of Portuguese Textile and Clothing Industry (FITVEP)
Portugal – Textile and Apparel Association of Portugal (ATP)
 Senegal – Agency for the Promotion of Investments and Exports (APIX)
 Slovenia – Chamber of Commerce and Industry of Slovenia, Textiles, Clothing and
 Leather Processing Association
South Africa – Clothing Trade Council of South Africa (CloTrade)
 South Africa – Export Council for the Clothing Industry in South Africa
 South Africa – South African Textile Industry Export Council (SATIEC)
 South Africa – Textile Federation of South Africa (TEXTFED)
 Spain – Agrupacion Espanola de Desmotadores de Algodon (AEDA)
Spain – Asociacion Industrial de Proceso Algodonero (AITPA)
Spain – Consejo Intertextil Espanol
 Spain – Eurocoton
 Swaziland – Swaziland Investment Promotion Authority (SIPA)
Swaziland – Swaziland Textile Exporters Association (STEA)
 Switzerland – Eurocoton
 Switzerland – Swiss Spinning Committee
 Tanzania – Tanzania Investment Center (TIC)
 Turkey – Turkish Textile and Raw Materials Exporters Association (ITKIB Textiles)
 Turkey – Turkish Ready Wear and Garments Exporters Association (ITKIB Apparel)
 Turkey – Turkish Clothing Manufacturers Association (TGSD)
 Turkey – Turkish Textile Employers Association (TUTSIS)
 Turkey – Eurocoton
 United States – American Manufacturing Trade Action Coalition (AMTAC)
United States – American Yarn Spinners Association (AYSA)
United States – National Cotton Council (NCC)
 United States – National Council of Textile Organizations (NCTO)
 United States – National Textile Association (NTA)
Uruguay – Asociacion de Industrias Textiles del Uruguay
 Venezuela – Asociacion Textil Venezolana (ATV)
 Venezuela – Federacion Textil Andina
 Zambia – Export Board of Zambia
Zambia – Textile Producers Association of Zambia

ISTANBUL DECLARATION

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.

Sincerely,