

WORLD TRADE ORGANIZATION

G/TMB/N/458
7 April 2003

(03-1900)

Textiles Monitoring Body

Original: English

AGREEMENT ON TEXTILES AND CLOTHING

Notification under Article 8.10

UNITED STATES

The Textiles Monitoring Body has received a communication from the United States pursuant to Article 8.10 and is circulating it to WTO Members for their information.

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Permanent Mission of the United States
to the World Trade Organization
Geneva

28 March 2003

The Honourable András Szepesi
Chairman
Textiles Monitoring Body
World Trade Organization
Rue de Lausanne 154
1211 Geneva

Dear Mr. Chairman,

I refer to the report of the 96th meeting of the TMB, circulated on 27 February 2003 as document G/TMB/R/95. Pursuant to the provisions of Article 8.10 of the ATC, the United States submits the following with respect to the recommendation contained in paragraph 10 of the report.

In assessing whether WTO Members have complied with their obligations to China under the ATC, due consideration has to be given to the applicable provisions of the Report of the Working Party on the Accession of China to the WTO. While appreciating the challenge facing the TMB in this regard, it has to be recalled that the TMB also recognized that "the relevant provisions of the legal instruments of China's accession, in particular the term 'as appropriate' in the third sentence of paragraph 241 of the Report of the Working Party on the Accession of China, had not provided unambiguous guidance regarding some of the aspects involved". In the view of the United States, this paragraph of the Working Party report not only makes it clear that the increase in growth rates should be applied from the date of China's accession, but the inclusion of the phrase "as appropriate" also implies that this obligation should be implemented in a manner that corresponds to the length of time of China's actual WTO membership during the given stage of the ATC integration process. This is why the United States believes it is appropriate to apply an accelerated growth rate of 25 per cent pro-rated for the period of time when China was a Member of the WTO in Stage 2.

In view of the above, the United States continues to be of the view that the methodology used is consistent with paragraph 241 of the Working Party report and that, therefore, it would not be appropriate to make any adjustment to the methodology applied.

On this basis, the United States considers itself unable to conform with the recommendation contained in paragraph 10 of G/TMB/R/95 and requests that the TMB reconsider its recommendation.

Sincerely,

(Signed)
David M. Spooner
Special Textile Negotiator
