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Council for Trade in Goods

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INTERNATIONAL TEXTILES AND CLOTHING BUREAU HANOI COMMUNIQUE

Communication from Hong Kong, China

The following communication, dated 27 May 2002, has been received from the Permanent Mission of Hong Kong, China on behalf of members of the ITCB¹ that are also Members or observers of the WTO, for circulation to Members.

International Textiles and Clothing Bureau
Council of Representatives
35th Session
Hanoi, Vietnam
20-23 May 2002

Hanoi Communiqué

1. The ITCB Council of Representatives, meeting at its 35th Session in Hanoi, expressed disquiet at recent signals from some developed restraining countries regarding the direction of their trade policy affecting developing countries' exports of textiles and clothing. It noted with grave concern the pressures being exerted on their governments by protectionist interests and their apparent predisposition to employing trade remedy instruments such as anti-dumping and countervailing measures after the elimination of quota restrictions from 1 January 2005.
2. The Council called upon the major developed countries to fulfill their responsibilities towards developing economies and the integrity of the multilateral trading system, resist protectionist pressures, and fully comply with their obligations under the WTO in particular the Agreement on Textiles and Clothing (ATC).
3. The Council resolved to resist the abuse of antidumping and other trade remedy procedures. In this regard, it recalled that trade-chilling effects ensued immediately on initiation of investigations into unjustified allegations and decided to bring developing countries' experiences and concerns to the on-going negotiations under Doha Work Programme. It recalled that these negotiations are aimed, *inter alia*, at clarifying and improving the disciplines in these areas taking into account the needs of developing countries. The members further resolved to remain vigilant and resist attempts against undermining their export interests through multiple and complex origin rules.

¹ The ITCB members and observes of the WTO are: Argentina; Bangladesh; Brazil; China; Colombia; Costa Rica; Egypt; El Salvador; Guatemala; Honduras; Hong Kong, China; India; Indonesia; Republic of Korea; Macao, China; Maldives; Mexico; Pakistan; Paraguay; Peru; Sri Lanka; Thailand; Uruguay and Viet Nam.

4. Noting the prevalence of tariff peaks on imports of textile and clothing products in sharp contrast to generally low overall tariffs on industrial products in developed economies, the Council decided to emphasize the phenomenon at all levels. It stressed that negotiations under the Doha Development Agenda were aimed at the reduction or elimination, *inter alia*, of tariff peaks “in particular on products of export interest to developing countries”.

5. The Council stressed that the engagement of developing countries in the Doha Development Agenda is predicated on full delivery of the Uruguay Round legacy, in particular the commitment to fully and faithfully integrate trade in textiles and clothing into the normal disciplines of the WTO. Given that, contrary to the principle of progressive elimination of quota restrictions under the ATC, the great bulk of quotas remains in place despite the lapse of 7½ years of the transitional period, the Council resolved to seek satisfactory conclusion to the 2nd major review of the ATC and to the implementation issues left over from Doha. The resolution of these issues was essential to restoring the balance of rights accruing to developing exporting countries and advancing the WTO work programme in general.

6. The Council emphasized the importance of full compliance with the provisions of the ATC to provide meaningful increases in access possibilities for small suppliers and least-developed countries. It stressed the responsibility of the restraining countries to allow for continuous industrial adjustment and increased competition in their markets and urged that any downward adjustment in quota levels was contrary to the attainment of this purpose.

7. The Council decided to continue evaluating the emerging tendency to single out textile and clothing for the purposes of environmental and social standards or other requirements which have the potential of becoming non-tariff barriers. It also decided to proactively explain the deleterious effects of these attempts on development prospects of developing countries and on their efforts for poverty alleviation.

8. The members expressed their determination to remain vigilant and enhance mutual cooperation and coalition-building in order to ensure that existing commitments are fully complied with by the restraining countries and that hard-earned liberalization in the sector is not undermined by unjustified recourse to trade-constricting actions.

9. The Council expressed appreciation to the representatives of importers' associations from Europe, United States and Japan for their valuable contributions to its deliberations and for their efforts at informing public opinion in their countries about the benefits of free trade in textiles and clothing.

10. The presence of Chairman of the Textiles Monitoring Body of the WTO and representatives of WTO, UNCTAD and ITC was highly appreciated.

11. The Council was profoundly grateful to the Government of Vietnam for hosting the session in Hanoi from 20 to 23 May 2002. It expressed its full support for the prompt accession of Vietnam to the WTO.

12. His Excellency, Mr. Dang Vu Chu, Minister of Industry of the Government of Vietnam inaugurated the session. Mr. Stuart Harbinson was elected Chairman and Mr. Le Van Dao, Deputy Director-General, Vietnam Ministry of Trade and Mrs. Betty Berendson of Peru were elected as Vice-Chairpersons for the session.
