



General Council Meeting: 31 July 2002
Agenda item 14: Paragraphs 4.4 and 4.5 of the Doha Implementation
Decisions
Statement by India

Mr. Chairman,

- Thank you, Mr. Chairman, for giving me the floor. To begin with, I would like to thank the Chairman of the CTG for his tireless efforts in trying to achieve positive outcome on the mandate given by the Ministers on the two textile proposals.
- Let me recall, at the outset, paragraph 12 of the Doha Ministerial Declaration wherein the Ministers had attached the utmost importance to the implementation related issues and concerns raised by Members and had expressed their determination to find appropriate solutions to them.
- The CTG was given a clear mandate to examine the two textile proposals contained in paragraph 4 in the Decision on Implementation related Issues and Concerns and to make recommendation to the General Council by July 31 for appropriate action.
- The distinguished Ambassador of the European Communities, in his intervention, presented an array of facts and figures in support of his position. Let me also cite some figures on the share of restrained members in the imports of textile and clothing by the EC, US and Canada. During the period 1995-2000, the import share of restrained members in the clothing sector in the US market declined from 83 per cent to 69 per cent; in case of EU from 48 to 43 per cent. Only in the case of the Canadian market, it increased marginally by 1 per cent from 69 to 70 percent. Based on data compiled by the Secretariat and circulated in document G/C/W/366, in case of textiles and clothing sector combined, the share of the restrained members in imports by the US declined from 77 percent to 66 per cent during the period 1994-2000. In the case of EU, it declined from 46 per cent to 43 per cent in the same period. So far as India is concerned, our annual average growth of exports in value terms to the US market had been 17.7 per cent in the pre-ATC period (1990-94). This came down to 10.3 per cent during the period 1994-2000. In the case of the EC market, our pre-ATC annual growth for the same period had been 11 percent, which came down to -0.8 per cent during the period 1995-2000. The distinguished Ambassador of the EC also alluded to the level

of duties in some exporting members in the textiles sector as well as the level of imports into the restrained countries. Mr Chairman, India has removed quantitative restrictions on imports on all textile products except for a small list on account of health and safety exceptions. As far as India is concerned, there has been a progressive reduction in the applied tariffs in textile sector over the years. Tariff levels are far below bound rates. This has led to phenomenal increase in market access into India for both developed and developing countries. This is evident from the fact that Indian imports of textiles increased not by 1 or 2 per cent but by 31.4 per cent from a level of US 1168 million in 2000-01 to US\$ 1535 million in 2001-02.

- Mr. Chairman, textile and clothing is a major segment of the economy of several developing countries, including India, for both employment generation and export earnings. The distinguished Ambassador of the EC also noted the importance of textile and clothing sector with respect to number of jobs created. Mr Chairman, India's textile sector provides employment not to 1 or 2 million but to 35 million persons directly and 58 million indirectly. The developing exporting members have repeatedly been raising concerns relating to the implementation of the ATC. These related to lack of meaningful integration of restrained categories; unjustified anti-dumping actions on products already under quota restrictions; other customs and administrative formalities including changes in rules of origin and other issues affecting market access of developing exporting members. Most of the quotas will remain in place till the end of the ATC against the object and purpose of the Agreement, which was gradual and progressive phase out of quota restrictions. In India's case, 95 per cent of our apparel, fabric and yarn trade would remain un-integrated even after the third stage with some of its major trading partners. During the Second Major Review of the ATC implementation, the ITCB members had demonstrated objectively (G/C/W/304) how the balance of rights and obligations has been impaired to the detriment of developing exporting members. Through a joint ITCB submission (G/C/W/368) and in the course of discussion at the CTG in the last three months, the developing exporting members made a strong case backed by logic and facts, arguing for the acceptance of these proposals. It was emphasised by developing exporting members that the adoption of these two proposals would not require any modification in the ATC. Mr Chairman, the acceptance of the two proposals would have gone some way towards redressing this imbalance. We are however disappointed that the stance taken by the restraining members on these two proposals have made progress on these issues impossible.

- As members are aware, the two textile tirets are part of the overall package negotiated by Ministers at Doha. If the intention was not to take any action on the two tirets, the Ministers would obviously have not incorporated paragraph 4 in the Decision on Implementation related Issues and Concerns. This, in turn, would have had its impact on other decisions taken at Doha and would have resulted in a different package.
- Mr. Chairman, the Doha Work Programme constitutes an overall package with emphasis on development. The message, which is coming out is that the development dimension, has been jettisoned after Doha. The first two deadlines under the Doha package both have enormous interest for developing countries. In the case of the decision under paragraph 44 of the Doha Ministerial Declaration relating to the special and differential treatment, much to our disappointment, the deadline for completing the work would need to be extended to December 31, 2002. In the case of textiles, lack of positive response from the restraining members have led to a situation in which the CTG is able to make no recommendation to the General Council.
- The non-acceptance of these two proposals by the restraining members – of considerable importance to several developing countries – and the inability of the CTG to make recommendations to the General Council clearly goes against the desire of the Ministers and mandate given by them to address all outstanding implementation issues as a matter of priority.
- My Delegation feels that if the package negotiated at Doha is interpreted and recast in the post-Doha process at Geneva in such manner that the developmental aspects are sidelined, it will inevitably have its impact on other aspects of the negotiations and discussions also. Any attempt to drive the Work Programme forward at two speeds – at a faster pace for areas of concern to developed countries and at a lower pace for areas of concern to developing countries – would lead to unravelling of the package and create road blocks in the process, which, in the interests of the future of the multilateral trading system, we must seek to avoid at all costs.

Mr. Chairman,

- The issue before the General Council is an extremely important one for the developing countries in view of the mandate given by the Ministers at Doha. I agree with the Hong Kong China that these two tirets now remain as unresolved implementation issues within the domain of the General Council.

We hope the efforts of the General Council in this matter will meet with more success.

- Thank you, Mr. Chairman