

**INTERNATIONAL TEXTILES AND CLOTHING BUREAU**

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Council of Representatives  
41<sup>st</sup> Session  
Bali, Indonesia  
4 – 7 April 2005

**Bali Communiqué**

The ITCB Council of Representatives, meeting at its 41<sup>st</sup> session in Bali on 4 – 7 April 2005, resolved to make determined efforts for further liberalization of trade in textiles and clothing.

In this context, it noted that although the long-standing quota regime had ended, trade in the sector continued to be impacted by targeted policy intervention at the hands of major developed economies, the accent of which remained on providing protection to domestic textile producers.

It observed that while on the one hand textile and clothing products had been subject to high tariff walls, stringent origin rules especially in the context of preferential trading arrangements added to constraining developing countries' trade and export prospects and hampering their competitiveness on the other.

The Council examined the close nexus that existed between these trade policy elements in the post-quota environment and agreed that it was necessary to take due account of these inter-linkages for a broad-based liberalization of trade in the sector. It decided to proactively highlight the implications of this policy environment, including through the process of the Doha Round.

In the context of the Doha Work programme, the Council recalled that negotiations on market access for non-agricultural products, trade facilitation and improvements to WTO rules and disciplines are important to furthering the liberalization of trade in the sector and to ensuring the security of market access.

The Council noted that the choice of appropriate modalities for tariff reductions was crucial to ensuring optimum results for the benefit of developing economies. It emphasised the need for vigilance to guard against any repeat of the Uruguay Round experience, in which the modality chosen for market access negotiations enabled major developed economies to justify much lower reductions in textiles and clothing by higher reductions in other industrial products. It noted that a tariff-cutting formula that addresses tariff peaks and tariff escalation, fully taking into account the mandate of special and differential treatment for developing economies and less-than-full reciprocity in reduction commitments on their part, would be conducive to ensuring such results.

The Council reiterated that adequate market access commitments in textiles and clothing by major developed economies would need to be a necessary component to reflect the development dimension of the Doha Work Programme.

The Council noted the potential of growing markets for textile and clothing products among developing countries and the keen desire in this regard among the members to promote trade among developing economies through the process of the GSTP.

It called upon developed countries to substantially relax and simplify the rules of origin applying to textile and clothing products in their preferential schemes to facilitate the utilization. They also noted that such action would give a fillip to trade among developing economies.

Reviewing the anti-dumping and countervailing duty actions against members' exports of textile and clothing products, the Council noted with concern a number of unwarranted and repetitive anti-dumping and safeguard investigations triggered by interested industry associations in major importing WTO Members and resolved to resist such abuse of trade remedy procedures.

It expressed the hope that developed countries that had long restrained textile and clothing imports from developing countries would reject protectionist pressures and help strengthen confidence in the multilateral trading system.

Recalling their submission to the Negotiating Group on Rules incorporating developing countries' experience and concerns with respect to anti-dumping actions in the area of textile and clothing, members expressed the need to closely follow the process of negotiations and to provide, as appropriate, further inputs in light of progress in these negotiations.

The Council also reviewed the emerging issues in the fields of social, environmental and security concerns. It expressed particular concern at the proliferation of social standards and highlighted the need to ensure that campaigns in these areas did not result in creating barriers to developing countries' exports.

The Council reiterated its resolve to continue and strengthen coordination among its members and to deepen its dialogue with other textile and clothing exporting developing economies having a shared interest in trade in the sector. In this regard, it also emphasised the importance of its mandate for positive actions aimed at increasing members' exports of textiles and clothing by further improvements in the conditions of access to markets.

The Council noted proposals by certain developed countries for assisting exports from developing countries that had been severely affected by the Tsunami disaster in December 2004 and urged the implementation of these measures as soon as possible.

The Council reiterated its support for Vietnam's efforts to gain membership of the WTO and expressed the hope that quota restrictions still constraining its exports of textiles and clothing to one major restraining market are eliminated as early as possible.

The Council expressed appreciation for the presence of and valuable contributions by representatives of importers associations (National Retail Federation of the US, Foreign Trade Association Brussels, Textilimportorena of Sweden, Japan Textiles Importers Association), China Chamber of Commerce for Import and Export of Textiles and the

Apparel Export Promotion Council of India. The participation of representatives from the Governments of Lesotho, Malaysia, Mauritius, Singapore and Turkey as well as of the representatives of WTO, UNCTAD and ITC was also highly appreciated.

The Council welcomed the election of His Excellency Mr. Gusmardi Bustami as Chairman and Dr. Magdi Farahat as Vice-chairman of the ITCB for 2005.

The Council expressed profound gratitude to the Government of Indonesia for hosting the session in Bali and for its most generous hospitality. His Excellency, Mr. Andung Nitimihardja, Minister of Industry, inaugurated the session. Her Excellency Mrs. Mari Elka Pangestu, Minister of Trade, also addressed the participants.

Dr Magdi Farahat, Acting Chairman, ITCB, presided over the session. Mr. Djunari I. Waskito, Director for Multilateral Cooperation, Ministry of Trade, Government of Indonesia, served as the Vice-Chairman.

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