



**CTG Meeting: 2 May 2002**

**Agenda item 1: Doha Ministerial decision on implementation-related issues and concerns: CTG examination of paragraphs 4.4 and 4.5 relating to the ATC.**

**Statement by Mr. Stuart Harbinson  
Permanent Representative of Hong Kong, China  
and  
Chairman of ITCB**

Mr. Chairman,

I speak not only for Hong Kong, China but also in my capacity as Chairman of the International Textiles and Clothing Bureau (ITCB), on behalf of the 24 of its members which are also Members or Observers of the WTO.

Let me note initially that, in addition to our submission (G/C/W/368), the Secretariat has circulated G/C/W/366 containing statistical data on developments in trade in textiles and clothing since 1994, following a request by the delegation of the United States.

We acknowledge and appreciate the Secretariat's efforts in responding to the US request. We would reserve our comments on the data until we have heard from the United States. At this stage, however, we wish to remind the CTG that, as pointed out by the distinguished representative of the United States himself during CTG meetings devoted to the second major review of ATC implementation, although "it was clear that imports had increased in the US market, this could never be a pretext for failing to fulfil legal obligations" (please see Minutes of CTG meeting in G/C/M/56, paragraph 95). Let me also say that I look forward to the Secretariat supplying the data which I have requested relating to imports into the US, EU and Canada from unrestrained Members.

We have presented G/C/W/368 to facilitate the Council's examination of the two proposals referred by Ministers to the CTG. Let me make a few points by way of introducing the paper. Other ITCB members might wish to supplement my remarks from their own perspectives.

*First*, the two proposals constitute key elements among the unfinished business of implementation-related issues and concerns raised by many developing Members.

Textiles and clothing is an important sector of trade for developing countries, both for export earnings and employment. Progressive implementation of the ATC was therefore eagerly anticipated as perhaps the main area in which developing

economies could hope to benefit from the Uruguay Round. Regrettably, as we all know, the actual experience of implementation has failed to live up to expectations.

*Secondly*, members of the ITCB, together with other developing Members, have consistently raised their concerns with respect to the implementation of the ATC and have made a compelling case that, for the reasons summarized in the paper, the balance of rights under the Agreement has been seriously impaired. I do not wish to rehearse those points over again. These have been made repeatedly and they clearly establish the merit of our case.

*Thirdly*, the two proposals referred by Ministers to the CTG fall within the existing framework and provisions of the ATC. Their adoption does not require any modification in the Agreement, or to the domestic legislation of the restraining Members.

*Fourthly*, the proposal in paragraph 4.4, of the Doha Decision on Implementation-related Issues and Concerns, with respect to small suppliers and least-developed countries, involves correcting erroneous implementation of the relevant ATC provisions by two restraining Members.

*Fifthly*, the proposal in paragraph 4.5 of the Doha Decision is aimed at redressing the imbalance in the implementation process. Only a few quota restrictions have been eliminated by the restraining countries even after the passage of 7½ years of the transitional period. Access opportunities for restrained Members have been impeded by new restrictions in violation of the provisions of the ATC, unjustified anti-dumping actions on products already under quota restriction, changes in rules of origin, and other customs and administrative formalities.

*Sixthly*, and finally, the adoption of the two proposals will be fully in accord with the Ministers' determination to make positive efforts to enhance market access for developing countries, and reinforce their confidence in the multilateral trading system.

Let me conclude by saying that the approval and implementation of these market-enhancing proposals would go some way towards redressing the balance of rights and obligations under the ATC and facilitate its faithful implementation. This Council has been given a clear and unambiguous mandate by Ministers to complete out deliberations and to make recommendations to the General Council by 31 July 2002. It is clear from the Doha decision that Ministers did not reject these two proposals, as they did some others. The logical inference is that Ministers expected some progress to be made. Nearly six months have now elapsed since Doha and we need to proceed urgently. We look forward to the constructive engagement of the restraining Members in line with the Doha spirit.