



CR/37/EGY/10  
7 August 2003

## **INTERNATIONAL TEXTILES AND CLOTHING BUREAU**

---

Council of Representatives  
37<sup>th</sup> Session  
Cairo, Egypt  
4 – 7 August 2003

### **Cairo Communiqué**

The ITCB Council of Representatives, meeting at its 37<sup>th</sup> Session in Cairo:

- Expressed concern that less than one and a half year from the scheduled termination of all quota restrictions and the re-integration of textiles and clothing into normal GATT rules, the developed restraining countries have yet to demonstrate their full commitment to the objective of effective liberalization of trade in the sector.
- In this connection, noted with regret that the WTO Council for Trade in Goods and the General Council had been kept from fulfilling the mandate pursuant to paragraphs 4.4 and 4.5 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns in regard to the method for calculating quota growth rates under the Agreement on Textiles and Clothing.
- Noted with great concern the reported plans to enlarge the scope of quota restrictions as part of EU enlargement from May 2004, especially as barely eight months would be left before the complete elimination of all quota restrictions and, in a similar case in 1999, a dispute Panel and the Appellate Body had rejected the claim that such extension of quotas was permissible.
- Called upon major developed countries to resist all protectionist pressures, fulfil their responsibilities towards developing economies and least developed countries, take cue from the WTO rulings on the similar case before, and fully comply with their multilateral obligations.
- Noting the reduction in market access possibilities on account of denial of the carry forward facility in the last year of the ATC, underlined that permitting the continued use of carry forward in 2004 would be one way of demonstrating their commitment to real liberalization in the sector, though modest and delayed. Besides being a positive signal, it could go some way towards allowing for continuous adjustment in their markets and mitigating the shock of back-loaded liberalization at the end of the transitional period. In this regard, recalled the submission made to the General Council in document WT/GC/W/503.

- In the context of Doha Work Programme, stressed that negotiations on market access for non-agricultural products and improvements to WTO disciplines are important to further liberalization of trade in the sector and to ensuring the security of the access gained.
- Recalled that attention in the Uruguay Round remained focused on the long-standing problem of quota restrictions. Moreover, the modality chosen for tariff reductions in that round enabled the major developed countries to justify much lower reductions in textiles and clothing by higher reductions in other industrial products. Consequently, although textile and clothing products are of particular export interest to developing economies and least developed countries, these remain subject to significant tariff peaks and escalation.
- Stressed that if Doha Work Programme was to measure up to its billing as a development agenda, and fulfil its promise to developing economies and least developed countries, the modalities for tariff reductions shall need to ensure that the Uruguay Round experience is not repeated and that tariff cuts in the sector are indeed substantial, bearing in mind paragraph 16 of the Doha Ministerial Declaration. In this regard, resolved to join hands for securing a satisfactory outcome. Stressing the importance of addressing Non-Tariff Barriers in parallel, decided to analyse the core NTBs in the textile and clothing sector for further follow-up.
- Stressed the importance of eliminating all forms of trade-distorting domestic support that developed countries provide to agricultural products, which have an adverse effect on the textile industry of developing economies and least developed countries.
- Reiterating its resolve to resist the abuse of antidumping and other trade remedy procedures, noted the submission to the Negotiating Group on Rules and endeavour to provide, as appropriate, further inputs to the negotiating process in light of progress in negotiations.
- Beyond the legacy of quota limitations, reviewed the policy environment related to the sector and considered that in view of price distortions due to the quota system, it will be some time before trade can find its normal course. Also reiterated the importance of fulfilling the commitment under paragraph 4.2 of Doha Ministerial Decision on Implementation-Related Issues and Concerns in order to afford exporters from developing economies and least developed countries a reasonable period of time to compete on a secure basis.
- Resolved to continue and enhance mutual coordination to ensure that existing commitments are fully complied with by the restraining countries, and to work for further effective liberalization of trade in the sector for the benefit of all its members.
- Decided to use every opportunity to highlight its concerns and pursue its objectives, including in the forthcoming Ministerial Conference of the WTO and other relevant events.
- Expressed appreciation for the presence of Mr. Ake Weyler and his valuable contribution and assistance to the ITCB cause. The presence of the Chairman of the Textiles Monitoring Body of the WTO and the representatives of WTO, UNCTAD, ITC and the private sector was also highly appreciated.

- Expressed profound gratitude to the Government of Egypt for hosting the session in Cairo and for its most generous hospitality to the delegates.

His Excellency Dr. Youssef Boutros Ghali, Minister of Foreign Trade of Egypt, inaugurated the session. His Excellency Mr. K.M. Chandrasekhar was elected Chairman, Dr. Magdi Farahat and Mr. Roy Santana were elected Vice-Chairmen of the session.