



Council of Representatives  
44<sup>th</sup> Session  
Guatemala  
16 – 19 April 2007

19 April 2007

### **Guatemala Communiqué**

The ITCB Council of Representatives, meeting at its 44<sup>th</sup> session from 16 – 19 April 2007 in Guatemala City, discussed the prospects and issues related to trade in textiles and clothing, including the state of trade in the sector post the Agreement on Textiles and Clothing (ATC); textile-related market access issues under the Doha Development Agenda (DDA); the role of origin rules; and other non-tariff issues facing members' trade.

The Council expressed appreciation for the presence and valuable contributions of the representatives of business associations – United States Association of Importers of Textiles and Apparel and the National Retail Federation; the European Foreign Trade Association; Brazilian Textile and Apparel Industry Association; China Chamber of Commerce for Import and Export of Textiles; China National Textile and Apparel Council; and Guatemala's Apparel and Textile Industry Commission.

The Council welcomed Vietnam's accession to the World Trade Organization (WTO) and thanked the Governments of the Dominican Republic and Nicaragua for their participation in the session. The participation of the representatives of the WTO, UNCTAD and ITC was also highly appreciated.

The Council conducted a wide-ranging review of the state of DDA negotiations pertinent to trade in textiles and clothing and expressed confidence in the efficacy of the Swiss formula for addressing the tariff peaks and tariff escalation. It underscored that any sectoral initiatives are to be undertaken on a non-mandatory basis in accordance with the mandate. The Council reaffirmed its expectation that the modalities to be adopted should deliver on the development dimension of the Round.

The Council stressed that special and differential treatment is an integral part of the NAMA negotiations and called for addressing the concerns of small, vulnerable economies; recently acceded Members; and least developed countries.

On the issue of non-tariff barriers, the Council expressed its concern. It discussed the proposals by some WTO Members for an agreement on labelling of textiles and clothing products and stressed that such measures should not impose unnecessary burden on businesses.

Regarding the challenges likely to be faced by non-reciprocal preference-receiving Members as a consequence of MFN tariff liberalisation, the Council noted that a balanced solution should be found. It observed that to facilitate market access, origin rules should be made simple and transparent.

Looking back at the development of trade in the post-ATC period, the Council noted that it was premature for full evaluation of the effects of this momentous event. It requested the Secretariat to continue closely monitoring pertinent developments and report on a regular basis. The Council urged that major developed economies that had long restrained textile and clothing imports from developing countries reject protectionist pressures and help strengthen confidence in the multilateral trading system.

The Council reviewed emerging issues in the fields of social, environmental and security concerns. It expressed the need to ensure that developments in these areas do not result in erecting unnecessary barriers to developing countries' exports and decided to proactively follow discussions taking place on these issues.

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 emphasised the importance of constructive actions aimed at strengthening the positive effects of textile and clothing sector to further the development needs of its members, including through improvements in the conditions on access to markets.

The Council expressed profound gratitude to the Government and people of Guatemala for hosting the session and for their generous hospitality. His Excellency, Mr. Luis Oscar Estrada, Minister of Economy of Guatemala, inaugurated the session. His Excellency Ambassador Gusmardi Bustami, Chairman of the ITCB, presided over the session. Mr. Evelio Alvarado served as the Vice-Chairman.

══════════ I T C B ══════════