



U.S. Apparel, Retail & Travel Goods Industries Oppose Efforts to Roll Back the Clock on Apparel & Textile Liberalization in Doha Round of Global Trade Negotiations

March 16, 2006, Washington, DC – In advance of the Non-Agricultural Market Access (NAMA) negotiations planned next week at World Trade Organization (WTO) headquarters in Geneva, the five associations representing U.S. apparel and travel goods retailers, brands, manufacturers and importers today released a March 10 letter sent to the Bush Administration (attached below). The letter expressed great concern regarding reports that the U.S. Government is considering support for a restrictive apparel and textile sectoral initiative (which would include travel goods) in the ongoing WTO Doha Round of multilateral trade negotiations.

All five associations, representing thousands of U.S. businesses and millions of U.S. workers, are steadfastly opposed to any attempt to use a separate sectoral negotiation to exempt apparel and textiles from the general NAMA market access formula in an attempt to maintain special protection for this sector. Moreover, the associations remain strongly opposed to any effort to resurrect a quota regime, or extend the China safeguard process past 2008. The associations urge the U.S. government to make absolutely clear that it does not support these efforts.

The associations have been heartened, however, by recent speeches of President Bush, who has outlined a vision of greater engagement, and not returning to failed protectionist policies, as the key to promoting U.S. competitiveness and opportunities for U.S. businesses, workers and consumers.

“We share President Bush’s view that the Doha Round agreement is a once in a generation opportunity to open markets and reduce barriers to U.S. brands and U.S. retailers worldwide,” National Retail Federation President and CEO Tracy Mullin said.

“We would support an apparel and textile sectoral that seeks deeper liberalization than what could be achieved through the general NAMA formula, since such an outcome would directly open markets for U.S.-made and U.S.-branded apparel and textiles,” American Apparel and Footwear Association President and CEO Kevin M. Burke said.

A restrictive sectoral for apparel and textiles, on the other hand, is antithetical to the objective of an ambitious outcome for the Doha Round. A separate, restrictive sectoral in this industry would invite requests from other countries for similar treatment for other products.

“The United States must set the standard to reach the objective of a comprehensive result in NAMA, not one that only brings about selective liberalization that benefits no one,” Retail Industry Leaders Association President Sandra L. Kennedy,” said. “Rejecting calls for a restrictive apparel and textile sectoral is one way to achieve that objective.”

“One of the key accomplishments of the last round was the full integration of the textile and apparel sector into the multilateral trading regime. After more than 40 years doing business outside the GATT and WTO trade rules, the Doha Round must advance the progress this sector has made,” U.S. Association of Importers of Textiles and Apparel Executive Director Laura E. Jones said.

Elimination of trade barriers in apparel and textiles, like all other goods, has been and will continue to be essential to the growth of the U.S. businesses and workers as well as to the growth of the global trading system and the economic prosperity of both developed and developing countries. The associations believe that it is imperative that we use the opportunity of the Doha Round to advance the progress this sector has made.

“With the Doha Round at a critical stage, we ask that the U.S. government send a clear message that the United States will only support sectoral initiatives in the Doha Round that will provide for greater, not less, trade liberalization,” urged Travel Goods Association President Michele Marini Pittenger.

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UNITED STATES
ASSOCIATION
OF IMPORTERS
OF TEXTILES
AND APPAREL



March 10, 2006

Honorable Robert Portman
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20506

Dear Ambassador Portman:

On behalf of our associations, which represent the U.S. apparel and travel goods retailers, brands, manufacturers and importers, we write to express our great concern regarding press reports that USTR is considering support for a restrictive textile and apparel sectoral initiative in the World Trade Organization Doha Development Agenda round of multilateral trade negotiations.

Our associations support the Administration proposals for zero tariffs on textile and apparel products as part of the Doha round negotiations on non-agricultural market access (NAMA). We share your view that this agreement is a "once in a generation" opportunity to open markets and reduce barriers to trade worldwide.

Moreover, we have been heartened by recent speeches of President Bush, who has outlined a vision of greater engagement, and not returning to failed protectionist policies, as the key to promoting U.S. competitiveness and opportunities for U.S. businesses, workers, and consumers. We believe the Doha round will provide the best opportunity to achieve that vision.

It is with this in mind that we are steadfastly opposed to any attempt to use a separate sectoral negotiation to exempt textiles and apparel from the general NAMA market access formula in an attempt to maintain special protection for this sector. Moreover, we remain strongly opposed to any effort to resurrect a quota regime, or extend the China safeguard process past 2008. We urge you to make clear that the U.S. Government does not support these efforts.

Like the NAMA Framework, the Hong Kong WTO Ministerial Declaration makes clear that sectoral initiatives are not for the purpose of limiting market access, but rather should aim for greater liberalization than the general market access formula. We would support a textile and apparel sectoral that seeks deeper liberalization than what could be achieved through the general NAMA

formula, since such an outcome would directly promote markets for U.S. made and branded textiles and apparel.

Likewise, a restrictive textile and apparel sectoral would appear to contradict U.S. negotiating objectives for this industry. Section 2101 (16) of the Bipartisan Trade Promotion Authority Act of 2002 lays out the textile negotiating objectives. That section states that the principal negotiating objective is “to obtain competitive opportunities for United States exports of textiles and apparel in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in textiles and apparel.” Greater restrictions on this sector cannot bring about “fairer and more open conditions of trade” nor can they bring about “competitive opportunities for U.S. exports of textiles and apparel in foreign markets.”

Finally, we view a restrictive sectoral for textiles and apparel as antithetical to the objective of an ambitious outcome for this round. A separate, restrictive sectoral in this industry would invite requests for similar treatment for other products to be exempted from the NAMA disciplines. A great deal of work has been underway to generate more ambitious offers – in agriculture, in industrial goods, and in services – in order that the Doha round provides meaningful opportunities for U.S. businesses, farmers, and workers. The United States must set the standard to reach the objective of a comprehensive result in NAMA, not one that only brings about selective liberalization. Rejecting calls for a restrictive textile sectoral is one way to achieve that objective.

As you know, one of the key accomplishments of the last round was the full integration of the textile and apparel sector into the multilateral trading regime. After more than 40 years doing business outside the GATT and WTO trade rules, this integration was long overdue. Elimination of trade barriers in textiles, like all other goods, has been and will continue to be essential to the growth of the global trading system and the economic prosperity of both developed and developing countries. It is imperative that we use the opportunity of the Doha Round to advance the progress this sector has made.

With the Doha Round at a critical stage, we ask that USTR send a clear message that the United States will only support sectoral initiatives in the Doha round that will provide for greater, not less trade liberalization.

Sincerely,



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