

WORLD TRADE ORGANIZATION

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PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposals Regarding the Agreement on Textiles and Clothing in terms of Paragraph 9(a)(i) of the Geneva Ministerial Declaration

Communication from India

The following communication, dated 2 July 1999, has been received from the Permanent Mission of India.

Issues

1. The ATC was a potential area of benefit for developing countries. In fact, it was estimated that more than one third of the total benefits from the Round would result from the liberalization of textiles and clothing. However, after almost five years of the ATC, it is clear that the anticipated benefits have not materialized. There has been no commercially meaningful integration so far. Further more, limitations on quota access continue to retard the possibilities for developing countries to benefit from the Agreement. And what little market access has resulted from the implementation of ATC, has been cancelled out by measures taken by the importing countries such as transitional safeguards and anti-dumping actions and the discriminatory rules of origin.

Proposals

2. The integration programme implemented by the importing countries have been very meagre and have not been in line with the spirit of the ATC. The proposal is that importing countries, on the first day of the 85th month that the WTO Agreement is in effect, shall integrate products which accounted for not less than 50 per cent of the total volume of the Member's 1990 imports of the products in the Annex. This is possible since Article 2:10 and 2:15 do not prevent a Member from advance integration of products.

3. The importing countries to apply growth-on-growth for stage 3 with effect from 1 January 2000 instead of 1 January 2002.

4. Sparing use of transitional safeguards based on standards established in the context of WTO dispute settlement mechanism.

5. A moratorium by importing countries on anti-dumping actions in this sector until two years after the entire textiles and clothing sector is integrated into GATT.

6. Any change in rules of origin to be examined in the CTG for its possible impact on market access of exporting countries and relevant recommendations made.
