

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/W/85
9 December 1980

Special Distribution

Textiles Committee

Original: Spanish

STATEMENT BY AMBASSADOR FELIPE JARAMILLO ON BEHALF OF THE
DEVELOPING COUNTRIES - TEXTILES COMMITTEE - 9 DECEMBER 1980

1. Article 10:5 of the Multifibre Arrangement makes provision for the Textiles Committee to meet in good time before its expiry date, for an exchange of views on the future of the Arrangement and to consider whether it should be extended, modified or discontinued. That is the reason for the present meeting and for the great importance which the exporting developing countries attach to it. It is not excessive to underline once more that in the context of the economy of our countries, the textile sector is one in which comparative advantages in favour of the developing countries can be seen clearly.

2. At various meetings of the Textiles Committee, and in particular the meetings held in July and October of this year, the developing countries have had an opportunity to express their views on the way in which the provisions and commitments established under the Multifibre Arrangement are being applied, and we have examined in detail the extent to which the MFA has successfully attained its objectives of trade liberalization. At the meeting last July the representative of India, speaking in the name of the developing countries, expressed our anxiety over the systematic and increasing erosion of various elements of the MFA as a result of the adoption of the so-called "reasonable departures" clause which has had adverse effects for the objectives of the Arrangement; likewise, and in the light of the information available, he examined the extent to which the commitments taken on by the developed countries have been fulfilled in relation with Article 1:4 on the adjustment process in the textiles sector. The meeting last October was the occasion for a broad examination of the extent to which the MFA has or has not succeeded in fulfilling the objectives of trade liberalization for the developing countries. It is not our intention to revert to these topics, I should merely like to reiterate that our position remains firm.

3. In the first week of November the textile-exporting developing countries met in Bogota in order to review the MFA and to consider what system should

govern world trade in textiles and made-up articles when the existing Arrangement lapses in December 1981. As a result of that meeting the participating countries approved the Bogotà Declaration which I consider it necessary to read in full. I quote:

"BOGOTA STATEMENT OF THE DEVELOPING TEXTILE EXPORTING COUNTRIES ON THE FUTURE OF THE MULTI-FIBRE ARRANGEMENT

1. Delegations from the developing textile exporting countries met in Bogotà, Colombia, from 3-7 November 1980, to review the Arrangement regarding International Trade in Textiles commonly referred to as MFA and to consider the system that should govern world trade in textiles and clothing at the end of the present Arrangement in December 1981.
2. The participants reaffirmed their will to act in unity and to co-ordinate their interest throughout the consultations and negotiations on the future of the Arrangement.
3. The participants expressed their deep concern that the commitment of developed importing countries to liberalize world trade in textiles and clothing remains unfulfilled. Furthermore the restrictive nature of the régime under the MFA has been aggravated by the unrestrained trade among developed countries, which grossly discriminates against developing countries.
4. Moreover, while developed countries severely restrained textiles and clothing imports from developing countries, they continued to expand substantially their exports to developing countries not only of textile machinery, chemicals, fibres and related products but also of non-textile products, affecting the overall trade balance.
5. For more than two decades, developing exporting countries have faced an increasingly discriminatory and restrictive régime that has derogated the normal rules and practices of the General Agreement on Tariffs and Trade. This régime has been renewed repeatedly and expanded in scope despite the original and specific understanding that it would be temporary.

6. The perpetuation of this discriminatory and restrictive régime is unacceptable to developing exporting countries. World Trade in Textile and Clothing must be liberalized in real terms by means of a gradual return to free trade in conformity with normal GATT rules and practices.
7. The participants held that the so called "reasonable departures" clause contained in the 1977 Protocol of Extension of the MFA has been widely misused and has given rise to widespread lack of discipline in various provisions of the original Arrangement.
8. The participants expressed their conviction that, within the lifetime of the Protocol of Extension, the criteria and discipline of the 1974 Arrangement must be re-established and all practices, legitimate and illegitimate, deriving from the "reasonable departures" clause must be abolished.
9. The participants held that the concept known as "Cumulative Market Disruption", which is extraneous to the MFA, is detrimental to the legitimate interests of exporting countries, especially small suppliers and new entrants.
10. The participants regarded the Bogotá meeting as a significant step in the process of co-ordination to be carried on through the forthcoming negotiations and beyond. They agreed to further develop common positions, taking into account whatever negotiating elements may be presented to them in the future.

Bogotá, 6 November 1980

In conclusion, Mr. Chairman, we consider that the MFA has not fulfilled its objectives because trade discrimination in the textile sector against the developing countries has worsened in recent years. There has been no liberalization in this sector in favour of the developing countries - on the contrary, the interpretations given to the MFA have restricted our exports to the advantage of developed countries which continue to expand their trade of both textiles and related products.

We wish to reiterate the intention of the developing countries to act jointly and to co-ordinate their interests and efforts during the consultations and negotiations that will be taking place.

For the textile-exporting developing countries, these negotiations constitute one of the most important negotiations held in recent years, particularly if we take into account that in this sector the results of the Tokyo Round were extremely limited and were furthermore conditional on the existence of a restrictive international arrangement.

For all these reasons which I have expressed, our governments will spare no effort to ensure that the rightful aspirations and possibilities of the developing countries are taken into account.