

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG4/W/22  
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Group of Negotiations on Goods (GATT)  
Negotiating Group on Textiles and Clothing

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STATEMENT MADE BY THE DELEGATION OF INDONESIA, ON BEHALF OF A NUMBER  
OF DEVELOPING COUNTRIES, MEMBERS OF THE INTERNATIONAL TEXTILES AND  
CLOTHING BUREAU AT THE MEETING OF THE NEGOTIATING GROUP ON  
TEXTILES AND CLOTHING ON 2 NOVEMBER 1988

Mr. Chairman,

As this is the last meeting of the Negotiating Group on Textiles and Clothing for this year, I would like, on behalf of the members of the ITCB, to reaffirm our basic position regarding these negotiations. We believe that the ITCB proposal contained in MTN.GNG/NG4/W/11 provides the parameters within which techniques and modalities for integration of the textile sector into GATT can be negotiated. The four elements contained in the ITCB proposal were fully elaborated in my statement in this Group on 21 July (MTN.GNG/NG4/W/18). In that statement we also suggested a number of techniques for phasing out MFA restrictions. For phasing out the MFA these modalities and techniques lay out a clear basis. We are, therefore, confident that the ITCB proposals would be essential to any substantive negotiations in this area.

Mr. Chairman,

In the last two years the ITCB members have submitted to this Group several studies and proposals to identify the potential, the possibilities, the modalities and the techniques for achieving the Negotiating Objective. If all the participants had approached these negotiations in the same manner the negotiating process would have been today at an advanced stage.

We also find that our proposal for a freeze on further restrictions under the MFA has so far not been seriously addressed. In order to realize the objective of integration of the textile sector into GATT the first priority is to freeze further restrictions forthwith. It is necessary to put a stop to the introduction of new selective and discriminatory restraints under the MFA which introduce further distortions to international trade.

We have not had an opportunity to develop our proposal in detail so far. However, it is clear that the process of integration must ensure special treatment for the least-developed countries as provided in sub-paragraph 2(d) of the Enabling Clause and Section B (vii) of the Punta del Este Declaration. The process of winding down of MFA restrictions should commence with the least-developed countries.

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Mr. Chairman,

We are encouraged that the Swedish Government has recently taken the initiative in proposing to the Swedish Parliament a complete deregulation of restrictions on textiles and clothing from so-called low-priced countries and to this end terminate bilateral agreements currently in force by 31 July 1991 when MFA IV expires. We sincerely hope that other developed countries will pursue similar actions. We express our appreciation of this bold initiative. We understand that other Nordic countries are contemplating liberalization of MFA restrictions. But, unfortunately, another member of EFTA has embarked on a policy of more restrictions on textiles and clothing. We hope that Austria in its current negotiations will follow the example of Sweden and Norway.

You will recall that I had in my statement in this Group on 19 September (MTN.GNG/NG4/W/20), proposed several recommendations for adoption by the Ministers at Montreal. We appreciate that you have held intensive consultations with a view to evolve a consensus on the recommendations to be submitted to the GNG. We have within the ITCB assessed the various propositions made during these consultations. We are concerned that in this process the ITCB proposals are being diluted. We would emphasize that certain essential elements must be fully reflected in the recommendations to be submitted to the TNC meeting at Ministerial level in Montreal.

In addition to the freeze on further restrictions these essential elements are:

- (i) the crucial importance of achieving results in negotiations;
- (ii) commitment by the participants to engage in substantive negotiations early in 1989;
- (iii) agreement being reached within the Uruguay Round on the modalities for the integration of the textile sector into GATT;
- (iv) agreement that the phase out of MFA restrictions will begin upon the expiry of the present MFA protocol;
- (v) agreement that the process of integration will be gradual and progressive;
- (vi) agreement that the process of integration will be completed within a specific timeframe to be agreed upon during the Uruguay Round.

Mr. Chairman,

I request that this statement be circulated as an official document.