

WORLD TRADE ORGANIZATION

G/TMB/N/296

23 September 1997

(97-3857)

Textiles Monitoring Body

Original: English

AGREEMENT ON TEXTILES AND CLOTHING

Communication from Pakistan

The Textiles Monitoring Body has received a communication from Pakistan in reply to its request for additional information¹ in the context of the preparation of the Body's Comprehensive Report on the implementation of the ATC during its first stage, in accordance with paragraph 11 of Article 8.

The TMB is circulating this communication to WTO Members for their information.

¹See G/TMB/11, issued on 14 February 1997.

Permanent Mission of Pakistan
Geneva

27 May 1997

H.E. Mr. András Szepesi
Chairman
Textiles Monitoring Body
World Trade Organization
Geneva

Dear Mr. Ambassador,

I have been instructed by my authorities to send herewith the following comments in respect of the information sought by the Textiles Monitoring Body in connection with the major review of the ATC:

Article 1.2

ATC has not been implemented in a fashion which provides any preferential treatment to small suppliers. Even where quotas notified to the TMB on 1 January 1995 were very small, the importing countries have not made any special dispensation for such suppliers either at the time of the commencement of the ATC provisions or through the subsequent integration schedules notified to the TMB. The definition of small suppliers should cover countries which have marginal access to the markets of the importing countries in specific categories.

Article 1.4

Pakistan being a cotton producing country has a special interest in export of value added textiles. The major importing countries have not allowed any special concessions to cotton producing and exporting countries like Pakistan which would have been in conformity with the letter and spirit of the ATC. On the contrary, certain non-cotton producing countries have been provided free market access in countries like the European Union for categories in which they compete with Pakistan. The result is that they have a larger access to the importing countries than the countries which are facing quantitative restrictions. Whereas the justification for such treatment is on the basis of these countries being LDCs, the whole justification of maintaining stringent quantitative restrictions on the competition needs to be reassessed.

Article 3.3

Pakistan would comply with this provision as and when the need arises.

Article 3.4

Pakistan will make the necessary notifications as and when required.

Article 4

The changes in the Rules of Origin notified and implemented by the United States in 1995 have trade distortive implications. The exporting countries contrary to the provisions of Article 4 have been placed in a situation of disadvantage. In certain cases, the United States has even offered compensation for partial acceptance of the Rules of Origin (case of Pakistan for bedsheets). The options available to the exporting countries are either to lose the trade in a particular category due to the administrative changes or seek compensation through bilateral consultations. In view of these reasons, there is a growing perception among the exporting countries that the TMB should take a serious view of this matter.

Article 7.1

The first and second stage integration schedules announced by the major importing countries fall far below the expectations of textiles exporting countries like Pakistan. There is a growing feeling amongst the textiles exporting countries that the integration schedules so far announced have not resulted in any enhanced market access for them. There is a growing concern in these countries that the backloading of integrated process is going to cause problems in the final stages of the phase-out. The TMB should review this matter to find ways and means for a more meaningful integration of textiles and clothing into GATT.

Delay in providing the above information is regretted.

Regards.

Yours sincerely

(signed) (M. Mumtaz Malik)