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Importers Congratulate U.S. and Vietnam Negotiators on WTO Accession Agreement

“This is an historic agreement that raises the bar,” said Laura E. Jones, Executive Director of the U.S. Association of Importers of Textiles and Apparel, following an announcement Sunday that the United States and Vietnam have reached an agreement in principle on the terms for Vietnam’s accession to the World Trade Organization later this year. “With Vietnam brought under the rules of the international trading system, its trade in textile and apparel products will be controlled by multilateral rules and market forces rather than a labyrinth of unilateral quotas. This is another strike against the regressive quota system.”

Textiles was reportedly the last issue left to be resolved during almost a week of negotiations in Washington. In response to the demands of the U.S. textile industry, under the agreement in principle, Vietnam agreed to eliminate prohibited subsidies on textiles upon its accession to the WTO, a significant commitment, and that commitment will be closely monitored to ensure compliance. “Vietnam has agreed to a higher standard than current WTO members,” Jones commented.

According to U.S. Government officials, for the first year of Vietnam’s accession, any determination on Vietnam’s compliance with that commitment would be made by a WTO appointed arbitrator, under highly expedited procedures. “The compromise reached by the United States and Vietnam is reasonable and transparent. It responds to the concerns of those worried about potential unfair trade advantages and to those worried about an atmosphere of uncertainty created by a threat of resumed quotas, which would have undermined the value of Vietnam’s accession,” Jones said. “Although tough and unprecedented, this enforcement mechanism maintains the integrity of WTO processes instead of allowing decisions to be made based upon political considerations.”

“This agreement is a tremendous benefit on so many fronts: our members will look to place more orders in Vietnam, American consumers will have more choices, and Vietnam will earn the capital with which to buy more American services and goods,” she added.

“Now we can focus our attention on getting the necessary legislation approved in the Congress to recognize Vietnam’s membership in the WTO,” Jones added. “This should be an easy ‘yes’ vote for Members. We urge the Congress to act quickly.”

In dollar terms, Vietnam is currently the seventh largest supplier of textile and apparel products to the U.S. market, accounting for less than four percent of the imports. Its textile and apparel exports to the U.S. have been under quantitative restrictions since May 2002, six months after the United States normalized trade relations with Vietnam, which reduced duty rates. In 2003, total U.S. cotton exports to Vietnam was 25,000 metric tons. The U.S. Department of Commerce lists bulk cotton as one of the best prospects for U.S. exports to Vietnam.

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