



THE RACE TO FREE TRADE IS ON!

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When the gavel came down on the ministerial meeting of the World Trade Organization (WTO) on November 14 in Doha, Qatar, the Western world woke up the next morning to the announcement that another round of worldwide trade negotiations had been launched. The previous round, known as the Uruguay Round was started in 1986 and concluded in 1994. It involved the negotiation of tariff reductions on almost all items of trade, including textiles and apparel, as well as the dismantling of the textile and apparel quota system. Most of the tariff cuts negotiated in that round will be in place by 2005, as well as the removal of the quota system. With the end of these phased changes in sight, many people around the world, particularly the U.S. government began the slow, arduous process of getting the next round of trade liberalization talks underway.

And it hasn't been easy. All of us remember the debacle in Seattle. And it wasn't easy in Doha. Several times, nations threatened to walk out of the talks, and argued vehemently over the major areas of

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contention. Agriculture was probably the biggest stumbling block this time, but textiles and apparel were right up there with farm products, and proved to be the usual flash point for a number of countries. While we knew going into the negotiations that the developing countries would ask for Europe and the United States to significantly lower, if not eliminate, tariffs on textiles and apparel, the U.S. wanted the removal of many abnormally high tariffs on specific, individual products called "tariff peaks," many of which other countries maintain in textiles to protect their own developing domestic industry. The developing countries were angry over the growing use of anti-dumping and countervailing duties, particularly by the U.S. (the biggest user of these measures), and were terribly concerned over intellectual property rights and testing requirements, both of which they view as new schemes for protectionism. In the end, a working text was reached.

The objective is to have this new round of negotiations completed by January 1, 2005, just a little more than three years from