

Sent: Thursday, March 15, 2007 12:53 PM

To: FN-USTR-FR0704

Cc: Change Makers

Subject: Duty-free and quota-free (DFQF)

USTR (United states Trade Representative): Public opinion duty-free and quota-free market access

I wish to register my opinion re. DFQF in the affirmative. Whilst I firmly believe that the world would be a better place to live if the gaps between and amongst the developed and the developing world could be minimized in terms of economic disparities, sub-standard living standards and employment, health and economic securities. Concurrently, I am also of the opinion that such drives (putting DFQF into effect as valid instrument) would not yield any warranted outcome if the benefits from DFQF could not be ensured for the poor, underpaid, hard working men and women who toil long and hard in unhygienic, unsafe environments only to making their masters richer (Lords of Poverty). If the latter could not be ensured within the same vision as to promoting DFQF I am not for it.

I would advocate going for DFQF with a package wherein there would be contractual obligations with well developed monitoring strategies in ensuring transfer of the added benefits directly to benefiting the poor workers and their families.

Ahmad S. Abbasi, PhD
International Economic Development Specialist
Markham, Ontario, Canada

[Bangladeshi Citizen residing as Permanent Resident in Canada]

NOTE: I am not fully conversant regarding the originating idea/ conception of the survey and therefore would not assume any responsibility in terms of its authenticity nor any other implications.

NOTE:

Change Makers <changemakers@bangla.net> wrote:



Dear Friends and Colleagues,

You might know that Bangladesh has been trying to get duty-free and quota-free (DFQF) market access in US market for a long time. Presently, USTR (United states Trade Representative) is seeking public comments on this issue. DFQF is extremely important to increase our export in US market. Life and death of million of poor workers are related with this.

US is collecting public opinion on granting duty-free and quota-free market access for products originating from LDCs. Any citizen from any country can submit his/her comments by 15 March, 2007 (our local time is 11.00 am, Friday, 16 March). Please send an e-mail to USTR' e-mail: FR0704@USTR.EOP.GOV and request all your colleagues to send this e-mail for the national interest of Bangladesh.

US is one of the main markets for Bangladeshi exports. We therefore, request you to send this e-mail to the following address for the interest of the nation and for the poorest garments workers of the country:

e-mail: FR0704@USTR.EOP.GOV

The message of the e-mail could be as follows (you can use your own style of writing to convey this message)

Subject: "Duty-free, Quota-Free"

"There should be no discrimination of treatment among LDCs. All LDCs should be granted duty-free and quota-free market access for all products. US must grant duty-free and quota-free market access for all products which have export interest to Bangladesh, particularly garments, textile, apparels, footwear, leather and frozen foods".

** Please remember that the deadline for submission of your comment is 16 March, 2007 at 11 a.m. Bangladesh Time

*** The subject of the e-mail must be "**Duty-Free, Quota-Free**".

Advocate Tanbir ul Islam Siddiqui
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155 Shantinagar
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From: N M Zeaul Alam
Sent: Thursday, March 15, 2007 3:11 AM
To: FN-USTR-FR0704
Subject: DFQF market access

Dear Sir,

Bangladesh as LDC did not get the Duty-Free Quata-Free market access in US market as some other LDCs are enjoining this. This seems to be a discrimination of treatment among the LDCs. So Bangladesh deserves Duty-Free Quata-Free market access in US market particularly in garments, textile, apparels, footwear, leather and frozen fish as it is now exporting these products to the other countries.

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March 15, 2007

Gloria Blue
Executive Secretary
Trade Policy Staff Committee
USTR
600 17th Street, NW
Washington, DC 20508

Via Email: FR0704@USTR.EOP.GOV

Dear Ms. Blue:

On behalf of the American Apparel & Footwear Association (AAFA) – the national trade association of the apparel and footwear industries, and their suppliers – I am writing to comment on the Trade Policy Staff Committee's request for comments on the duty free quota free (DFQF) initiative.

At the outset, let me stress that the AAFA represents numerous textile, apparel, and footwear companies with substantial interests in developing countries, including the Least Developed Countries (LDCs). Our members produce, distribute, market, and sell their product in virtually every country in the world, including many of the LDCs that are expected to be covered by the DFQF proposal. In that capacity, we fully support efforts to promote growth and development in and among LDCs and believe the DFQF initiative can play an important role in this regard.

In December 2005, at the Sixth Ministerial meeting of the World Trade Organization (WTO), trade ministers reached agreement on a proposal relating to DFQF for LDCs. In that Declaration, ministers stated:

We agree that developed-country Members shall, and developing-country Members declaring themselves in a position to do so should:

- (a)(i) Provide duty-free and quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period in a manner that ensures stability, security and predictability.

- (ii) Members facing difficulties at this time to provide market access as set out above shall provide duty-free and quota-free market access for at least 97 per cent of products originating from LDCs, defined at the tariff line level, by 2008 or no later than the start of the implementation period. In addition, these Members shall take steps to progressively achieve compliance with the obligations set out above, taking into account the impact on other developing countries at similar levels of development, and, as appropriate, by incrementally building on the initial list of covered products.
 - (iii) Developing-country Members shall be permitted to phase in their commitments and shall enjoy appropriate flexibility in coverage.
- (b) Ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access.

We believe this concept raises a number of threshold issues. These include:

1. The rule of origin.
2. The duration of the program
3. Product coverage
 - a. How the 97 percent requirement is calculated
 - b. Under what conditions will the 97 percent requirement be invoked
 - c. What is the plan to transition from 97 percent to 100 percent
4. Conditionality applied to the beneficiaries of the program
5. Efforts to better integrate LDCs into global trade regime.
6. Graduation
7. Obligations by developing countries
8. Integration with existing trade programs
9. Integration with other Doha Round commitments.

In providing our comments, we will address several of these issues. As the Administration considers this program further, we would request additional opportunities to provide input on these issues.

We note that Paragraph (a)(i) in the Declaration refers to DFQF on a “lasting basis.” We fully support the concept that such access will be made permanent and that any legislation enacted to implement this commitment will ensure that there is no expiration date. Creating a program that does not expire is key to ensuring the predictable environment necessary to generate trade and investment flows to support long term and sustainable development. Indeed, the Ministers’ Declaration recognizes this by ending that commitment with the phrase “...in a manner that ensures stability, security, and predictability.”

Further, Paragraph (a)(i) also refers to such DFQF treatment for “**all** products originating from **all** LDCs.” With the exception of Burma/Myanmar, which is discussed in the next paragraph, we support making this a comprehensive program that covers all products from all LDCs. As we will discuss below, we do not support exceptions to the product coverage with respect to the entire program or with respect to individual LDCs.

With respect to the reference to the phrase “all LDCS” in Paragraph (a)(i) of the Declaration, we were disappointed that the Ministers’ Declaration did not include a specific exception in the case of Burma/Myanmar. We believe a bright line has been drawn around by Burma/Myanmar that requires it be treated differently than any other LDC. To the extent that Burma/Myanmar is defined as an LDC, we believe any further iteration of the program should make clear that the United States maintains an import ban on products from Burma/Myanmar until such that time that that country ceases its human and workers rights abuses, upholds the rule of law, and ensures free and transparent elections. We also urge the Administration to ensure that other countries abide by this same principle.

In paragraph (a)(ii), the Declaration creates flexibility for “members facing difficulties” by allowing them to only make an initial commitment reflecting 97 percent – defined at the HTS level – of an LDC’s products. In general, we believe the calculation should be made in such a way that it generates meaningful opportunities for least developed countries to export products to developed country markets. In particular, we believe the coverage should not be configured so that it excludes key sectors for LDCs, such as textiles, apparel, and footwear. We note that, for many LDCs, these industries are critical elements necessary for the development of their economies. Excluding these industries would greatly dilute any benefit derived from these programs from the LDCs perspective, rendering the conditionality provisions meaningless, which would undermine U.S. interests.

We believe the 97 percent exemption should be invoked only in extreme circumstances and only when the developed country, whether it is the United States or another developed country, can fully articulate what “difficulties” it is facing. Specifically, we believe the use of this exemption must be linked to actual market disruption with respect to the products imported from the specific LDC. Moreover, we believe the 97 percent exemption should be invoked only when there is a consensus in the importing country on what products should be exempted. For example, in the United States, there is a broad industry consensus that there are 20 footwear lines¹ – defined at the HTS level – that are still produced in the United States, which are subject to import sensitivities, and which are typically exempted, or get longer duty phase out and more restrictive rules of origins, from such programs.

In addition, we urge that no exemptions be invoked that limit access already afforded under current preference programs. For example, in the United States, the Africa Growth and Opportunity Act (AGOA) program already provides temporary access for all apparel products produced in African LDCs. Notwithstanding the fact that this program is temporary, we believe this level of access should ensure that African LDCs receive the full DFQF treatment for these apparel products from inception.

¹ 6401.10.00, 6401.92.90, 6401.99.10, 6401.99.30, 6401.99.60, 6401.99.90, 6402.91.10, 6402.91.20, 6402.91.26, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.08, 6402.99.16, 6402.99.19, 6402.99.33, 6402.99.80, 6402.99.90, 6404.11.90, 6404.19.20

Finally, the Declaration makes clear that the 97 percent is a floor, not a ceiling. In fact, the declaration goes on to state that Members shall ultimately reach the aforementioned 100 percent commitment by “progressively taking steps” and “incrementally building on the initial list of products covered.” We believe, therefore, that any implementation of the 97 percent (or some higher percent) floor with respect to individual countries must be accompanied by an irreversible plan articulating how that number will be permitted to grow to 100 percent coverage. Moreover, inasmuch as we are discussing a mechanism to help lift millions of impoverished individuals out of abject poverty in the least developed countries in the world, we believe such steps should be taken on an expedited basis of no more than 2-3 years.

Paragraph (a)(iii) in the Declaration describes how developing country members will be afforded additional flexibilities with respect to the import of products duty free quota free from LDCs. We fail to understand how such a provision advances the overall goal of promoting development in developing countries or in LDCs. We know that much of the protection that developing countries face includes those measures maintained by other developing countries. We also see growing market opportunities in the economies of the more developed developing countries – such as India, Brazil, and China – for products from LDCs. In the context of these additional flexibilities, we believe those countries should be compelled to move quickly to embrace duty free quota free treatment as well.

Similarly, inasmuch as the ultimate goal of the program is to create opportunities for development in LDCs, ultimately leading to full integration into the global trading system, we believe this program should be configured so that it encourages LDCs to embrace the full range of reciprocal commercial and regulatory obligations that developing and developed countries adopt. To that end, we support provisions that link DFQF market access with conditions related to such criteria as human and workers rights, intellectual property rights, rule of law, respect for private property, good government, anti narcotics and anti-corruption. To maximize the opportunities created by these DFQF programs in the developing world, they must occur in the context of good government, sound economic policies, the rule of law, support for U.S. multilateral trade liberalization goals, and respect for human and workers rights. With this in mind, we would urge that any conditionality provisions created to accompany this program be sufficiently flexible so they can be invoked (i.e., benefits withdrawn) in a selective or targeted manner so they not prove disruptive to those players who are not part of the problem.

Moreover, this program should be adopted with the explicit understanding that, although permanent, it is not intended to create a permanent duty advantage for LDCs. We have become very concerned that some developing countries, citing erosion of their existing preferential arrangements, have objected to global trade and tariff liberalization initiatives. We see this DFQF program as an initial step of multilateral tariff liberalization that should be accompanied by additional market access initiatives undertaken by developed and developing countries alike. In short, we see the DFQF as part of a larger multilateral trade liberalization initiative.

Paragraph (b) in the Declaration articulates a need for simple and transparent rules of origin that facilitate market access. We strongly support this concept and believe that such rules of origin should be constructed in such a way that they encourage, rather than discourage, trade. Similarly, the program should be developed with clear, transparent, and easily understood customs procedures that present neither a burden for Customs officials nor business users of the program. The existing system in the United States of multiple programs with different rules often inhibits trade with the developing countries because of onerous rules of origin, complicated customs implementation procedures, and burdensome paperwork requirements. Under this DFQF program, we would envision measures that ensure simple and harmonized rules of origin and customs procedures among Members so that trade with LDCs is not forced into preference program silos as it is now.

As a final comment, we would encourage this DFQF program be supplemented through a comprehensive capacity building program so that foreign governments are able to create and effectively administer these programs through appropriate and competent trade-related institutions.

In conclusion, we are pleased that the Administration is now soliciting input on this important measure. We strongly support efforts to promote development in the LDCs. At the same time, we believe there is a larger opportunity presented by this initiative – to promote multilateral trade liberalization and to bring about full integration of the LDCs in the global trade regime. To achieve that goal, we need to ensure the LDC DFQF process moves forward and that it does so in a way that leads to trade liberalization that is enjoyed and undertaken equally by developed and developing countries alike.

Inasmuch as this is an evolving concept, we would expect the Administration to maintain an open dialogue with us and other stakeholders to ensure a program that promotes development and economic growth in the LDCs while advancing the goals of shared economic prosperity in the Doha Development Round. We look forward to further opportunities to discuss this proposal in further detail with U.S. policymakers.

Should you require additional information, please contact Steve Lamar in my office at slamar@apparelandfootwear.org or via phone at 703-797-9041.

Thank you for your time and attention.

Sincerely,



Kevin M. Burke
President and CEO

Sent: Thursday, March 15, 2007 5:54 AM

To: FN-USTR-FR0704

Subject: 100% Duty and Quota Free Entry in the US Market for Bangladeshi and the LDCs Products

To whom this may concern

Generally the least developed countries like Bangladesh's exportable products are not diversified than that of the developed countries. Textile & Clothing is a dominating sector in many LDCs and the sector constitute a lion's part of the LDCs export basket (*in 2003 RMG had a contribution of 26% or more in the export basket of sixteen LDCs*). For Bangladesh RMG alone constitute 75.06% (FY 2005-06), if we add up other components then it will go up.

The 3% barrier may be used for the inclusion of the major exportable items of the LDCs in the US market which will make the burden heavier for them with respect to the developed worlds. It is like a boy is forced to carry the same weight like that of a full-grown man.

The 3% barrier to the US market costs (in terms of duty paid) Bangladesh US\$487.00 million by exporting only US\$3.26 billion; whereas for France it is only US\$367.00 million against export of US\$36.80 billion and for England it is US\$430.00 million against US\$53.50 billion export to the US market for the year 2006. With this scenario it is clear that how the LDCs are being suffered because of their limited export basket where the duty is higher. **This picture must be changed and the least developed countries shall have 100% duty and quota free entry in the US market for a better and equitable world.**

So, in light of the above we urge the US to provide 100% duty free-quota free market access for Bangladeshi and other LDCs products.

Regards

Asif Anwar

Trade & SME Consultant

Dhaka, Bangladesh.

Sent: Thursday, March 15, 2007 4:36 AM

To: FN-USTR-FR0704

Subject: Duty-free and quota-free access of Bangladeshi products in US market

To

US Trade negotiator

USA

Dear Sir

Bangladesh is a least developed country and therefore asking for full duty and quota free access to US market .Trade is mutually gainful and this gain is larger when full equilibrium -flow and stock equilibrium is considered .Even unilateral liberalisation is good .Due to stock change as a result of opening up flow of trade rises& as a result gains from trade rises .Both party benefits .Besides more exports mean more imports .

So I request to consider Bangladesh's case favourably .

Thanks & Regards,

Dr. Chowdhury Anwaruzzaman

Ph.D.(Economics, Cornell)

Senior Research Fellow, Division Chief, GED

Bangladesh Institute of Development Studies

E-17 Agargaon, Sher-e-Bangla Nagar

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Email: anwar@sdnbd.org

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Bangladesh

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Sent: Thursday, March 15, 2007 4:47 AM
To: FN-USTR-FR0704
Cc: 'Fuzlul Hoque'; iart2@bangla.net; pip1@bangla.net
Subject: "Duty Free - Quota Free"

Importance: High

100% Duty and Quota Free Entry in the US Market for Bangladeshi and the LDCs Products

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Regards
Mohammed Abdus Samad AZAD
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Project Manager
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