

Sent: Thursday, March 15, 2007 7:44 AM

To: FN-USTR-FR0704

Cc: dhakacurrency@yahoo.com

Subject: "Duty-free, Quota-Free Market Access for Bangladesh's exportables"

Dear Sir/Madam,

"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".

Nurul Alam
Deputy Director
WTO Cell
Ministry of Commerce
Dhaka, Bangladesh.
15-03-2007

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**Statement of the
National Milk Producers Federation
to the
Trade Policy Staff Committee (TPSC)
Office of the United States Trade Representative**

**Concerning
The 2005 WTO Ministerial Decision on Duty-Free, Quota-Free Market Access for Least
Developed Countries**

March 15, 2007

The National Milk Producers Federation (NMPF) appreciates this opportunity to provide comments on the above referenced public notice. NMPF is the national farm commodity organization that represents dairy farmers and the dairy cooperative marketing associations they own and operate throughout the United States.

The constituency represented by NMPF has a substantial interest in the proposal to grant duty-free, quota-free (DFQF) market access to least developed countries (LDCs). The U.S. dairy industry is the second largest agricultural commodity subsector, as measured by farm cash receipts, generating approximately \$23 billion in farm receipts from sales of milk in 2006. Retail value of dairy products made from milk produced in the U.S. is estimated to be \$90 billion per year. There were approximately 62,000 commercial dairy farms in the U.S. in 2006, each generating an estimated average of 15 jobs at the dairy farm and dairy processing plant level, including their suppliers, for an estimated national total of 930,000 jobs, not counting jobs at other levels in the agricultural and food industry, such as distribution, retailing and food service. By any measure, the U.S. dairy farming sector is a major domestic industry.

Although NMPF disagrees with the principle, we recognize that, as part of the WTO Doha Round negotiations, the U.S. has agreed to provide duty-free, quota-free (DFQF) market access to the Least Developed Countries (LDCs). Since this concession was made as one portion of the broad Doha Round negotiations, NMPF strongly supports the U.S.'s stated position that "Successful completion of the DDA is...a prerequisite for U.S. implementation of the DFQF initiative." (WTO reference code: WT/COMTD/W/149) This coordinated timing is important both in order to maintain interest of the LDCs in a final agreement and in order to ensure that this concession is carried out as part of the larger package of commitments countries are anticipated to ultimately agree upon.

As part of this important principle of providing this concession as part of a broad multilateral package, the provision of duty-free, quota-free treatment to LDCs should be limited to those LDCs that are members of the WTO. Those LDCs that have joined the WTO have demonstrated a strong commitment to participating actively in the multilateral trading system. This commendable effort should not be nullified by providing them with the same market access benefits they would receive had they not joined the WTO. To avoid this, the proposed program should be limited to LDCs that are members of the WTO. In order to ensure that the provision of

DFQF market access to LDCs is one component of a balanced and comprehensive Doha Round Agreement benefiting all of the WTO members, it is essential that this treatment be provided exclusively to LDCs that are also party to this broad deal through membership in the WTO.

Attached is a list of U.S. Harmonized Tariff Schedule lines containing notable quantities of dairy products. These lines should be included in the consideration of how dairy products are treated under the DFQF proposal. There are two primary provisions that should apply to these tariff lines, both of which are essential to ensuring that the U.S. commitment to provide DFQF access to LDCs is properly implemented to target the benefits to LDCs and not other trading partners.

The first is a requirement that the DFQF market access provisions include strict rules of origin to ensure that other countries do not take advantage of this program to transship dairy products into the U.S. through LDCs. The following rules of origin would be strict enough to ensure that the LDCs are able to take advantage of the DFQF access for their own milk production, but that other countries will not be able to ship product through the LDCs in order to abuse this new program.

Rules of Origin should exclude preferential access to:

(a) a non-originating material classified under headings 0401 through 0406 of the Harmonized System, or a non-originating chocolate/food preparation classified under subheading 1806.20, 1806.32, or 1806.90; a non-originating infant preparation classified under subheading 1901.10; a non-originating mix or dough classified under subheading 1901.20; a non-originating dairy preparation classified under subheading 1901.90 or 2106.90; a non-originating animal feed classified under subheading 2309.90; or a non-originating casein/caseinate classified under heading 3501 that is used in the production of a good classified under headings 0401 through 0406 of the Harmonized System;

(b) a non-originating material classified under headings 0401 through 0406 of the Harmonized System, or a non-originating chocolate/food preparation classified under subheading 1806.20, 1806.32, or 1806.90; a non-originating infant preparation classified under subheading 1901.10; a non-originating mix or dough classified under subheading 1901.20; a non-originating dairy preparation classified under subheading 1901.90 or 2106.90; a non-originating animal feed classified under subheading 2309.90; or a non-originating casein/caseinate classified under heading 3501, that is used in the production of the following goods:

- *chocolate/food preparations classified under subheading 1806.20, 1806.32 or 1806.90;*
- *infant preparations classified under subheading 1901.10;*
- *mixes and doughs classified under subheading 1901.20;*
- *dairy preparations classified under subheading 1901.90 or 2106.90;*
- *ice cream and edible ices classified under heading 2105;*
- *beverages containing milk classified under subheading 2202.90;*
- *animal feeds classified under subheading 2309.90;*
- *or casein and/or caseinates classified under heading 3501*

The second is a requirement that LDCs wishing to benefit from this treatment for dairy products must demonstrate that they are net exporters of dairy products. Due to the complexity of performing this calculation on a volume basis, based upon the large number of dairy products, this net exporter provision should be enforced on a value basis. This provision would further help to ensure that other countries could not take advantage of the access the U.S. will provide by transshipping dairy products through an LDC to the U.S.

The U.S. is a lucrative dairy market that already attracts large amounts of imported dairy products. U.S. imports of dairy products totaled \$2.8 billion in 2006. Abuse of the intent of the DFQF access commitment is entirely foreseeable and must be avoided through use of the net dairy exporter provision in combination with adequate rules of origin.

In principle, NMPF does not agree with providing an “early harvest” to any specific countries. However, if a decision is made at the end of a comprehensive Doha Round Agreement to provide duty-free, quota-free treatment to LDCs, this access must be accompanied by the forms of safeguards suggested in these comments. NMPF would vigorously oppose allowing the DFQF proposal to inadvertently provide defacto open access to WTO members other than LDCs by allowing them to abuse this concession. This possibility is very likely if careful steps are not taken to prevent such an occurrence. We believe that the regulations suggested here, accompanied by regular monitoring of the imported products, are necessary to effectively avoid such a development.

Dairy USHTS Lines To Be Covered By This Proposal

Product Description (Summarized, not specific)	HTS No.	Unit
Skim milk	401.1000	liters
Whole milk	401.2020	liters
Whole milk	401.2040	liters
Cream	401.3002	liters
Cream	401.3005	liters
Cream	401.3025	liters
High fat cream	401.3042	MT
High fat cream	401.3050	MT
High fat cream	401.3075	MT
Nonfat dry milk	402.1005	MT
Nonfat dry milk	402.1010	MT
Nonfat dry milk	402.1050	MT
Nonfat dry milk	402.2102	MT
Nonfat dry milk	402.2105	MT
Nonfat dry milk	402.2125	MT
Dry whole milk	402.2127	MT
Dry whole milk	402.2130	MT
Dry whole milk	402.2150	MT
Dry whole milk	402.2173	MT
Dry whole milk	402.2175	MT
Dry whole milk	402.2190	MT
Dry whole milk	402.2905	MT
Dry whole milk	402.2910	MT
Dry whole milk	402.2950	MT
Unsweetened, conc. milk	402.9103	MT
Unsweetened, conc. milk	402.9106	MT
Unsweetened, conc. milk	402.9110	MT
Unsweetened, conc. milk	402.9130	MT
Unsweetened, conc. milk	402.9170	MT
Unsweetened, conc. milk	402.9190	MT
Sweetened condensed milk	402.9903	MT
Sweetened condensed milk	402.9906	MT
Sweetened condensed milk	402.9910	MT
Sweetened condensed milk	402.9930	MT
Sweetened condensed milk	402.9945	MT
Sweetened condensed milk	402.9955	MT
Sweetened conc. milk	402.9968	MT
Sweetened conc. milk	402.9970	MT
Sweetened conc. milk	402.9990	MT
Dry yogurt	403.1005	MT
Dry yogurt	403.1010	MT
Dry yogurt	403.1050	MT
Yogurt, nesoi	403.1090	MT
Sour cream	403.9002	liters
Sour cream	403.9004	liters

Sour cream	403.9016	liters
Fluid buttermilk	403.9020	liters
Dried Sour cream	403.9037	MT
Dried Sour cream	403.90411	MT
Dried Sour cream, NSLR	403.90419	MT
Dried Sour cream	403.9045	MT
Dried Sour cream	403.9047	MT
Dried Sour cream	403.9051	MT
Dried Sour cream	403.9055	MT
Dried Sour cream	403.9057	MT
Dried Sour cream	403.9061	MT
Dried Sour cream	403.9065	MT
Dried Sour cream	403.9072	MT
Dried Sour cream	403.9074	MT
Dried Sour cream	403.9078	MT
Fermented milk, not dry	403.9085	MT
Curdled milk or cream	403.9087	MT
Curdled milk or cream	403.9090	MT
Curdled milk or cream	403.9095	MT
Whey protein concentrate	404.1005	MT
Modified whey	404.1008	MT
Modified whey	404.1011	MT
Modified whey	404.1015	MT
Fluid whey	404.1020	liters
Dry whey	404.1048	MT
Dry whey	404.10501	MT
Dry whey	404.10509	MT
Dry whey	404.1090	MT
Milk protein concentrate	404.9010	MT
Other whey products	404.9028	MT
Other whey products	404.9030	MT
Other whey products	404.9050	MT
Other whey products	404.9070	MT
Butter	405.1005	MT
Butter	405.1010	MT
Butter	405.1020	MT
Lite butter	405.2010	MT
Lite butter	405.2020	MT
Lite butter	405.2030	MT
Butter substitutes	405.2040	MT
Dairy spreads	405.2050	MT
Dairy spreads	405.2060	MT
Dairy spreads	405.2070	MT
Dairy spreads	405.2080	MT
AMF	405.9005	MT
AMF	405.90102	MT
Other fats and oils from milk	405.90104	MT
AMF	405.90202	MT
Other fats and oils from milk	405.90204	MT
Chongos	406.1002	MT

Chongos	406.1004	MT
Chongos	406.1008	MT
Blue-mold cheese, fresh	406.1012	MT
Blue-mold cheese, fresh	406.1014	MT
Blue-mold cheese, fresh	406.1018	MT
Cheddar cheese, fresh	406.1024	MT
Cheddar cheese, fresh	406.1028	MT
Am-type cheese, fresh	406.1034	MT
Am-type cheese, fresh	406.1038	MT
Edam/Gouda cheese, fresh	406.1044	MT
Edam/Gouda cheese, fresh	406.1048	MT
Italian cheese, fresh	406.1054	MT
Italian cheese, fresh	406.1058	MT
Swiss/Emmental cheese, fresh	406.1064	MT
Swiss/Emmental cheese, fresh	406.1068	MT
Lowfat cheese, fresh	406.1074	MT
Lowfat cheese, fresh	406.1078	MT
Other cheese, fresh	406.1084	MT
Other cheese, fresh	406.1088	MT
Other cheese, fresh	406.1095	MT
Roquefort, grated	406.2010	MT
Stilton, grated	406.2015	MT
Other blue-veined cheese, grated	406.2022	MT
Other blue-veined cheese, grated	406.2024	MT
Other blue-veined cheese, grated	406.2028	MT
Cheddar cheese, grated	406.2029	MT
Cheddar cheese, grated, NSLR	406.20311	MT
Cheddar cheese, grated	406.20319	MT
Cheddar cheese, grated	406.2033	MT
Colby cheese, grated	406.2034	MT
Colby cheese, grated	406.2036	MT
Colby cheese, grated	406.2039	MT
Edam/Gouda cheese, grated	406.2043	MT
Edam/Gouda cheese, grated	406.2044	MT
Edam/Gouda cheese, grated	406.2048	MT
Italian cheese, grated	406.2049	MT
Italian cheese, grated	406.2051	MT
Italian cheese, grated	406.2053	MT
Italian cheese, grated	406.2054	MT
Other cheese, grated	406.2055	MT
Other cheese, grated	406.2056	MT
Bryndza, etc, grated	406.2057	MT
Other blue-veined cheese, grated	406.2061	MT
Other blue-veined cheese, grated	406.2063	MT
Cheddar cheese, grated	406.2065	MT
Cheddar cheese, grated	406.2067	MT
Am-type cheese, grated	406.2069	MT
Am-type cheese, grated	406.2071	MT
Edam/Gouda cheese, grated	406.2073	MT
Edam/Gouda cheese, grated	406.2075	MT

Italian cheese, grated	406.2077	MT
Italian cheese, grated	406.2079	MT
Swiss/Emlr. cheese, grated	406.2081	MT
Swiss/Emlr. cheese, grated	406.2083	MT
Lowfat cheese, grated	406.2085	MT
Lowfat cheese, grated	406.2087	MT
Other cheese and subs, grated	406.2089	MT
Other cheese and subs, grated	406.2091	MT
Stilton cheese, processed	406.3005	MT
Other blue-mold cheese, processed	406.3012	MT
Other blue-mold cheese, processed	406.3014	MT
Other blue-mold cheese, processed	406.3018	MT
Cheddar cheese, processed	406.3022	MT
Cheddar cheese, processed	406.3024	MT
Cheddar cheese, processed	406.3028	MT
Colby cheese, processed	406.3032	MT
Colby cheese, processed	406.3034	MT
Colby cheese, processed	406.3038	MT
Edam/Gouda cheese, processed	406.3042	MT
Edam/Gouda cheese, processed	406.3044	MT
Edam/Gouda cheese, processed	406.3048	MT
Gruyere-process cheese	406.3049	MT
Gruyere-process cheese	406.3051	MT
Gruyere-process cheese	406.3053	MT
Other cheese, processed	406.3055	MT
Other cheese, processed	406.3056	MT
Bryndza, etc, processed	406.3057	MT
Other blue-mold cheese, processed	406.3061	MT
Other blue-mold cheese, processed	406.3063	MT
Cheddar cheese, processed	406.3065	MT
Cheddar cheese, processed	406.3067	MT
Am-type cheese, processed	406.3069	MT
Cheddar cheese, processed	406.3071	MT
Edam/Gouda cheese, processed	406.3073	MT
Edam/Gouda cheese, processed	406.3075	MT
Italian cheese, processed	406.3077	MT
Italian cheese, processed	406.3079	MT
Swiss/Emlr. cheese, processed	406.3081	MT
Swiss/Emlr. cheese, processed	406.3083	MT
Lowfat cheese, processed	406.3085	MT
Lowfat cheese, processed	406.3087	MT
Other cheese and subs, processed	406.3089	MT
Other cheese and subs, processed	406.3091	MT
Other cheese and subs., processed	406.3095	MT

Roquefort	406.4020	MT
Roquefort	406.4040	MT
Stilton	406.4044	MT
Stilton	406.4048	MT
Other blue mold cheese	406.4051	MT
Other blue mold cheese	406.4052	MT
Other blue mold cheese	406.4054	MT
Other blue mold cheese	406.4058	MT
Other blue mold cheese	406.4070	MT
Bryndza cheese	406.9005	MT
Cheddar cheese	406.9006	MT
Cheddar cheese, NSLR	406.90081	MT
Cheddar cheese	406.90089	MT
Cheddar cheese	406.9012	MT
Edam/Gouda cheese	406.9014	MT
Edam/Gouda cheese	406.9016	MT
Edam/Gouda cheese	406.9018	MT
Gjetost cheese	406.9020	MT
Gjetost cheese	406.9025	MT
Goya cheese	406.9028	MT
Goya cheese	406.9031	MT
Goya cheese	406.9032	MT
Goya cheese	406.9033	MT
Sbrinz cheese	406.9034	MT
Sbrinz cheese	406.9036	MT
Sbrinz cheese	406.9037	MT
Sbrinz cheese	406.9038	MT
Italian cheese	406.9039	MT
Italian cheese	406.9041	MT
Italian cheese	406.9042	MT
Italian cheese	406.9043	MT
Swiss/Emmentaler cheese	406.9044	MT
Swiss/Emmentaler cheese	406.9046	MT
Swiss/Emmentaler cheese	406.9048	MT
Gammelost/Nokkelost cheese	406.9049	MT
Colby cheese	406.9051	MT
Colby cheese	406.9052	MT
Colby cheese	406.9054	MT
Other cheese	406.9056	MT
Pecorino cheese	406.9057	MT
Other cheese	406.9059	MT
Italian cheese	406.9061	MT
Italian cheese	406.9063	MT
Italian cheese	406.9066	MT
Italian cheese	406.9068	MT
Blue-mold cheese	406.9072	MT
Blue-mold cheese	406.9074	MT
Cheddar cheese	406.9076	MT
Cheddar cheese	406.9078	MT
Am-type cheese	406.9082	MT

Am-type cheese	406.9084	MT
Edam/Gouda cheese	406.9086	MT
Edam/Gouda cheese	406.9088	MT
Swiss/Emmentaler cheese	406.9090	MT
Swiss/Emmentaler cheese	406.9092	MT
Lowfat cheese	406.9093	MT
Lowfat cheese	406.9094	MT
Other cheese and subs.	406.9095	MT
Other cheese and subs.	406.9097	MT
Other cheese	406.9099	MT
Chocolate/food preps	1806.20209	MT
Chocolate/food preps	1806.2022	MT
Chocolate/food preps	1806.2024	MT
Chocolate/food preps	1806.2026	MT
Chocolate/food preps	1806.2028	MT
Chocolate crumb	1806.2034	MT
Chocolate crumb	1806.2036	MT
Chocolate crumb	1806.2038	MT
Chocolate/food preps	1806.2081	MT
Chocolate/food preps	1806.2082	MT
Chocolate/food preps	1806.2083	MT
Lofat chocolate crumb	1806.2085	MT
Lofat chocolate crumb	1806.2087	MT
Lofat chocolate crumb	1806.2089	MT
Chocolate/food preps	1806.3201	MT
Chocolate/food preps	1806.3204	MT
Chocolate/food preps	1806.3206	MT
Chocolate/food preps	1806.3208	MT
Chocolate crumb	1806.3214	MT
Chocolate crumb	1806.3216	MT
Chocolate crumb	1806.3218	MT
Chocolate/food preps	1806.3260	MT
Chocolate/food preps	1806.3270	MT
Chocolate/food preps	1806.3280	MT
Chocolate/food preps	1806.9005	MT
Chocolate/food preps	1806.9008	MT
Chocolate/food preps	1806.9010	MT
Chocolate/food preps	1806.9015	MT
Chocolate/food preps	1806.9018	MT
Chocolate/food preps	1806.9020	MT
Chocolate crumb	1806.9025	MT
Chocolate crumb	1806.9028	MT
Chocolate crumb	1806.9030	MT
Preps for infant use	1901.1005	MT
Preps for infant use	1901.1015	MT
Preps for infant use	1901.1030	MT
Preps for infant use	1901.1035	MT
Preps for infant use	1901.1040	MT
Preps for infant use	1901.1045	MT
Preps for infant use	1901.1055	MT

Preps for infant use	1901.1060	MT
Preps for infant use	1901.1075	MT
Preps for infant use	1901.1080	MT
Preps for infant use	1901.1085	MT
Preps for infant use	1901.1095	MT
Mixes and doughs	1901.2002	MT
Mixes and doughs	1901.2005	MT
Mixes and doughs	1901.2015	MT
Mixes and doughs	1901.2020	MT
Mixes and doughs	1901.2025	MT
Mixes and doughs	1901.2030	MT
Mixes and doughs	1901.2035	MT
Mixes and doughs	1901.2040	MT
Mixes and doughs	1901.2042	MT
Mixes and doughs	1901.2045	MT
Mixes and doughs	1901.2050	MT
Mixes and doughs	1901.2055	MT
Mixes and doughs	1901.2060	MT
Mixes and doughs	1901.2065	MT
Mixes and doughs	1901.2070	MT
Mixes and doughs	1901.2080	MT
Pudding ready to eat	1901.9025	MT
Dry mixtures	1901.9028	MT
Cajeta, not from cow's milk	1901.9032	MT
Margarine cheese	1901.9033	MT
Margarine cheese	1901.9034	MT
Margarine cheese	1901.9036	MT
Dairy preparations	1901.9038	MT
Dairy preparations	1901.9042	MT
Dairy preparations	1901.9043	MT
Dairy products	1901.9044	MT
Dairy products	1901.9046	MT
Dairy products	1901.9047	MT
Food preps	1901.9070	MT
Pizza and quiche	1901.909060	MT
Corn-soya milk blends	1901.909082	MT
Ice cream	2105.0005	MT
Ice cream	2105.0010	MT
Ice cream	2105.0020	MT
Edible ices	2105.0025	MT
Edible ices	2105.0030	MT
Edible ices	2105.0040	MT
Food preparations	2106.9003	MT
Food preparations	2106.9006	MT
Food preparations	2106.9009	MT
Butter substitutes	2106.9022	MT
Butter substitutes	2106.9024	MT
Butter substitutes	2106.9026	MT
Butter substitutes	2106.9028	MT
Butter substitutes	2106.9032	MT

Butter substitutes	2106.9034	MT
Butter substitutes	2106.9036	MT
Butter substitutes	2106.9038	MT
Food preparations	2106.9062	MT
Food preparations	2106.9064	MT
Food preparations	2106.9066	MT
Food preparations	2106.9068	MT
Food preparations	2106.9072	MT
Food preparations	2106.9074	MT
Food preparations	2106.9076	MT
Food preparations	2106.9078	MT
Food preparations	2106.9080	MT
Food preparations	2106.9082	MT
Dairy products	2106.9083	MT
Dairy products	2106.9085	MT
Dairy products	2106.9087	MT
Dairy products	2106.9089	MT
Dairy products	2106.9091	MT
Dairy products	2106.9092	MT
Dairy products	2106.9094	MT
Dairy products	2106.9095	MT
Dairy products	2106.9097	MT
Chocolate milk drink	2202.9010	liters
Milk based drinks	2202.9022	MT
Milk based drinks	2202.9024	MT
Milk based drinks	2202.9028	MT
Milk replacer	2309.90221	MT
Animal feeds cont. dairy	2309.90229	MT
Milk replacer	2309.90241	MT
Animal feeds cont. dairy	2309.90249	MT
Milk replacer	2309.90281	MT
Animal feeds cont. dairy	2309.90289	MT
Milk replacer	2309.90421	MT
Animal feeds cont. dairy	2309.90429	MT
Milk replacer	2309.90441	MT
Animal feeds cont. dairy	2309.90449	MT
Milk replacer	2309.90481	MT
Animal feeds cont. dairy	2309.90489	MT
Casein/Milk protein concentrate	3501.1010	MT
Casein	3501.1050	MT
Casein glues	3501.9020	MT
Caseinates	3501.9060	MT

Sent: Thursday, March 15, 2007 8:57 AM
To: FN-USTR-FR0704
Subject: "Duty-Free, Quota-Free"
15 March 2007

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative (USTR)

Subject: Comments on the 2005 WTO Ministerial Decision on Duty-Free Quota-Free Market Access for the Least-Developed Countries (LDCs)

Dear Ms. Gloria,

Warmest greetings from Bangladesh. As you know, during the Sixth WTO Ministerial Conference in Hong Kong, as stated in Annex F of the Ministerial Declaration, Member countries agreed that developed-country Members shall, and developing-country Members declaring themselves in a position to do so should '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'. However, the text of the following paragraph of the declaration loosens the above clause by stating that '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'. On behalf of the people of Bangladesh, we welcome the Office of the United States Trade Representative (USTR) for giving us the opportunity to provide our comments on the above declarations.

We strongly believe that as per the initial commitment, all developed-country Members and advanced developing-country Members shall immediately provide duty-free and quota-free market access for all products originating from all LDCs. There should not be any provision of offering duty-free and quota-free market access for at least 97 per cent of products originating from LDCs. As you know, LDCs have very few items in their basket while exporting those to other countries. Since 1971, number of LDCs has been increasing due to many countries' failure to build their capacity of export diversification and industrialization. These marginalized LDCs would be further marginalized if some of their export items were excluded in getting duty-free and quota-free market access because of the provision of duty-free and quota-free market access for at least 97 per cent of their products.

From the context of Bangladesh, you may be aware that more than 75 per cent export earning of the country is contributed by a single sector, readymade garments (RMG) sector. More than 2 million workers of this sector are women, whose livelihoods along with their family members are directly related with export performance of the sector. Therefore, in case of the exclusion of RMG products from duty-free and quota-free market access due to the clause of 97 per cent coverage of the products in the Ministerial declaration, the interests of Bangladesh as an LDC would be severely affected and the livelihoods of millions of people related with the sector would be at stake.

Considering the above facts, we urge to the Office of the USTR for taking necessary steps so that 100 per cent of products originating from all LDCs get duty-free and quota-free

market access to all developed and advanced developing countries' markets. We also call for the immediate inclusion of such clause in the domestic law of the United States along with other developed and advanced developing countries. Considering the harsh realities LDCs are experiencing, United States along with other developed and all developing countries should support for the inclusion of a clause mentioning the provision of providing duty-free and quota-free market access for all products originating from LDCs in the text of Non-Agricultural Market Access (NAMA) during the multilateral trade negotiation.

Sincerely yours,

--

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March 15, 2007

Ms. Gloria Blue
Executive Secretary, Trade Policy Staff Committee
Office of the U.S. Trade Representative (USTR)
600 17th Street, NW
Washington, DC 20508
Via electronic mail: FR0704@ustr.eop.gov

**RE: Comments on Duty-Free Quota-Free Market Access
for Least Developed Countries**

Dear Ms. Blue:

I am writing on behalf of Levi Strauss & Co. (LS&CO.) in response to the Federal Register notice of January 18, 2007, requesting comments on the WTO commitment to provide duty-free and quota-free market access for Least Developed Countries (LDCs).

LS&CO. is one of the world's leading branded apparel companies, marketing its products in more than 100 countries worldwide. The company designs and markets jeans-related pants, casual and dress pants, shirts, jackets and related accessories for men, women, and children under the Levi's®, Dockers®, and Levi Strauss Signature® brands. Based in San Francisco, California, LS&CO. is a global corporation with roughly 11,000 employees worldwide.

Given the tremendous disparity in the tariff treatment LDCs face and the need for additional economic development in these poor countries, LS&CO. welcomes the WTO initiative to provide duty-free and quota-free market access for products from LDCs. We request that apparel products, which play a leading role in these LDC economies, be included as part of the 97 percent of the products covered under the WTO arrangement. If the duty-free and quota-free market access is not extended to include apparel products, then the WTO initiative will do little to foster additional economic growth in these countries. As a result, we urge that the duty-free, quota-free initiative be implemented in a way that provides for the broadest product coverage possible, subject to simple rules of origin and transparent customs procedures that encourage rather than discourage trade.

Some of the most restrictive trade barriers remaining in the trading system today, such as high tariffs on agricultural and textile and apparel products, are particularly damaging for LDCs since their primary exports are commodities and clothing. Even when developed countries offer preferential trade arrangements for LDCs, these arrangements do not provide sufficient import relief to help them gain competitiveness. Moreover, those preference programs often have restrictive exceptions and complex rules of origin requirements that prevent LDCs from fully benefiting from the preferential trade terms.

A recent study by the Progressive Policy Institute (PPI) highlighted the effect of high tariffs on LDCs. The PPI study found that the United States collected \$496 million in tariffs from Bangladesh in 2006 on a trade volume of \$3.3 billion. For the same year, U.S. tariff receipts from the United Kingdom totaled only \$430 million on total trade valued at \$53.5 billion, over 16 times that of Bangladesh. The average U.S. tariff rate for UK-originating goods was a nominal 0.8 percent whereas goods from Bangladesh faced a high 15.2 percent tariff rate. This disparity is common for LDCs, since the goods they produce are often those facing the highest tariff rates in the United States, despite the fact that imports from LDCs constitute a negligible share of total U.S. imports.

LS&CO. has developed significant supplier relationships in many LDCs. These suppliers account for approximately 10 percent of our total global product mix. Extending duty-free and quota-free access to these countries would add an important element of stability and predictability to our business relationship with them and would help companies like LS&CO. continue to develop successful business partnerships and contribute to the economic development of these countries. To maximize the predictability of trade with LDCs under this proposal, we urge you to extend the duty-free and quota-free market access to these countries on a permanent basis.

We also would like to urge the Committee to take steps to ensure that exemptions are not invoked to limit the market access LDCs currently enjoy under current U.S. preference programs. For example, the Africa Growth and Opportunity Act (AGOA) currently provides temporary access for all apparel products produced in African LDCs. We believe that this level of access should be maintained under any new WTO initiative aimed at providing duty-free and quota-free market access for apparel products from LDCs on a permanent basis.

As we have developed commercial relationships with our suppliers in LDCs, LS&CO. has impressed upon them the importance with which we view labor rights and robust worker protections. Our Business Partner Terms of Engagement (TOE) establish clear work place standards and business practices that all of our partners must meet. Extending duty-free and quota-free market access to LDCs will help bolster our worker-friendly relationships with all of our suppliers in the countries in which we operate.

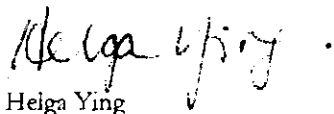
In keeping with our commitment to responsible sourcing, we would also like to express our concern that the WTO ministerial declaration did not include an exception to this proposal in the case of Myanmar. As you move to implement this initiative, we urge you to make it clear that the United States maintains a blanket import ban on products from Myanmar.

Finally, we urge the Committee to commit the United States to taking a leadership role in this initiative by implementing duty-free and quota-free market access for LDCs as soon as possible regardless of the progress of the ongoing Doha Round at the WTO. Time is of the essence if the LDCs are to truly benefit from the initiative, particularly with safeguard quotas on China set to be eliminated in 2008, potentially increasing competition on already struggling LDCs.

By quickly providing duty-free and quota-free access for products from LDCs, including apparel products which constitute these countries' primary exports, we believe that the WTO initiative can play an important role in helping to lift the LDCs out of poverty. We stand ready to work with you to ensure that the duty-free quota-free initiative, once implemented, helps to attract new investment and quality employment opportunities in the LDCs, which will not only benefit the LDCs themselves and companies like LS&CO. and our suppliers but also U.S. consumers. Please let me know if you have any questions. I can be reached at (415) 501-3974.

Thank you for your consideration.

Sincerely,



Heiga Ying
Director, Worldwide Government Affairs and Public Policy

LESOTHO TEXTILE EXPORTERS ASSOCIATION

Add.: P.O.BOX 15507 MASERU 100, LESOTHO
TEL: 266 – 2232 1823 FAX: 266 – 2232 1877

REF NO/LTEA/015/07

Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative
Washington
United States of America
FR0704@USTR.EOP.GOV

15th March 2007

Attention : Gloria Blue

DUTY-FREE QUOTA FREE

Dear Ms. Blue

I refer to the notice published in the Federal Register of 18th January 2007.

Kindly find attached a representation from the Lesotho Textile Exporters Association (LTEA) in respect of the World Trade Organisation's Least Developed Country "Duty-Free Quota-Free" (DFQF) initiative.

In summary the LTEA's submission states the following :

- 1 we are concerned at the initiative to extend DFQF to all LDC states. In this regard we are especially concerned with the fact that garment firms in Bangladesh and Cambodia will be now given 0% duty access to the USA. Firms in these countries are already our competitors – the fact that they could be given 0% will mean that there will be a significant erosion in the value of the AGOA preference.
2. we are of the view that the USA should use the DFQF agreement of the WTO to preclude these countries from sending in certain categories of textile and garment inputs into the USA.

The LTEA would like to thank you and you committee in advance for considering this submission.

Should you require any further information or clarity kindly contact me.

Yours sincerely


Jennifer Chen

President

Lesotho Textile Exporters Association

CC : David Rantekoa – Principal Secretary Lesotho Ministry of Trade & Industry, Co-operatives & Marketing
Peete Molapo – CEO Lesotho National Development Corporation
June Carter Perry – United States of America Ambassador to the Kingdom of Lesotho

**SUBMISSION OF THE
LESOTHO TEXTILE EXPORTERS ASSOCIATION
TO THE
TRADE POLICY STAFF COMMITTEE
OF THE
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
(15th March 2007)**

1. Standing of the Lesotho Textile Exporters Association

- The Lesotho Textile Exporters' Association (LTEA) is a voluntary association. It represents the majority of Lesotho's export orientated textile and garment manufacturers. In August 2006 the LTEA estimated that it represented 66% of all sectoral manufacturers, who collectively employed about 91% of the total workforce engaged in the sector.

	Total Lesotho Textile & Garment Manufacturing Industry		LTEA Membership	
	Firms	Workers	Firms	Workers
Woven garments	10	17136	6	15156
Knit garments	32	27188	22	25090
Made-up textiles	1	60	0	0
Textiles	1	1155	1	1155
Garment finishing	3	350	2	350
Total	47	45 889	31	41 751

- The LTEA represents the interests of its members in interactions with a wide range of stakeholders. It spends considerable time meeting with ministers and bureaucrats of the Government of Lesotho. It also regularly meets with representatives of the country's organised labour movement; as well as with a range of external stakeholders (e.g. the International Monetary Fund, the World Bank, and donors and aid agencies such as USAID and DFID).

2. Lesotho's Garment & Textile Industry : Situational Analysis

2.1. Industry Enterprise Profile

- Lesotho garment firms specialise in the production of denim garments (mainly jeans, but also some chinos), and garments made from cotton knit fabrics (mainly t-shirts, polo shirts, tracksuits & fleece). It is currently estimated that Lesotho's 42 apparel firms make 90 million knitted garments, 26 million pairs of jeans, and a growing range of other woven garments.
- Supporting Lesotho's garment industry is a commission screen printer and 2 embroidery firms. Some garment firms also have in-house capacities to undertake embroidery, screen-printing, and heat transfer processes. The Formosa denim mill (investment of over US\$85 million) uses African cotton to make about 6 300 tons of

denim fabric a year, and about 10 800 tons of cotton (and cotton blend) yarns which is suitable to make knit fabrics (most of these ring-spun yarns are currently exported but it is hoped that a knit fabric mill will establish itself in Lesotho in order to use these yarns to make knit fabrics for local consumption). The CGM Group (one of Lesotho's bigger employers) also owns a vertically integrated denim mill in South Africa (RSA).

- A basic industry profile is as follows :

Sector	July 2005		August 2006	
	Workers	Firms	Workers	Firms
Woven bottom garments	16 204	8	17 136	10
Knit garments	22 927	30	27 188	32
Denim fabric	1 045	1	1 155	1
Embroidery, screen-print, home textile	188	3	410	4
	40 364	42	45 889	47

2.2. Industry Employment

- The industry remains Lesotho's single largest formal sector employer – even though (during 2005 and part of 2006) employment dipped significantly below its mid-2004 peak. In August 2006 employment had increased dramatically; indications are that by January 2007 that even more workers could be employed¹. About 85% of industry employees are women; on average it is estimated that each worker could support another 5 family members².

Industry Employment	July 99	July 00	July 01	July 02	July 03	July 04	July 05	Aug 06
	9 847	16 417	23 518	33 140	44 345	53 087	40 364	45 889

- The contribution of the industry to Lesotho's economy goes beyond the sector itself – there are important employment and economic multipliers. A range of formal / informal sector activities occur that feed into/off the industry, e.g. a packaging industry; road freight transport; courier services; clearing and forwarding agents; security; passenger transport; traders that sell food to workers; residential accommodation; water, electrical and telecommunication utilities; etc.
- The direct employment provided by the industry is vital. In mid-2006 the Government of Lesotho (GoL) employed 38 323 civil servants; while the numbers of migrant Basotho employed in RSA mines stood at 51 724 (down from 61 525 in 2004). There are no other sizeable formal sector industries.

2.3. Wages & Working Conditions

- The wages earned by employees engaged in Lesotho's textiles & garment industry is of vital importance to Lesotho's economy. ComMark currently estimates that Lesotho textile and apparel workers could earn between M450 and M500 million a year. The wages earned by Lesotho garment manufacturers play a huge role in poverty alleviation.
- With effect from October 2006 skilled garment workers will be guaranteed a monthly minimum wage of M710 (about US\$100) and unskilled garment workers a wage of M660. Lesotho's labour laws enshrine all aspects of the ILO's core conventions (no

¹ Why? A number of new firms are currently in the process of scaling-up their production; while a number of new firms that have signed rental leases with the Lesotho National Development Corporation (LNDC) will move machinery to Lesotho and start to recruit.

² It is estimated that the population of Lesotho is about 2 022 331. If the average household size is about 5 then about 230 000 people could be dependant upon the income earned by textile and garment workers.

child / forced labour; non-discrimination; freedom of association), regulate maximum working hours (45 normal & 11 hours overtime per week); and minimum leave.

- While the application of Lesotho's labour laws is regulated by the inspectorate of the Lesotho Ministry of Labour, many Brands that source garments from Lesotho also monitor factory conditions. The GAP and Levis Strauss (in particular), but also Walmart, Jones Apparel, Sears, etc. regularly inspect the working conditions of workers employed by their Lesotho vendors.

2.4. Exports

- It is estimated that over 90% of Lesotho's textile & garment exports go to the USA. Lesotho continues to remain the largest Sub-Saharan African exporter of garments to the USA (in the period January-November 2006 30% of total SSA garment exports by value; and 29.6% by volume).

Lesotho's	1999	2000	2001	2002	2003	2004	2005
USA Exports	US\$111m	US\$140m	US\$214m	US\$321m	US\$393m	US\$456m	US\$391m

In the period Jan-Sept 2006 Lesotho exported US\$289.3 million worth of garments to the USA.

- Lesotho's next biggest purchaser of garments is Canada – small garment volumes also go to member states of the European Union, Dubai, Qatar, Chile, Japan and Taiwan. Lesotho firms are now beginning to sell small (but growing amounts) to RSA retailers. Lesotho's denim mill also exports denim fabric to Botswana, Kenya, Madagascar, and Mauritius; while it sells significant volumes of ring spun yarn to RSA knit fabric mills.
- In spite of EU trade preferences (Cotonou / GSP) Lesotho's EU garment exports are negligible. Between January and June 2005 Lesotho's EU garment exports accounted for about 0.2% of total country garment exports (total exports in period M1 390million).

Lesotho's	1999	2000	2001	2002	2003	2004	2005
EU Exports	€173 000	€1.8m	€3.8m	€2m	€1m	€850 000	€632 146

- Purchasers of Lesotho's garments include well known Brands such as : the GAP, Reebok, Jones Apparel, Edun, Levis Strauss, Walmart, K-Mart, Sears, Gloria Vanderbilt, Ralph Lauren, etc. It is thought that much of its garment exports to the EU are specialist items (chefs jackets), and for GAP stores. In recent times there has been growing interest in Lesotho's garment industry from retailers such as H&M and Nike, and from regional retailers such as Woolworths, Pep, Foschini and Mr Price.

2.5. Crisis & Challenges

- Between January and March 2005 7 Lesotho factories (all of which made knit garments) closed their doors; while many other factories retrenched portions of their workforces, or put workers on short-time. The main reasons behind the closures / downsizing were :
 - Currency Strength : since 2002 the Loti (which is tied to the RSA currency (the Rand)) at par has significantly strengthened in value. At the end of January 2002 US\$1 would buy M11.44; in January 2003 M8.65; in January 2004 M6.85; and in January 2005 M5.93 (at one point in December 2004 the US\$ plummeted to M5.58. The strong currency meant that Lesotho's garments were too expensive for USA buyers.

- Agreement on Textiles & Clothing : the expiry of the World Trade Organisation's (WTO) Agreement on Textiles & Clothing (also known as the "MFA") in December 2004 also had an impact. In terms of the MFA countries such as the USA, EU members, and Canada were no longer able (after 2004) to impose quantitative restrictions on the imports of clothing exports from countries such as China. Upon the MFA's expiry Chinese garment exports, especially in those categories of products that Lesotho firms specialise in producing, flooded into the USA. Some Brands took advantage of cheaper Chinese goods and ceased / radically reduced orders which normally would have gone to Lesotho. The fact that the USA has now imposed safeguards on certain Chinese exports (until 2008) has benefited Lesotho (to the extent that some orders have now returned to Lesotho). However some Brands that left Lesotho have developed alternative global procurement programmes that do not involve Lesotho.
- Going forward Lesotho will face 5 serious challenges :
 - AGOA Changes : in December 2006 USA lawmakers extended the 3rd country fabric provision until September 2012. This was a major victory for Lesotho (and other SSA exporters) – the move saved tens of thousands of local jobs. It is however a concern that the USA legislators introduced the concept of "abundant supply" fabrics in the extension; and have automatically assumed that denim fabrics are in "abundant supply" in Africa. This provision means that African denim garment producers will have to use a set amount of African-made denim fabric each year (30million m² equivalents of denim fabric). The effect of this may lead to the downsizing / closure of some Lesotho denim garment plants as the Brands that give them the orders want the freedom to choose the types of denims that they can use. This presents a threat to some of Lesotho's existing denim garment exporters (who collectively employ about 16 000 workers).
 - Export Incentives : the Southern African Customs Union's (SACU) Duty Credit Certificate Scheme (DCCS) rewards exporters with tradable value based financial incentives. In the past 2 years the DCCS has kept Lesotho's garment industry afloat – without it (in ComMark's view) more than half of Lesotho's industry would have disappeared. The RSA has now stated that it intends to review the DCCS; indicating that a replacement scheme may be put in place by April 2007. It could be, because of the RSA's own sector industrial policy objectives, that a replacement DCCS could be designed that is not entirely suitable for Lesotho's needs; or that no replacement scheme is developed at all.
 - Buyer Requirements : some buyers of Lesotho garments are pressurising firms to improve their capabilities to manufacture more complex garments. In this context some buyers want Lesotho firms to be able to undertake more sophisticated wet & dry washing / finishing processes on denim / knit garments (i.e. to add value to basic commodity garments). Lesotho firms are unable to respond to the challenge of garment finishing mainly because they do not have partnerships with globally operative garment finishing companies (training is not an issue – skills transfer at a senior level is); and because hazardous waste water cleaning facilities are required to support laundering and garment dyeing operations.
 - Expiry of USA China Safeguards : soon after the expiry of the MFA Chinese apparel products surged into the USA. In response this surge the USA (and the EU) imposed quantitative restrictions upon these products. The USA safeguards are set to expire in 2008; those of the EU in 2007. When they do, Lesotho made products will once again face stiff competition from China and may loose market share.

- Preference Erosion : a significant challenge that will confront Lesotho will arise from the WTO's proposals (from the Doha Ministerial) to further reduce industrial tariffs (Non-Agricultural Market Access (NAMA)) on a worldwide basis. If the industrial most-favoured-nation (MFN) tariffs of the rich economies (which have extended tariff preferences to Lesotho) are reduced it will undermine the preferences that Lesotho enjoys when its products enter their economies. At the moment Lesotho's apparel products enjoy significant tariff preferences as a consequence of AGOA (and the EU's Cotonou & GSP arrangements). If the USA (and EU) were to drop their MFN tariffs on clothing it would mean that the value of the 0% tariff preference extended to Lesotho would diminish.

2.6. Addressing Problems Proactively

- The Government of Lesotho (GoL) and a range of other stakeholders have attempted to improve circumstances for the industry, to this end they have done the following :
 - Inter-Ministerial Textile & Apparel Industry Task Team (IMTT) : in June 2004, on the basis of concerns raised by the private sector, the Lesotho Prime Minister directed that an IMTT should be established to work on industry concerns. The IMTT (comprising government, the private sector, organised labour) finalised its deliberations in September 2004. Its report covered a wide range of issues, including : tax collection, industrial incentives, speeding-up import & export transactions, the need for Lesotho to have a knit fabric mill, the issuance of work & residence permits, improving security in industrial area, and a range of infrastructural issues. The IMTT has had considerable success in achieving positive outcomes. Subsequent to the adoption of the IMTT main report the IMTT (led by the Lesotho Trade Minister) meets about every 2 weeks to monitor progress in implementation, and to address new issues. This has been / will be a key structure for driving changes to the industry.
 - Improving Firm Competitiveness : continual firm level performance improvement is vital if Lesotho garment firms are to remain in the global garment trade. It is encouraging to note that Lesotho firms have now started to invest in the training of their staff – some trainings have had spectacular results (one ComMark co-financed programme has resulted in a firm improving output by about 35%).
 - Investment Promotion : the Lesotho National Development Corporation (LNDC) has initiated plans to attract further sector investments to Lesotho. These investment promotion trips have been spectacularly successful. There has been a regional (SADC) explosion of interest in Lesotho as a destination where one can locate textile and garment production units. In addition in order to ensure that Lesotho's USA garment exports remain strong, a multi-stakeholder delegation (led by the Minister of Trade) has visited the USA twice in order to cement relationships with the USA Brands that purchase (and do not purchase) Lesotho garments.
 - Currency Depreciation : the fact that in recent times the RSA's currency has lost value (vis a vis the US\$) has resulted in some profitability being restored to the industry. Currently (30th January 2007) the rate is US\$1 : M7.32. Of course currency volatility remains a problem.
 - Tax Concessions : the GoL, cognizant of the problems being faced by the existing industry, and in an effort to give the LNDC a significant tool to attract more industry, announced (February 2006) a reduction in the corporate manufacturing tax rate from 15% to 0% for those that export out of SACU, and to 10% for those that sell product within SACU.

3. Concerns – Preference Erosion

- The LTEA is extremely concerned with the WTO's decision that will grant all Least Developed Countries (LDC) duty free and quota free access to the economies of the world's developed (and developing) nations by 2008. LTEA members are of the view that this initiative may severely erode the existing developmental trade preferences that have been extended to Lesotho's textile and garment manufacturers – in particular those trade preferences contained in the African Growth & Opportunity Act (AGOA).
- LTEA members are especially concerned with the prospect of Bangladesh and Cambodia gaining duty-free and quota free preferential access to the USA textile and apparel market place. Bangladesh and Cambodia are already exporters of textile and garments products, and the LTEA is of the view that their manufacturers could easily expand their existing production. Some LTEA members have also expressed a concern relating to the garment manufacturing capacity of firms located in LDC states such as Nepal and Samoa (the later is in the process of becoming a WTO member).

The LTEA is concerned that some of the garment orders that have "traditionally" been placed in Lesotho would drift to factories in Cambodia and Bangladesh, much in the same way that many garment orders moved from Lesotho to China once the MFA expired in December 2004. A loss of garment orders will result in many employees being placed on short time working, and in worst case scenarios, being retrenched. The consequences for the entire fabric of the entire Basotho nation would be devastating.

- Should it happen that the developed and developing countries grant unrestricted access to all products from WTO LDC members in 2008 Lesotho will be placed under enormous pressure. Not only will it have to deal with a probable drift of orders to the places like Cambodia and Bangladesh, but it will also have to deal with the effects of the expiry of the USA's China safeguards. Given a successful conclusion to the WTO's NAMA discussions (see section 2.5., above) then Lesotho will be placed under even further pressure.

4. Proposal

- the LTEA would request that the USA consider ways in mitigating the impact that this WTO decision will have on Lesotho.
- In this regard the LTEA would propose that the USA should consider using Section 36(a)(ii) of the Annex "F" to the Hong Kong Ministerial Declaration. This provision allows the developed and developing country WTO members to limit market access to a maximum of 97% of products originating from LDC (defined at tariff line level). From our reading of the clause perhaps the USA can implement specific actions against Bangladesh and Cambodia. In this regard we would request that the USA include the following tariff lines :

Category	Product
Products Requiring Critical Protection	
338	Mens & boys knit shirts
339	Womens & girls knit shirts & blouses
342	Skirts
347	Mens & boys trousers, breeches & shorts
348	Womens & girls trousers, breeches & shorts
638	Mens & boys knit shirts
639	Womens & girls knit shirts & blouses
642	Skirts
647	Mens & boys trousers, breeches & shorts
648	Womens & girls trousers, breeches & shorts

Category	Product
Products That Could also be Afforded Protection	
239	Babies garments & clothing accessories
438	Knit shirts & blouses
443	Mens & boys suits
444	Womens & girls suits
447	Mens & boys trousers, breeches & shorts
448	Womens & girls trousers, breeches & shorts
635	Womens & girls coats
640	Mens & boys shirts, non-knit
641	Womens & girls shirts & blouses , non-knit
643	Mens & boys suits
644	Womens & girls suits

We have developed two categories on the basis that those in the critical list are currently being made by Lesotho firms, while those in the second category are products that Lesotho firms intend manufacturing

From: Jennifer Chen
Sent: Thursday, March 15, 2007 11:56 AM
To: FN-USTR-FR0704
Subject: DFQF

Attachments: Submission from LTEA.pdf
Dear Ms. Gloria Blue

Please receive the submission from Lesotho Textile Exporters Association.

Thanks,
Jennifer

From: Sharifa Khan [
Sent: Thursday, March 15, 2007 3:12 AM
To: FN-USTR-FR0704
Subject: "Duty-Free, Quota-Free"
US must provide duty-free and quota-free market access immediately for all exportable items from Bangladesh.

Dipu

Bored stiff? Loosen up...
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From: Fatima Karim |
Sent: Thursday, March 15, 2007 4:39 AM
To: FN-USTR-FR0704
Subject: Re: "Duty-Free, Quota-Free"

All LDCs should be granted with 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.

Looking for earth-friendly autos?
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Sent: Thursday, March 15, 2007 9:02 AM
To: FN-USTR-FR0704
Subject: "Duty-Free, Quata-Free"
15 March 2007

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative (USTR)

Subject: Comments on the 2005 WTO Ministerial Decision on Duty-Free Quota-Free Market Access for the Least-Developed Countries (LDCs)

Dear Ms. Gloria,
Warmest greetings from Bangladesh. As you know, during the Sixth WTO Ministerial Conference in Hong Kong, as stated in Annex F of the Ministerial Declaration, Member countries agreed that developed-country Members shall, and developing-country Members declaring themselves in a position to do so should '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'. However, the text of the following paragraph of the declaration loosens the above clause by stating that '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'. On behalf of the people of Bangladesh, we welcome the Office of the United States Trade Representative (USTR) for giving us the opportunity to provide our comments on the above declarations.

We strongly believe that as per the initial commitment, all developed-country Members and advanced developing-country Members shall immediately provide duty-free and quota-free market access for all products originating from all LDCs. There should not be any provision of offering duty-free and quota-free market access for at least 97 per cent of products originating from LDCs. As you know, LDCs have very few items in their basket while exporting those to other countries. Since 1971, number of LDCs has been increasing due to many countries' failure to build their capacity of export diversification and industrialization. These marginalized LDCs would be further marginalized if some of their export items were excluded in getting duty-free and quota-free market access because of the provision of duty-free and quota-free market access for at least 97 per cent of their products.

From the context of Bangladesh, you may be aware that more than 75 per cent export earning of the country is contributed by a single sector, readymade garments (RMG) sector. More than 2 million workers of this sector are women, whose livelihoods along with their family members are directly related with export performance of the sector. Therefore, in case of the exclusion of RMG products from duty-free and quota-free market access due to the clause of 97 per cent coverage of the products in the Ministerial declaration, the interests of Bangladesh as an LDC would be severely affected and the livelihoods of millions of people related with the sector would be at stake.

Considering the above facts, we urge to the Office of the USTR for taking necessary steps so that 100 per cent of products originating from all LDCs get duty-free and quota-free

market access to all developed and advanced developing countries' markets. We also call for the immediate inclusion of such clause in the domestic law of the United States along with other developed and advanced developing countries. Considering the harsh realities LDCs are experiencing, United States along with other developed and all developing countries should support for the inclusion of a clause mentioning the provision of providing duty-free and quota-free market access for all products originating from LDCs in the text of Non-Agricultural Market Access (NAMA) during the multilateral trade negotiation.

Sincerely yours,

Md. Manirul Islam
Bangladesh

Sent: Thursday, March 15, 2007 6:24 PM
To: FN-USTR-FR0704
Cc: 'Mahmood Hussain'
Subject: Subject: "Duty-free, Quota-Free"

e-mail: FR0704@USTR.EOP.GOV

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".

Mahmood Hussain, PhD
Assistant Professor
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San Francisco State University
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San Francisco, CA 94132, USA

Email: hussain@sfsu.edu
Homepage: <http://userwww.sfsu.edu/~hussain>
Phone: 415-338-6290
Fax: 415-338-0596 (Attn: M. Hussain)

From:

Sent: Thursday, March 15, 2007 7:01 AM

To: FN-USTR-FR0704

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.

A Awal Howladar

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Sent: Thursday, March 15, 2007 7:45 AM

To: FN-USTR-FR0704

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".

Golam R. Hiru

Executive Director

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Send instant messages to your online friends <http://uk.messenger.yahoo.com>

Sent: Thursday, March 15, 2007 9:41 AM
To: FN-USTR-FR0704
Subject: 100% Duty and Quota Free Entry in the US Market

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

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

Kazi Hasan

From: Tasnimul Haque

Sent: Thursday, March 15, 2007 11:29 PM

To: FN-USTR-FR0704

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

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From:

Sent: Thursday, March 15, 2007 6:38 AM

To: FN-USTR-FR0704

From: **Mir Nasir Hossain**, President
The Federation of Bangladesh Chambers of
Commerce and Industry (FBCCI).

To: USTR

E-mail: FR0704@USTR.EOP.GOV

Sub: Duty-Free, Quota Free.

1. 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.**
2. "There should be no discrimination of treatment among LDCs. All LDCs should be **granted duty-free and quota free market access for all products.**

EMBASSY OF THE KINGDOM
OF LESOTHO



THE AMBASSADOR

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LW/GOV/24

March 15, 2007

The Honourable Susan C. Schwab
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Schwab:

In response to USTR's request for comments from various stakeholders on the initiative to provide duty-free and quota-free (DFQF) market access for Least Developed Countries globally, I am pleased to provide initial comments with the hope that there would be further opportunities to discuss this important trade issue in more detail.

The implications of a DFQF market access initiative, of course, would be the greatest for sub-Saharan Africa as it is the only region of the world getting poorer. By providing AGOA-type benefits, however, for LDC's globally, it is clear that the margin of preference currently enjoyed by African nations under AGOA would be eliminated.

As you may already know, in the case of Lesotho, the advent of AGOA switched the market focus of Lesotho garments industry from SACU and the EU to the US and 99% of the exports fell in the apparel and textile sector category of which 98% were eligible for AGOA. As a result, the textile and garments industry remains Lesotho's single largest formal sector employer, estimated at 47,000 in 2006, contributing to poverty reduction and further integrating Lesotho into the world economy. Lesotho feels strongly, therefore, that implementation of the DFQF Initiative should not jeopardize the benefits being enjoyed under AGOA, but rather should strive to build on the success so far achieved. Lesotho has been able to reform her economic policies, improve industrial infrastructure and therefore attract foreign direct investment so that she is now the largest Sub-Saharan exporter of garments to the US.

The African Union is presently preparing for a high-level meeting of Trade Ministers scheduled for May 2007 in Brazzaville, Congo wherein, the issue of creating a single preference program and the resulting implications for Africa will be discussed in great detail. In light of the gravity and potential impact of this proposal on African nations, as well as the need to ensure that African vision leads foreign aid inherent within the DFQF initiatives, we urge you to allow more time for African leaders to assess the impact and discuss possible alternatives before the United States advances a DFQF proposal.

The Honourable Susan C. Schwab

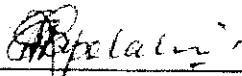
March 15, 2007

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Since 32 of the 42 LDCs that benefit from US preference programs are located in Africa, legislation that addresses LDCs will have the most implication on this continent. African industries were already forced to take several steps backward in 2005 with the phase-out of the global textile and apparel quotas, and another setback could cripple African industries even further and hinder the development of African economies – especially in the apparel sector. For example, Bangladesh and Cambodia each exported more than twice as much apparel to the US in 2006 than all 37 AGOA countries combined. Therefore, it is not only necessary, but essential to provide government officials in Africa with the proper time to evaluate the proposed trade agenda and its potential impact, lest the intended benefits of the DFQF end up not being realized by the poorest of the poor countries like Lesotho.

Please be assured of my best wishes.

Sincerely,



MOLELEKENG E. RAPOLAKI
AMBASSADOR

CC: Congressman Rangel
Congressman McCrery
Senator Baucus
Senator Grassley