



WFSGI Trade Committee Webinar

September 30, 2022



Agenda



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1. WTO Public Forum
2. United Arab Emirates Scheme Control of Textile Products
3. Egyptian Import Restrictions
4. Next Meeting
5. AOB



1. WTO Public Forum



1. WTO Public Forum



BACKGROUND:

- WFSGI Submission was rejected
- Out of 200 proposals, 80 were rejected

UPDATE:

- WFSGI Secretariat asked for reason:
 - informally learned that proposal not covering diversity and inclusion strongly enough to be accepted.
 - WTO has currently a female DG and there has been a lot of personal and cultural changes recently at the WTO: strong new focus on inclusion, gender diversity, etc.
 - When talking about mandate of WTO, we always need to cover the question how that does contribute to inclusive trade with regard to sustainability, women, etc. The Diversity and Inclusion dimension is key under this WTO administration.
- WTO series of podcasts with focus on football as a local game but a global product.



2. UAE Scheme Control of Textile Products



2. UAE Scheme Control of Textile Products (I)



BACKGROUND:

- Issues the industry has with the UAE scheme for the control of textile products.
- WFSGI had a webinar with the UAE Ministry of Industry & Advanced Technology (MIAT) to discuss our concerns
- An update has been circulated after that webinar
- MIAT offered another webinar with WFSGI member companies to go through all persisting concerns.

DISCUSSION:

- Do participants still face issues with the UAE scheme and if so, if another webinar with the MIAT would be appreciated?



2. UAE Scheme Control of Textile Products (II)



#	Concerns in WFSGI Letter	MOIAT Explanations Given During Webinar
1.a)	<p>Number of required Tests:</p> <ul style="list-style-type: none"> only 45 SKUs per certificate allowed each style requires another test <p>WFSGI request for registration per HS code</p>	<ul style="list-style-type: none"> MOIAT has changed the SKUs allowed per certificate from 45 to 100. This means practically speaking that if a company imports 300 SKUs falling under one single HS Code, then one single testing is sufficient, 10 HS Codes can be allowed for each application. Furthermore, MOIAT expressed their concerns over the suggestions to apply a similar process as with SABER in Saudi Arabia. According to the SABER system each shipment must be certified which is causing much more administrative hurdles than what the UAE is proposing. MOIAT also clarified that if an item is imported in different sizes, then not each HS code has to be certified but the HS code digits changing for the size of the item can simply be replaced by "XX" as a variable. And there is no need to register for each size. However, MOIAT made it clear that they need a certification per article numbers, barcode or identification digit. This remains the main reference for them to trace the product and related to the respective certificate. That's why they don't accept certification per HS Code if it not printed in the product label for traceability purposes.
1.b)	<p>Scope of Tests:</p> <p>The testing requirements comprise too many parameters. Existing certificates such as Oeko-Tex are not being accepted while they would serve the purpose of the scheme.</p>	<p>MOIAT has explained that they now do accept Oeko-Tex Test Reports and certificates as long as the test report contains the parameters are tested according to UAE regulation and the test result complies with the requirements of the regulation.</p>



2. UAE Scheme Control of Textile Products (II)



#	Concerns in WFSGI Letter	MOIAT Explanations Given During Webinar
2.a)	<p>Validity of Registration:</p> <ul style="list-style-type: none"> One-year limited validity of certification Cumbersome process to keep control of unsold products for re-registration 	MOIAT explained that the test reports for a product will keep their validity for 3 years.
3.a)	<p>Costs:</p> <p>USD 520 per application and USD 3'' per product testing is a financial burden.</p>	Nil
4.a)	<p>Specific Label for UAE:</p> <p>Such labelling requirement is a barrier to trade preventing companies of selling product in other markets.</p>	MOIAT explained that the labelling can be put in the shelf where the product is placed. There is no need to print the information into the product or on the label. There is also the possibility to include the information on a hang tag. MOIAT also explicitly said that they are open to receive further suggestions on how to put the information forward. The principal intention is to inform the consumer about the fact that the specific product is duly certified.
4.b)	<p>Including factory details on stitched label:</p> <p>Prevents any kind of flexibility to adopt sourcing structure due to supply chain disruption.</p>	
5.a)	<p>Processing:</p> <p>Multitude of file uploads are necessary per product which is time consuming.</p>	MOIAT admitted that while their IT system was migrated not everything worked as intended. However, by now everything should be solved and necessary modifications to the system were made to make it more applicable to textile products.



3. Egyptian Import Restrictions



3. Egyptian Import Restrictions (I)



BACKGROUND:

- Different (non-tariff) import requirements
- information is solely provided verbally, and no written regulations available:
 - a) Quality certification process: annually issued by testing lab
 - b) ISO9001 certification:
 - was supposed to be effective as of June/2022, granted one year extension, under condition that sign off a letter stating that all their factories would obtain a ISO9001 certification within a year.



3. Egyptian Import Restrictions (II)



a) Bank Letter of Credit:

As of March/2022, the Central Bank of Egypt requires importing operating shall be processed under a Letter of Credit. Demands alignment between supplier/seller (EOR) and his bank on the exporting country – with the bank on the Egyptian side (local distributor, IOR)



DISCUSSION:

- a) We would like to discuss on industry level a possible consolidated approach to get a clear understanding of the legal situation to better understand the requirements and discuss next steps (if the case, once there is a common understanding of the situation).



4. Next Meeting

AOB



4. Next Meeting



- Next Meeting at ISPO:

Venue: Room A22, Munich Fairgrounds,
Germany

Date and Time : November 30, 2022, from
9:00 to 17:00 CET

- WFSGI Booth: Future Lab - Hall B2.404



5. AOB



- AOB?
- WFSGI-McKinsey Survey for State of the Industry Report





Thank You!

