

# EMBASSY OF THE UNITED STATES OF AMERICA

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## REMARKS BY AMBASSADOR JAMES F. MORIARTY

### Cotton Council International License Award Ceremony

**DHAKA, APRIL 13** -- Following is the text of remarks of Ambassador James F. Moriarty at the Cotton Council International License Award Ceremony on Monday, April 13.

(begin text)

Good afternoon. Thank you for inviting me to this ceremony. I am extremely pleased to recognize four Bangladeshi companies, now licensed to use the Cotton USA mark. I am proud these companies are committed to the high quality standards required by this license.

Bangladesh's textile industry has grown significantly, and it has become one of the largest consumers of raw cotton. I encourage this industry to increasingly consider US cotton for its high quality, timely shipment and product assurance.

The fact that these firms have earned the Cotton USA license illustrates many things. It illustrates that the Bangladesh textile and garment industry has achieved a highly respectable position in the global market. It illustrates how important your industry is to the economic growth of Bangladesh. Above all, it illustrates how interconnected the global economy has become.

Today there are almost no products or services exclusively produced in one country. Your goods are made with raw materials imported from other countries, including the United States. In fact, cotton is the single largest U.S. export to Bangladesh. Last year Bangladesh imported 3.1 million bales of raw cotton, of which 300,000 bales were of U.S. origin, much of it bought by the firms represented here today. Thank you for "buying USA!" Your goods are made on machines with parts manufactured in several different countries, including the United States. Your goods are exported by shipping companies from many different countries,

including the United States, on ships built in yet other countries. In short, a global economy means many different countries contribute a little bit to every product.

Bangladesh's textile industry owes much of its success to the global economy. The phenomenal economic growth of the last 20 years is largely the result of a more open and interconnected world trading system. Importers worldwide discovered the high quality and low price of goods "Made in Bangladesh." The resulting growth in the textile industry raised living standards in Bangladesh and gave the rest of the world clothing, fabric and house wares at lower prices. This is an example of why the global economy developed – the benefits are mutual.

As we all know, the global economy is going through some very difficult times at present. Within the last year, we have seen the economic slow-down spread from one country to another. Today, almost no country in the world is unaffected. Many observers are shocked at how quickly and sharply the slow-down unfolded. Because the world is so integrated, the effects of the global recession are felt everywhere.

The United States is doing its part to respond to the crisis and get the U.S. economy going again. There are essentially three pillars to the U.S. response: banking, housing and economic stimulus. First, the U.S. government has funneled hundreds of billions of dollars to get U.S. banks and financial institutions lending again, including financing trade. The U.S. Government also has adjusted its monetary policy to keep interest rates low, to get American consumers and businesses borrowing again. Second, we have taken steps to help American homeowners pay their mortgages and keep their homes. Third, President Obama recently signed into a law a \$787 billion fiscal stimulus package. This package of tax cuts and spending initiatives aims to jump-start the U.S. economy.

Jump-starting the U.S. economy is just one step in the process of global economic recovery. Other developed nations are taking similar actions to repair their markets and institutions. We must also address global trade. Many have blamed globalization for the current economic troubles. In many countries, people are urging their governments to increase trade barriers, hoping this will bring their own economies back to recovery. We must resist this temptation.

At the recent G20 Summit in London, President Obama praised the G20 leaders for rejecting trade protectionism, saying that closing borders to trade only deepens the crisis.

History shows that open trade is a reliable engine of economic recovery, while closed markets only prolong distress. In the 1930's, during the Great Depression, U.S. policy-makers

increased trade barriers. It was a desperate attempt to protect domestic industries. Other nations followed suit. In a short time, world trade virtually collapsed. In contrast, periods of steady economic growth, as Bangladesh has experienced recently, were, in part, the result of increased globalization and more free and open trade.

With its economic growth, Bangladesh has become an important player in world trade. I appreciate the role that Bangladesh plays as an advocate for the least developed countries in the current economic crisis.

While the integrated global trading system we have is not perfect, it can spur our economic recovery. It is only by working together that different nations strengthen their own and each other's prosperity. In his recent testimony before Congress, U.S. Trade Representative Ron Kirk quoted an African proverb that "one should take no comfort from the hole in the other end of the boat." Protectionism only helps one end of the boat. All of us are in this boat together, and one country cannot protect its part of the boat while allowing the rest of the boat to sink. The United States looks forward to working with its global trading partners, including Bangladesh, to keep the boat of global trade afloat.

I congratulate you for earning the Cotton USA license, and I appreciate your confidence in the future of our trading partnership.

Thank you.

(End text)

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*\*As prepared for delivery*

**GR / 2009**