



PRESS STATEMENT

73 Members of Congress and U.S. Textile Industry Urge U.S. Govt. to Expand Textile Monitoring Program to Imports from China

Move Would Monitor Imports for Illegal Dumping

EMBARGOED until 11:00 AM ET, September 30, 2008

Washington, DC – Seventy-three (73) U.S. Representatives led by Textile Caucus Co-Chairs Howard Coble (R) of North Carolina and John Spratt (D) of South Carolina sent a letter on Friday to President George W. Bush urging his Administration to extend and expand the Textile Monitoring Program (TMP) to cover U.S. textile and apparel imports from China beginning on January 1, 2009, the first day following the expiration of U.S.-China textile bilateral signed in 2005. The TMP currently monitors U.S. apparel imports from Vietnam for illegal dumping.

Ten textile and fiber industry trade associations and the labor union UNITE HERE also sent a letter on Monday to U.S. Secretary of Commerce Carlos Gutierrez and U.S. Trade Representative Susan Schwab making the same request.

“The strong congressional support for the textile monitoring program further exemplifies the changing current towards a stronger trade enforcement policy, especially when dealing with non-market economies that provide their manufacturing sectors with massive financial incentives and WTO illegal subsidies. We appreciate their leadership and encouragement to find real solutions to the unfair trade balance in our manufacturing sector,” said Cass Johnson, President of the National Council of Textile Organizations.

Noting that the White House and Congress are working at a feverish pace to pass a \$700 billion rescue package for Wall Street and that as part of that discussion, there have been numerous promises from both parties that middle-class America would not be overlooked, American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo said, “To boost the economy it is just as important to help U.S. manufacturing sector like textiles that are under siege from predatory imports from countries like China. We think a great start would be to extend and expand the textile monitoring program to help preserve the 500,000 middle-class American jobs in the textile and apparel sector.”

The expiration of Chinese safeguards next year has raised grave concerns among the U.S. textile sectors and its workers, as well the United States preference partners in the CAFTA and African countries that rely on domestic components. To underscore this point, earlier this month, seventeen international textile and apparel organizations sent letters to Secretary Gutierrez, Ambassador Schwab and the chairs and ranking members of the U.S. Senate Finance and the U.S. House Ways and Means Committees urging the extension and expansion of the TMP.

“Extending the TMP program to China once safeguards expire will provide the U.S. government with the necessary resources to effectively track China’s import and pricing practices. This will enable it to react quickly if China illegally dumps its imports into the U.S. market and harms our domestic workforce, as well as the vulnerable in developing countries,” said Karl Spilhaus, President of the National Textile Association (NTA).

Concerns about dumping are not unwarranted, as the expiration of quotas in 2005 resulted in a 40 percent price drop on and a nearly 600 percent volume increase of U.S. textile and apparel imports from China, severely disrupting market. This led the U.S. government to impose safeguards on numerous categories of U.S. textile and apparel imports from China, which in turn, encouraged the United States and China to negotiate the bilateral that expires at year end.

“Textile manufacturers in the United States are the most competitive in the world, but they cannot compete indefinitely against producers from countries like China that both engage in predatory trade practices and benefit from illegal subsidies. By extending and expanding the monitoring program, the United States would be sending a clear message that it won’t allow illegally priced goods to be dumped into the market,” said Ruth Stephens, Executive Director of the U.S. Industrial Fabrics Institute (USIFI).

Under the textile monitoring program, the Department of Commerce analyzes import data from sensitive textile and apparel categories for signs of possible dumping. If the Department believes that dumping may be occurring, then the Department will open an investigation which could lead to the Department filing a dumping case. The Department analyzes the data by reviewing preliminary import figures for both volume and price; a typical dumping case would involve a surge in imports accompanied by a significant fall in unit prices. Every six months, the Department does a formal review of the data, which includes industry input.

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U.S.-China Textile and Apparel Trade Fact Sheet

September 30, 2008

WASHINGTON, DC – The 2005 U.S.-China bilateral agreement limits the growth of U.S. imports of Chinese textile and apparel products in all or parts of thirty-four (34) sensitive categories through the end of 2008.

Categories Covered by the U.S.-China Bilateral

Product Category / Description	2007 U.S. Imports from China	2007 China Share of U.S. Import Market
<u>Apparel Products</u>		
239(P) – Baby Socks ¹	1.8 million kilograms	53.9%
332(P)/432(P)/632(P) – Socks	860.0 million pair	27.7%
338(P)/339(P) – Cotton Knit Shirts	278.4 million shirts	5.6%
340/640 – M&B Woven Shirts	90.7 million shirts	17.6%
345/645/646 – Sweaters	106.9 million sweaters	52.7%
347/348 – Cotton Trousers	265.3 million trousers	12.1%
349/649 – Brassieres	272.2 million brassieres	45.7%
352/652 – Underwear	277.3 million pieces	8.9%
359-S/659-S – Swimwear	4.9 million kilograms	18.4%
443 – Wool Suits	1.3 million suits	19.7%
447 – Wool Trousers	0.2 million trousers	13.0%
638(P)/639(P) – MMF knit shirts	105.5 million shirts	11.3%
647(P)/648(P) – MMF trousers	111.3 million trousers	15.5%
847 – Silk/Vegetable Fiber Trousers	152.8 million trousers	88.7%
<u>Home Furnishings and Textiles</u>		
200/301 – Thread / Combed Cotton Yarn	2.7 million kilograms	4.5%
222 – Knit fabric	11.0 million kilograms	11.0%
229 – Special Purpose Fabric	11.1 million kilograms	8.2%
363 – Cotton Towels	100.3 million towels	14.0%
619 – Polyester Filament Fabric	40.8 million square meters	17.2%
620 – Synthetic Filament Fabric	26.5 million square meters	4.1%
622 – Glass Fiber Fabric	15.2 million square meters	21.2%
666(P) – Window Blinds	0.6 million kilograms	7.2%
TOTAL ALL CATEGORIES COVERED	2.5 billion square meters	13.9%

MMF = man-made fiber (P) = Part Category

M&B = men's and boys'

All U.S. textile and apparel import data statistics were obtained from U.S. Office of Textiles and Apparel.

Sum of U.S. Imports From China Not Covered by the U.S.-China Bilateral

Product Category / Description	2007 U.S. Imports from China	2007 China Share of U.S. Import Market
0 – Total Textile and Apparel	18.9 billion square meters	53.7%

¹ For quota purposes, Category 239 (Baby Socks) are counted as part of the limits covering categories 332, 432, and 632 (Cotton, Wool, and MMF Socks).

Facts on the Value of U.S. Textile and Apparel Imports From China

The combined value of total U.S. imports from all countries in the categories and part categories covered by the agreement was \$51.26 billion for 2007, with imports from China accounting for slightly more than \$8.5 billion (16.6 percent) of that total.

In terms of the \$321 billion in total U.S. imports of all goods from China in 2007, U.S. imports of textiles and apparel under quota account for only 2.6 percent of that trade.

For textile and apparel imports not covered by the U.S-China bilateral, the value of U.S. imports was \$45.15 billion with China's share accounting for \$23.81 billion (52.7 percent)

In 2007, the United States imported \$96.4 billion in textile and apparel products from the World, including \$32.3 billion from China (33.5 percent).

Quick Facts on Imports and Jobs

- In 2007, all U.S. textile and apparel imports from China increased by 15 percent by volume and 19 percent by value.
- For year-to-date July 2008, China has a 39.6 percent U.S. import market share by volume. In contrast, China's share of the U.S. import market by volume for the same time period in 2004 was 24.5 percent.
- For year-to-date July 2008, China has a 13.4 percent share in the bilateral categories and part categories by volume. Compared to China's nearly 54 percent share in non-bilateral categories, it is clear that China has room to grow in these critical categories.
- Since January 2001, U.S. textile and apparel employment has fallen from 1,047,200 to 493,700 as of August 2008. The loss of 553,500 jobs represents a loss of 53 percent of the January 2001 workforce.

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