
Textile Industry Announces Intention to File Threat-Based China Safeguard Petitions in September

September 1, 2004

WASHINGTON, DC – The American Manufacturing Trade Action Coalition (AMTAC), the National Council of Textile Organizations (NCTO) and the National Textile Association (NTA) announced their intention to file threat-based special textile safeguard petitions in mid-to-late September.

“It is clear that the special textile China safeguard allows for the filing of threat-based safeguard petitions by textile manufacturers of inputs for apparel products. We intend to exercise the right to file threat-based petitions in mid-to-late September to prevent China from causing irreparable damage to the U.S. textile industry and the U.S. textile and clothing market,” said AMTAC Executive Director Auggie Tantillo.

A newly updated NCTO study shows that China now controls 72 percent of the U.S. market in the 29 apparel categories released from quota in 2002. “History has proven that China can capture as much as 30 to 40 percent market share in a single year. We cannot and will not allow China to do the same thing in the categories still under quota. If China captures a similar amount of market share in the categories still under quota, much of the world’s textile and clothing industry will cease to exist,” said NCTO President Cass Johnson.

Categories targeted for safeguard filings include categories such as 347 and 348, men’s and boys’ cotton trousers and women’s and girls’ cotton trousers.

Safeguard petitions will be filed with the Committee for the Implementation of Textile Agreements (CITA), an interagency group comprised of representatives from the Departments of Commerce, State, Treasury and Labor, as well as the Office of the U.S. Trade Representative.

“Apparel inputs comprise a substantial portion of the U.S. textile industry’s output. U.S. manufacturers exported \$13.8 billion worth of textile and clothing products to Mexico and the Caribbean Basin Initiative countries in 2003. Most of those exports were inputs for textile and clothing destined for re-export back to the United States. That is one reason why threat-based China safeguard petitions are vital to the survival of the U.S. textile industry,” said Karl Spilhaus, President of NTA.

The United States is the largest textile and clothing importer in the world, importing more than \$77 billion worth of textile and clothing products in 2003. Of that total, more than \$61 billion – over \$53 billion in apparel and \$8 billion in textiles – was in categories where quotas are scheduled to expire in 2005.

These extremely sensitive product sectors include all of the major apparel categories, such as men’s and women’s trousers, men’s and women’s shirts, and women’s blouses, skirts and dresses. Key home furnishing categories, such as towels and sheets, also will be released from quota on January 1, 2005. Many of these products are made from various raw materials such as cotton, wool and man-made fibers also produced in the United States.

A system that allows one or two countries to monopolize key markets, including the enormous U.S. market, in these critical product areas will cause massive employment disruption both at home and abroad.

The United States still has 702,500 direct manufacturing workers directly employed in the textile and apparel sector as of July 2004.

Moreover, many developing countries that are dependent upon sales to the U.S. market, such as our preferential trading partners under NAFTA, AGOA and the Caribbean Basin Trade Partnership Act, also have millions of workers directly or indirectly dependent on apparel manufacturing for employment.

Finally, millions of jobs are at stake in countries such as Turkey, Bangladesh, Sri Lanka, Indonesia, Thailand and the Philippines, on the front line of the war on terrorism.

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