

September 11th, 2008

Secretary Carlos Gutierrez
United States Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Ambassador Sue Schwab
Office of the United States Trade Representatives Office
600 17th Street, N.W.
Washington, DC 20508
United States of America

Dear Secretary Gutierrez and Ambassador Schwab:

As representatives of textile and apparel groups from seventeen developed, developing and least developed countries, we are asking that you help to ensure that China does not devastate and overrun our vital textile and apparel export markets when the current safeguards expire on January 1st, 2009. Specifically, we are asking that the United States government maintain and extend the Textile Monitoring Program (TMP), currently in place for Vietnam, to China on January 1, 2009.

The extension of the TMP to China will allow the U.S. government to move quickly if China attempts to repeat the outrageous behavior that occurred three years ago. During that time, between January and May 2005, quotas were briefly removed and Chinese prices dropped 40 percent and its apparel exports to the U.S. increased by more than 600 percent. The Chinese surge was only curtailed because the Administration imposed the current safeguards.

As in 2005, the stakes at risk are enormous for textile export sectors in Africa, Central America, the Middle East, the Andean region and Mexico. The current safeguards have preserved \$37 billion worth of trade in the exports of shirts, trouser, underwear and other products that our sectors depend upon. The current safeguards have helped to keep China's share to 16 percent and thus have helped to keep intact over one million jobs in our countries.

In non-safeguard areas, the story is much different. China's market share in apparel products where quotas have permanently been removed has risen from 13 percent to nearly 60 percent in only a few years time. As a result, our sectors have lost billions of dollars in business to China and its unfair trade practices.

With the safeguards expiration quickly approaching, we are deeply concerned that China will again seek to drive our sectors out of business. Our concerns have increased because China has increased both the range and scope of subsidies it offers to its textile industry¹. Within the last

¹ Since the safeguards were put into place, China added new textile subsidies for marketing, promotion, branding and advanced technology investment as part of its Eleventh Five Year Plan for the Textile Sector. China has subsidized its textile industry for more than half a century.

several months, China has acted to hike its export tax rebate while announcing plans to increase other subsidies to further spur export sales. These actions have occurred while Chinese exports in newly quota free apparel categories in the EU are already surging. Since EU apparel quotas were removed on January 1st, Chinese exports have increased by 34 percent and prices in some safeguard categories have dropped as much as 44 percent.

By extending the TMP to China, you will help ensure that China will not surge into the U.S. market with illegally low dumped goods and put more than one million jobs in our sectors at risk. Thank you for your consideration of this important issue.

Sincerely,

Colombia

Ivan Amaya Villegas
President
ASCOLTEX
Bogotá, Colombia

Ivan Amaya
President
Federacion Textile Andina
Bogotá, Colombia

The Dominican Republic

Jose Torres
Executive Vice President
ADOZONA
Santo Domingo, the Dominican Republic

El Salvador

Ingric Burgos
President
CAMTEX
San Salvador, El Salvador

Honduras

Daniel Facusse
President
Asociacion Hondurena de Maquiladores
San Pedro Sula, Honduras

Costa Rica

Rodolfo Molina
President
Costa Rica Textile Chamber
San Jose, Costa Rica

Ecuador

Javier Diaz
Executive President
Ecuadorian Textile Manufacturers Association
(AITE)
Quito, Ecuador

Ethiopia

Endalkachew Sime
Secretary General
Ethiopian Textile & Garment Manufacturers'
Association (ETGAMA)
Addis Addaba, Ethiopia

Kenya

Betty Maina
Chief Executive
Kenya Association of Manufacturers
Nairobi, Kenya

Lesotho

David Chen
President
Lesotho Textile Exporters Association
Masuru, Lesotho

Mexico

Juan Antonio Reus
Director General
CANAINTEX
Mexico City, Mexico

Nicaragua

Dean Garcia Foster
Association Nicaraguense de la Industria Textil
Y de Confeccion
Managua, Nicaragua

Philippines

Maritess Jocson-Agoncillo
Confederation of Garment Exporters of the
Philippines
Manila, the Philippines

United States

Cass Johnson
President
NCTO
Washington, DC

Auggie Tantillo
Executive Director
AMTAC
Washington, DC

Madagascar

Henri Jacky Radavidra
Chairman
Madagascar Export Processing Zone Assoc.
Antanarivo, Madagascar

Mauritius

Lilowtee Rajmun
Director
Mauritius Export Association
Port Louis, Mauritius

Peru

Martín Reaño Vera
President
Comité Textil - S.N.I.
Lima, Peru

South Africa

Abisha Tembo
President
Textile Federation of South Africa
Edenvale, South Africa

Jack Kipling
Chairman
Export Council for the Clothing Industry in
South Africa
Kenilworth, South Africa