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Immediate Release

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For

March 7, 2005

**Massive Surge from China in January
Exports of Apparel Up 546% - Chinese Prices Fall By As Much
as 45%
U.S. Government Action Critical to Avoid Enormous Job
Losses**

According to Chinese Customs data, exports of major apparel products from China into the U.S. market increased by an average of 546 percent in January 2005 over January 2004, as China was released from quota control as a result of joining the World Trade Organization.

The largest increases were in cotton knit shirts and trousers, which were up 1,836 percent and 1,332 percent. China shipped nearly 27 million cotton trousers last month, up from 1.9 million in January 2004, when China was still under quota control. China also shipped 18 million cotton knit shirts in January, compared to 941 thousand knit shirts in Jan. 2004. In the two categories, China shipped more than one year's trade in one month's time. (See table next page.)

China's surge comes in eight product groups that represent the major employment and production sectors of the U.S. yarn and fabric industry. The U.S. industry has asked the U.S. government to initiate safeguard actions against China in these categories in order to prevent large job losses. Threat-based safeguard petitions filed by the industry last year have been stalled by a legal challenge.

NCTO renewed its call for the U.S. to move quickly to self-initiate safeguard actions. Cass Johnson, president of NCTO, said: "The U.S. government is now the only entity that can act quickly enough to prevent a wave of plant closings and job losses in the U.S. textile and apparel sector. A long drawn out safeguard petition process will only ensure that thousands of U.S. textile workers will lose their jobs to China's unfair and predatory trading practices."

The surge is fueled by China's ability to manipulate and control its pricing structure in textile and apparel products. According to Chinese export figures, January 2005 prices for cotton knit shirts from China were down 45 percent and cotton trousers were down 28 percent. The average price decline in January for all the safeguard categories was 25 percent.

According to United Nations trade data, China has taken over textile and apparel markets in virtually every instance where quota restraints were allowed to lapse.

This data is the first official data from any source on China's 2005 trade. The data released by China is not expected to be reflected in U.S. import statistics until February data is posted because the Chinese data reflects goods shipped from China while U.S. import data reflects goods entering U.S. ports. U.S. data for January imports from China is due on Friday, March 11.

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