



## Textile News & Information

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# Massive Surge from China Continues in February

## Over 400 Million Garments Shipped in Last 60 Days

### 14 U.S. Textile Plants Close

According to Chinese Customs data, China exported **434 million garments** to the United States in the first sixty days of the year, following the removal of quota restraints. During this same time period, 14 textile plants in the United States have closed. Exports by China of major apparel products were up 486 percent for January and February, with some products recording increases as high as 2,100 percent.

The largest export increases were in cotton knit shirts and trousers, which were up **2,120 percent** and **1,398 percent**. China shipped nearly **47 million cotton trousers** in January and February 2005, up from 9 million in Jan-Feb 2004, when China was still under quota control. China also shipped **37 million cotton knit shirts** in January and February 2005, compared to 1.7 million knit shirts in Jan-Feb 2004.

While Chinese imports are surging, **14 US textile plants have already closed in 2005**, triple the rate of plant closures last year in 2004. Textile plants have closed in North and South Carolina, Pennsylvania, Indiana and Virginia (see table).

China's prices continued to fall in February, with **Chinese prices now down 31 percent** on major products since the beginning of the year. One product group, underwear, has seen a price drop of almost 50 percent. United Nations data has shown that China charges an average of 58 percent less for clothing than other countries, including those with lower wage rates<sup>1</sup>. The Chinese government has declared the textile sector a "pillar industry of the nation" and provides it with enormous subsidies, rebates and tax incentives. China also illegally manipulates the value of its currency, giving its textile and apparel exporters an estimated 40 percent price advantage against U.S. and other producers.

NCTO renewed its call for the U.S. to move quickly to self-initiate safeguard actions. Cass Johnson, president of NCTO, said: "Our industry can compete in a fair market but it cannot compete against the Chinese government. Our workers desperately need for their own government to move quickly on their behalf. With the new U.S. trade data coming out next week, NCTO urges the government to immediately self-initiate safeguards and save U.S. jobs."

<sup>1</sup> See [www.ncto.org](http://www.ncto.org), 12/15 press release: "NCTO Analysis Shows Chinese Apparel Prices 76% Below U.S. Prices and 58% Below Rest of World's Prices."

**Exports from China to the United States of Major Apparel Products**

| U.S. Apparel Safeguard Requests | Quantity in Numbers |             |          | Value          |                 |          | Unit Value |            |          |
|---------------------------------|---------------------|-------------|----------|----------------|-----------------|----------|------------|------------|----------|
|                                 | Jan-Feb 04          | Jan-Feb 05  | % Change | Jan-Feb 04     | Jan-Feb 05      | % Change | Jan-Feb 04 | Jan-Feb 05 | % Change |
| Brassieres                      | 7,660,295           | 18,302,325  | 139%     | \$ 8,030,953   | \$ 20,602,933   | 157%     | \$ 1.07    | \$ 1.12    | 4%       |
| Cotton Knit Shirts              | 1,671,162           | 37,094,414  | 2,120%   | \$ 3,669,740   | \$ 50,115,171   | 1,266%   | \$ 2.06    | \$ 1.35    | -34%     |
| Men's Woven Shirts              | 3,377,607           | 15,061,510  | 346%     | \$ 14,095,823  | \$ 55,296,635   | 292%     | \$ 4.17    | \$ 3.67    | -12%     |
| Cotton Trousers                 | 3,135,326           | 46,967,310  | 1,398%   | \$ 15,533,096  | \$ 176,086,971  | 1,034%   | \$ 4.96    | \$ 3.77    | -24%     |
| Dressing Gowns                  | 4,502,961           | 9,766,993   | 117%     | \$ 13,805,648  | \$ 23,777,786   | 72%      | \$ 3.19    | \$ 2.40    | -25%     |
| Underwear                       | 3,356,746           | 20,814,343  | 520%     | \$ 7,129,999   | \$ 23,017,091   | 223%     | \$ 2.12    | \$ 1.10    | -48%     |
| Man-made fiber Knit Shirts      | 2,181,554           | 8,389,138   | 285%     | \$ 14,528,579  | \$ 29,356,159   | 102%     | \$ 6.64    | \$ 3.51    | -47%     |
| Man-made fiber Trousers         | 3,244,432           | 14,258,854  | 339%     | \$ 18,897,607  | \$ 51,761,243   | 174%     | \$ 5.75    | \$ 3.60    | -37%     |
| All Safeguard Categories        | 29,130,083          | 170,654,897 | 486%     | \$ 95,691,445  | \$ 430,013,989  | 349%     | \$ 3.75    | \$ 2.56    | -31%     |
| All Apparel                     | 175,662,219         | 434,447,152 | 147%     | \$ 630,690,137 | \$1,368,497,171 | 117%     | \$ 3.55    | \$ 3.14    | -12%     |

Source: Chinese Customs Administration as reported by the Global Trade Atlas ([www.gtis.com](http://www.gtis.com))

| U.S. Textile Plant Closings: Jan. - March 2005 |                                 |           |
|--|---------------------------------|-----------|
| Company  | Location                        | Jobs Lost |
| Springs Industries                             | Lyman, SC                       | 400       |
| Springs Industries                             | Anderson, SC                    | 140       |
| Hoffman Mills                                  | Shippenburg, PA                 | 335       |
| Holt Hosiery Mills                             | Penderlea, SC                   | 200       |
| Westpoint Stevens                              | Burlington, NC – two facilities | 565       |
| Westpoint Stevens                              | Drakes Branch, VA               | 450       |
| Westpoint Stevens                              | Middleton, IN                   | 110       |
| Springs Industries                             | Fort Lawn, SC                   | 250       |
| Westpoint Stevens                              | Clemson, SC – three facilities  | 1,345     |
| National Textiles                              | Hodges, SC                      | 390       |
| Renfro   | Mount Airy, NC                  | 280       |