

News Release

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Bush Administration Acts Again to Save Textile Jobs By Imposing Additional Safeguards on China

Washington DC) NCTO hailed the decision today by the Bush Administration to impose safeguards on four additional textile and apparel categories, namely man-made fiber trousers, man-made fiber knit shirts, woven shirts and combed cotton yarn.

Cass Johnson, President of NCTO, said:

“For the second time in a week, this Administration has acted to save thousands of textile jobs that are at immediate risk from subsidized Chinese imports. As a result, thousands of our workers will rest easier tonight knowing their jobs are no longer at risk from China’s unfair trade practices. This industry again expresses its sincere grateful for the unprecedented speed with which the government has acted.

We fully recognize that taking trade actions against a country like China are not easy decisions. We applaud the Bush Administration for sending China a strong message that it cannot longer flout international trade rules with impunity in the textile and apparel sector.

With the imposition of these safeguards, the Bush Administration has now imposed safeguards on the products areas of greatest importance to the industry.

As we noted with the first set of safeguards, the Bush Administration has acted faster on behalf of this industry than it has ever acted before. Six weeks ago, for the first time ever, the government released comprehensive preliminary data on Chinese imports. Three days later, the government self-initiated investigations on the biggest categories affected by this surge. Today, a little more than one week after the official comment period on those investigations closed, the government has imposed seven new quotas on Chinese imports.

Throughout our meetings with the Administration and on Capitol Hill, NCTO has stressed that illegally subsidized textile and apparel imports from China pose the greatest single threat to the industry’s welfare. We look forward to continuing to work with government to meet this threat. We also look forward to decisions soon on the outstanding cases filed by the industry. “

	Jan-April 2004	Jan-April 2005	Increase
Underwear	15,070,800	63,063,146	318%
Woven shirts	7,828,884	30,819,024	294%
Man-made fiber shirts	10,293,684	46,636,680	353%

Combed cotton yarns	358,089 kg	375,717 kg	4.9%
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FACTS on the U.S. TEXTILE and APPAREL COMPLEX:

- The U.S. textile and apparel complex, including textile fibers and machinery, employs more than 950,000 workers in the United States.
- The U.S. textile industry, which employs 409,000 workers, has invested \$34 billion in new plants and technology during the past five years to prepare for the quota phase-out.
- Since quotas were lifted on China, 18 textile plants have closed and 16,600 textile jobs have been lost.

FACTS on CHINA:

- According to United Nations statistics, Chinese prices for major apparel products average 58 percent below average world prices (www.ncto.org: 12/14/04 press release).
- The Chinese government subsidizes its textile and apparel exports to the United States in a number of ways: currency manipulation; export tax rebates; forgiveness of loans by its government banks; direct payments to its state-owned textile and apparel industry, and subsidized utilities and shipping costs, among others.
- The Chinese textile and apparel sector has been declared a "pillar industry of the nation" and its expansion has been actively managed by the government according successive Five Year Plans.

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