

News Release

For Immediate Release:
Friday, July 8, 2005

Contact: Cass Johnson, 202-756-1422
Missy Branson, 202-756-1440

**Chinese Apparel Exports Embargo in Just Six Weeks Administration Action
Saves U.S. Textile Jobs
CAFTA Needed to Ensure Competitive Playing Field**

Washington DC) Chinese exports of key apparel products embargoed today just six weeks after the U.S. government imposed safeguards against Chinese imports. The embargo means that China will be barred from exporting to the U.S. any additional cotton trousers, cotton knit shirts or underwear for the rest of the year.

The embargoes occurred so quickly because Chinese exports increased by almost 1,100% during the first six months of the year. Chinese exports of trousers, knit shirts and underwear increased from 56 million pieces during Jan-June 2004 to 653 million pieces during Jan-June 2005 (see table).

Cass Johnson, President of NCTO, stated:

“China was ready to ambush the U.S. industry in 2005 but timely action by the Bush Administration has kept damage to a minimum. The government’s quick approval and implementation of the industry’s safeguard petitions has saved tens of thousands of U.S. textile jobs.

Congress now needs to act decisively to save textile jobs by passing DR-CAFTA and solidifying important trading relationships in our own hemisphere. Without DR-CAFTA in place, U.S. textile exports, worth more than \$4 billion, will be in potential jeopardy to subsidized Asian suppliers. The government acted aggressively to stop unfair Chinese exports, now the U.S. Congress needs to ensure that our export markets remain secure by passing DR-CAFTA. 71 percent of all apparel imports from the this region contain U.S. yarns and fabrics, compared to less than one percent of imports from China.

In this competitive climate, the U.S. textile industry not only needs strong action against unfairly subsidized imports but it must also have advantageous trade agreements such as DR-CAFTA in place. Both are essential if our companies and our workers are to compete successfully.”

Facts on Chinese Exports

Embargoed Apparel Imports from China			
Embargoed Categories	Imports (pieces)		
	YTD June 2004	YTD June 2005	Percent Increase
Cotton knit shirts (338/339)	13.6 million	236 million	1,639%
Cotton trousers (347/48)	11 million	212 million	1,785%

Underwear (352/652)	31.4 million	205 million	554%
<i>Total</i>	<i>56 million</i>	<i>653 million</i>	<i>1,066%</i>
Source: U.S. Department of Commerce			

To access safeguard fill level information, go to: <http://www.customs.gov/quotas/files/cntxrpt.htm>

Facts on DR-CAFTA:

- 1) The U.S. textile industry exports over \$4 billion in US made yarns and fabrics to the DR-CAFTA region. It is by far the largest manufacturing exporter to the region.
- 2) The DR-CAFTA replaces a temporary duty-free program for textiles and apparel called the Caribbean Basin Trade Partnership Assistance Act (CBTPA) which expires in 2008.
- 3) The broad textile industry, as represented by eight major textile associations (see below), support DR-CAFTA and urge its passage. These groups represent more than \$100 billion in annual US textile sector production and sales.

American Cotton Shippers Association (ACSA)
American Fiber Manufacturers Association (AFMA)
American Textile Machinery Association (ATMA)
Carpet and Rug Institute (CRI)
INDA, Association of the Nonwovens Fabrics Industry
National Cotton Council (NCC)
National Council of Textile Organizations (NCTO)
Textile Distributors Association (TDA)

###