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## U.S. Industry Files Petitions to Limit Textile and Clothing Imports from China

For Immediate Release

July 11, 2005

WASHINGTON, DC – U.S. textile, apparel and fiber producing trade associations announced the filing of four safeguard petitions covering eight categories to limit the growth of U.S. textile and apparel imports from China on Monday, July 11. The industry also announced that it had refiled a petition on curtains on June 22 that the U.S. government rejected for technical reasons on June 21.

<b>Safeguard Category/Description #</b>	<b>China Year to Date Increase ##</b>	<b>% Change</b>
341/641 – c/mmf non-knit shirts	+ 4,007,246 dozen	+ 463 %
342/642 – c/mmf skirts	+ 3,743,400 dozen	+ 879 %
351/651 – c/mmf pajamas/nightwear	+ 3,582,855 dozen	+ 647 %
359S/659S – c/mmf swimwear	+ 2,244,101 kilograms	+ 408 %
369/666 – c/mmf curtains	+ 7,687,648 kilograms	+ 32 %

\* mmf = man-made fiber

\*\* c = cotton

# Swimwear and curtains both are part of larger catchall categories. The petitions on those products, therefore, cover only a part of each of the categories listed.

## The China Year to Date Increase for the shirt, skirt, and pajamas/nightwear categories was taken from U.S. Office of Textiles and Apparel preliminary data on July 6, 2005. The data from these categories covers imports through the end of June 2005. The data for the swimwear and drapes/curtains covers imports through the end of April 2005.

Combined U.S. imports in the 10 categories covered by the July 11 announcement totaled \$6.4 billion in 2004, with imports from China accounting for \$944 million.

The value of the Chinese imports covered by the petitions account for 5.3 percent of the \$17.8 billion in textile and apparel imports from China and 1.05 percent of the \$89.7 billion in imports from the world (including China) in 2004.

In terms of the \$196.7 billion in U.S. imports of all goods from China in 2004, these petitions affect only about 0.48 percent of that trade.

### Trade Association/Labor Union Comments

Karl Spilhaus, President of the National Textile Association, said, "We're filing these petitions because

of the extreme disruption in the American textile industry caused by an unprecedented flood of imports from China.”

“The special textile China safeguards contained in China’s accession agreement to the WTO give the U.S. government the right to invoke safeguards if the U.S. market is threatened with disruption that will impede the orderly development of trade. The U.S. textile industry is simply asking the U.S. government to act within the rights granted to it by China’s accession agreement to the WTO,” observed Spilhaus.

American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo said, “While the filings of only five petitions were announced today, more petitions will be filed later this year.

“The U.S. textile industry will keep filing petitions until the United States and China reach a comprehensive agreement to moderate the growth of Chinese textile and apparel imports to a reasonable level through the end of 2008,” Tantillo continued.

“The U.S. textile industry appreciates the Bush Administration’s approval of seven safeguards in 2005. Damage, however, is occurring in other categories too. That’s why the U.S. textile industry has six petitions due for decision later this summer. It is also why we were forced to file these additional petitions,” remarked Cass Johnson, President of the National Council of Textile Organizations.

“China’s export surge in these categories released from quota on January 1, 2005 is directly attributable to the illegal and unfair subsidies given to their producers in an effort to drive all other competitors out of the market. These subsidies include illegal currency manipulation, non-performing loans, state-owned enterprises, reduced or free utilities, shipping, and property taxes, free land and factories, and export tax rebates. No industry playing by free-market rules can compete with an industry allowed to sell into a free-market but not play by free-market rules,” Johnson concluded.

UNITE HERE President Bruce Raynor stressed, “Since quotas have expired on January 1, 2005, 142 apparel and textile workers have lost their jobs every single day. The crisis is now. If safeguards aren’t implemented immediately, more plants will close and thousands of workers will be without a job.”

### **Facts on Imports, Jobs, and the Safeguard Process**

Press conference participants noted that data on which the safeguard filings are based simply confirms long established trends such as:

- In the first five months of the year, all U.S. textile and apparel imports from China increased by 64 percent.
- China’s share of the U.S. import market in the apparel categories released from quota on January 1, 2002 jumped from less than 10 percent to more than 70 percent in less than three years.
- According to Chinese Customs data, as of May 2005, China’s textile and apparel exports to the United States are up 85 percent year to date by value.
- Since January 2001, U.S. textile and apparel employment has fallen from 1,047,200 to 657,400 as of June 2005. The loss of 389,800 jobs represents 37.2 percent of the January 2001 workforce.

Textile safeguard petitions are filed with the Committee for the Implementation of Textile Agreements (CITA). CITA is a five-member interagency group comprising of representatives from the U.S. Departments of Commerce, State, Labor and Treasury as well as the Office of the U.S. Trade

Representative. At least three agencies must vote to approve any safeguard petition.

Once a safeguard petition is filed, CITA has up to 15 working days to accept or reject the petition on its technical merits. If the petition is accepted, a 30-day public comment then commences, followed by a 60-day CITA decision-making window.

If CITA approves a safeguard petition, by terms of its WTO accession agreement with the United States, a consultation period then begins. If no agreement is reached between the parties, the United States can limit Chinese exports in the safeguard categories to 7.5 percent growth.

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