



## Textile News & Information

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### **NCTO Applauds Ways and Means Chairman Levin for Holding Hearing on Chinese Currency Practices**

Washington, DC) - The National Council of Textile Organizations (NCTO) applauded Chairman Sander Levin (D-MI) for increasing pressure on the Chinese Government by examining the exchange rate policy of the People's Republic of China and the damage it has inflicted on the U.S. and global economy during a full committee hearing today. Leading economists have long argued that China keeps the yuan artificially low in order to promote a mercantilist export strategy. At a conference held this month by the Economic Policy Institute, three prominent economists agreed that approximately 1.5 million jobs would return to U.S. soil if China stopped manipulating its currency. The EPI also found in a recently published report that 2.4 million jobs were lost to China between 2001 and 2008. "We thank Chairman Levin who joins a loud chorus of Congressional lawmakers who have recently expressed grave concerns with China's predatory currency practices and their impact on U.S. jobs," said Cass Johnson, President of NCTO.

Johnson noted that, "China's currency policy does nothing more than flood the markets of countries like the United States with artificially cheap imports creating dangerous trade deficits, surging overseas debt, massive job losses, and the continuing erosion of the U.S. manufacturing base and its high wage workforce. The United States manufacturing complex and the U.S. economy cannot return to health while China keeps bleeding away our jobs and capital through its predatory actions."

U.S. government statistics show that since 2004, China's textile and apparel exports have increased by \$17.2 billion and while the U.S. textile sector shed 275,000 jobs. Since the final China textile safeguards were eliminated on January 1, 2009, China's textile and apparel imports have increased an average of 75 percent in the safeguard categories.

The Ways and Means hearing comes in the wake of significant Congressional activity highlighting currency manipulation. Last week Reps. Michaud (D-ME) and Ryan (D-OH) sent a letter with 130 members of congress to the Treasury and Commerce Secretaries calling for application of countervailing duty laws to foreign governments that manipulate its currency to gain export advantages. Additionally, Senators Schumer (D-NY), Stabenow (D-MI), and Graham (R-SC) introduced S.3134, the Currency Exchange Rate Oversight Act of 2010. S.3134 is intended to reform and enhance the U.S. government's oversight of foreign government currency practices. NCTO strongly supports these bipartisan activities as well as H.R. 2378 and S. 1027, the Currency Reform for Fair Trade Act. The Currency Reform for Fair Trade Act would give U.S. companies the ability to defend themselves against Chinese currency manipulation by placing countervailing duties equal to the Chinese manipulation on imports of certain goods from China.

NCTO looks forward to working with Chairman Levin and members of the House Ways and Means Committee to take steps that will require China to revalue its exchange rates.

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## **KEY FACTS – Textile Industry**

The National Council of Textile Organizations is a unique association representing the entire spectrum of the textile sector. From fibers to finished products, from machinery manufacturers to power suppliers, NCTO is the voice of the U.S. textile industry. NCTO's mission is focused on creating powerful national and international alliances to advance the interests of the U.S. textile sector. Domestically focused to ensure a prosperous future for the U.S. textile sector and globally positioned to work effectively with our international allies, NCTO is on the front lines meeting the challenges of the 21<sup>st</sup> Century.

- One of the largest manufacturing employers in the United States, the overall textile sector employed over 421,000 workers in 2009. Textile mills alone employed 126,000 workers.
- The 3rd largest exporter of textile products in the world – more than \$10 billion in 2009.
- Nearly two-thirds of U.S. textile exports during 2009 went to developing countries. The U.S. textile industry exported to more than 50 countries, with 16 countries buying more than \$100 million a year.
- Supplies more than 8,000 different textile products a year to the U.S. military.
- U.S. textile shipments totaled \$48.7 billion in 2009.
- Invested more than \$9 billion in new plants and equipment from 2001 to 2006.
- Has increased productivity by 50 percent over the last 10 years and ranks second among all industrial sectors in productivity increases.
- In 2009, textile workers on average earned 143% more than clothing store workers (\$517 a week vs. \$213) and received health care and pension benefits.