



MEDIA INQUIRIES:

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For Immediate Release

Trade Associations from 25 Countries Urge Strict Textile Rules in TPP Talks - African, Andean, Central American, Haitian, Mexican and U.S. Groups Issue Joint Appeal -

Washington DC) Trade groups from 25 FTA and preference countries in Africa, South America, Central America and North America urged the U.S. government to proceed cautiously in textile talks concerning the TransPacific Partnership (TPP), citing nearly \$30 billion in existing textile and apparel trade and over two million textile and apparel workers that could be put at risk by an unbalanced agreement.

In a letter to Ambassador Kirk on September 7th, the groups, which represent textile sectors in least developed, developing and developed countries, urged the United States government to ensure that a yarn forward rule of origin, strengthened customs rules and special mechanisms to deal with state owned companies and state subsidized companies are included in a final agreement.

Countries represented in the letter pointed out they had developed vital textile export sectors through the negotiation of free trade agreements and preference programs with the United States.

The groups argued that “a yarn forward rule will help to ensure that third parties, such as China, do not take advantage of the agreement” and noted that Vietnam, a TPP participant, is already the second largest exporter of apparel of the United States, most of that made with Chinese yarns and fabrics. The groups also raised issue with the government of Vietnam’s historic support of its textile sector, including the use of subsidies and ownership of large state-owned companies.

The letter closed by stating that “past free trade programs with the United States have been responsible for helping over two million workers in our countries escape the grip of poverty. We urge you to ensure that these longstanding and successful programs are not compromised during these negotiations.”

The following groups signed the joint letter:

African Cotton and Textile Industries Federation (ACTIF)
Association Des Industries d’Haiti (ADIH)
Camara de la Cadena Algodon, Fibras, Textile y Confecciones, Associaion Nacional de Empresarios de Colombia (ANDI)
Central America-Dominican Republic Apparel and Textile Council (CECATEC)
National Council of Textile Organizations (NCTO)
Comite Textil Sociedad Nacional de Industrias de Peru (SNI)

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Key Facts about the U.S. Textile Industry

- The U.S. textile industry is one of the largest manufacturing employers in the United States. In 2010, the overall textile sector, from fibers to final garments and other textile products, employed nearly 600,000 workers. Textile companies alone employed 255,000 workers.
- The U.S. textile sector is the third largest exporter of textile and apparel products in the world with exports growing 19 percent in 2010 to more than \$20 billion.
 - U.S. textile exports support a textile and apparel platform created by the NAFTA/CAFTA/Andean free trade areas that now employs nearly two million workers.
- The U.S. textile industry supplies more than 8,000 different textile products each year to the U.S. military.
- The U.S. textile industry has a long history of creating innovative, hi-tech products, from heart valve prosthesis and nanotube body armor to non-iron apparel and moisture wicking athletic wear.
- The U.S. textile industry invested more than \$15 billion in new plants and equipment from 2001 to 2009. U.S. textile shipments totaled \$51 billion in 2010.
- The U.S. textile industry increased productivity by 45 percent over the last 10 years, making textiles one of the top industries among all industrial sectors in productivity increases.
- In 2010, textile workers on average earned 155% more than clothing store workers (\$559 per week vs. \$219) and received health care and pension benefits.



September 7, 2011

Ambassador Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk,

We are writing to you today to share our concerns and advice on the Trans-Pacific Partnership (TPP) talks as they affect the textiles industries in various other developing countries around the world. We are a coalition of textile and apparel groups representing 25 countries which export nearly \$30 billion a year in yarns, fabrics and apparel to and from the United States under existing trade preference programs and free trade agreements. These trade programs have created over two million jobs for workers in our countries. We want to express our concerns that these exports and the jobs that depend on them are not put in jeopardy by an unbalanced TPP agreement.

The TPP textile text is particularly important because of the inclusion of Vietnam in the talks. Even with paying full duties, at \$6.3 billion, Vietnam is already the second largest exporter of apparel to the United States. It is also one of the fastest growing exporters and has doubled its exports to the United States during the last five years. We are particularly concerned that Vietnam, using primarily Chinese yarns and fabrics, exports the same type of apparel that our sectors make and send to the United States every day.

One reason for Vietnam's phenomenal export growth is that the government of Vietnam owns and subsidizes large textile and apparel plants. In addition, the government of Vietnam also provides significant subsidies to its overall textile sector. These subsidies include preferential loans, preferential access to capital, free or subsidized land, duty-free imports, worker training subsidies and rebates on import duties. We also note that the Vietnamese government recently announced in its latest Ten Year Plan (2011-2020) that it is targeting the industry for numerous continued incentives and subsidies in order to achieve a tripling of textile sector exports.

We appreciate that the U.S. government has indicated that it will work to ensure that our vital textile and apparel exports are not damaged by a final agreement. A yarn forward rule will help to ensure that third parties, such as China, do not take advantage of the agreement. Strengthened customs enforcement rules will also be essential in a final agreement. Finally, we also urge you to include special mechanisms in the agreement to help counter-balance Vietnam's historic support for its textile sector.

Past trade programs with the United States have been responsible for helping over two million workers in our countries escape the grip of poverty. AGOA, Andean, DR/CAFTA, Haiti Hope Program, Peru FTA and the NAFTA have created large and vitally important textile sectors in our countries. We urge you to ensure that these longstanding and successful programs are not compromised during these negotiations.

Sincerely,

Mr. Jas Bedi
African Cotton and Textile Industries Federation (ACTIF)

Mr. Georges Sassine
Association Des Industries d'Haiti (ADIH)

Ms. María del Mar Palau
Cámara de la Cadena Algodón, Fibras, Textil y Confecciones
Asociación Nacional de Empresarios de Colombia (ANDI)

Mr. Rodolfo Garcia-Muriel
Camara Nacional de la Industria Textil (CANAINTEX)

Mr. Rodolfo Molina
Central America-Dominican Republic Apparel and Textile Council (CECATEC)

Mr. Cass Johnson
National Council of Textile Organizations (NCTO - US)

Mr. Enrique Falcone
Comité Textil Sociedad Nacional de Industrias (Peru)

Cc: Secretary Hilary Clinton, U.S. Dept. of State
Secretary Rebecca Blank, U.S. Dept. of Commerce