



Textile Industry Opposes New Benefits for Bangladesh and Cambodia

- U.S. Textile Manufacturing Job Losses Would Skyrocket -

- Defense Base Would be Hurt -

Washington DC) During testimony before the House Committee on Ways and Means on trade preference reform, NCTO Vice Chairman David Hastings urged the Committee to reject proposals to extend duty free preferences in textiles to Bangladesh and Cambodia and to refrain from make changes to textile preference rules that could result in large jobs losses in the United States.

Hastings, who is the CEO of Mount Vernon Mills, one of the largest textile employers in the United States, explained that eleven days ago, Mount Vernon's Trion Georgia plant advertised several openings. At the plant, which has been featured on CNN, Hasting explained "that people started lining up at 4 am just to apply and by noon we taken 270 applications." Hasting warned that changes in trade rules to give new preferences to large and growing exporters such as Bangladesh and Cambodia would force the Trion plant and many other U.S. textile mills to close. He told the Committee, "Their livelihoods literally rest in your hands."

Hastings pointed to alarm from the preference countries and free trade partners that Mount Vernon and the rest of the U.S. textile industry depend on for \$12 billion a year in textile exports. Hastings cited a letter that 45 trade groups from 29 countries sent to the Committee yesterday opposing any new benefits for Bangladesh or Cambodia "because we have been told by many of the largest companies that source goods in Africa and the Western Hemisphere that they will move sourcing to Bangladesh and Cambodia if this proposal becomes law." The groups said the proposal threatens nearly two million textile and apparel jobs in the preference countries.

Hasting also cited statistics that show Bangladesh and Cambodia are already targeting the top export products from the preference and free trade area regions and have seen their exports drop 29 percent since 2004 while exports of the same products from Bangladesh and Cambodia have increased by 194 percent.

Hasting also noted that if duties are removed, importers would get at least one billion dollar in duties savings that would have otherwise been paid to the U.S. Treasury. In addition, Bangladesh pays the lowest wage rates in the world and is repeatedly cited for illegal labor practices. Hastings noted that "the combination of extremely low wages rates and a transfer of one billion dollars in duties from the U.S. Treasury will be impossible for retailers and importers to ignore."

Hastings also expressed concerned that further job losses in the textile industry would have on the U.S. defense base. He noted that the Trion plant which is one of the largest producers of combat fabric for our soldiers, could not operate just on defense orders alone. He warned that as a nation we should not become dependent on others to clothe and protect our service men and women.

Key Facts about U.S. Textile Industry

- One of the largest manufacturing employers in the United States, the overall textile sector employed over 675,000 workers in 2008. Textile mills alone employed 298,000 workers.
- The 3rd largest exporter of textile products in the world – more than \$16 billion in 2008.
- Nearly two-thirds of U.S. textile exports during 2008 went to developing countries. The U.S. textile industry exported to more than 50 countries, with 20 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 \$68.5 billion in 2007.
- 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 2007, textile workers on average earned 136% more than clothing store workers (\$524 a week vs. \$222) and received health care and pension benefits.

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