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NCTO CEO Kim Glas Sets Agenda to Continue Made in America Revival

By Arthur Friedman



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The U.S. [textile industry](#) has a new champion who is focused on enhancing recent achievements and advocating for better treatment so the sector can continue to grow.

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[Kim Glas](#), named in late April as president and CEO of the National Council of Textile Organizations, told Sourcing Journal: “The U.S. textile industry is really important for so many companies and workers across this country and I’m feeling really good about the state of the U.S. textile industry. We’ve seen upticks in employment and we’re now nearly 600,000 workers across the supply chain.”

Perhaps more important, she said, “I think the industry is on the cusp of innovation. There’s a lot of investment in this industry—\$2 billion in 2017—most of it being put into manufacturing and automation, and that’s a real benefit over the long term.”

According to [NCTO](#), the U.S. textile industry invested \$22.8 billion in new plants and equipment from 2006 to 2017. Recently, U.S. manufacturers have opened new facilities throughout the textile production chain, including recycling facilities to convert textile and other waste into new textile uses and resins.

U.S. employment in the textile supply chain was 594,147 in 2018, while U.S. textile and apparel shipments totaled \$76.8 billion in 2018. U.S. exports of fiber, textiles and apparel were \$30.1 billion last year.

“We’re seeing strong trends in the Western Hemisphere, which is such a key market for our yarns and fabrics,” Glas said. “I think we’re seeing foreign direct investment (FDI) in the U.S. increase, as [companies] are looking to source more locally and take advantage of the U.S. market. It’s a good time to be part of this industry and I’m excited to be part of this industry.”

In her first month on the job, the former Deputy Assistant Secretary for Textiles, Consumer Goods and Materials at the U.S. Department of Commerce in the Obama administration, said she has done “a lot of meet and greets” in places like the Carolinas and New England, and has been hearing from members “to help me form a long-term strategy. This is a transition for NCTO and a real opportunity to reflect on where the industry has been and where it’s going.”

The Agenda

“Some of my key priorities in the first 100 days to six months is reaching out to members of Congress, the administration and the key decision makers to inform them about key priorities, in terms of legislation or in terms of trade policy,” Glas said. “The other thing that’s critical is the Western Hemisphere, which is such a core trade region. Seventy percent of the yarns and fabrics that we export go to the Western Hemisphere [so we need to address] how do we strengthen and build upon those relationships in the regions... and attract more business to the region.”

In addition, Glas, who most recently served as executive director of the BlueGreen Alliance, a national partnership of labor and environmental organizations working to advance the creation of quality U.S. jobs in the clean energy economy, said, “I believe this industry has an excellent story to tell around sustainability, not just in the kinds of products we are manufacturing that leads to a more sustainable outcome, but how we are manufacturing the products. Sustainability makes good business sense and makes a good business model.”

NCTO is also looking at building a strong communications strategy, having appointed veteran journalist Kristi Ellis as the organization’s new vice president of communications, and working with digital projects manager Rebecca Tantillo. Glas said the focus is on “how are we communicating to the industry and with key decisions makers in the government and beyond.”

Made in America

Glas noted that reshoring is a big priority for this administration and should go beyond the end product.

“So we’re focused on how do we tell that reshoring story for the fiber, yarn and fabric manufacturers we represent,” she said. “There are a lot of apparel suppliers in places like Los Angeles and New York that are looking to expand their operations and we don’t represent a lot of them.”

But understanding that FDI is coming into the country, where in the industry it is going and how many jobs are being created is important, she said.

Critical to Made in America is passage of the [U.S.-Mexico-Canada Agreement](#), as it continues the free-trade status with Mexico and Canada and improves certain areas that benefit U.S. producers. NCTO noted that in 2018, the U.S. ran a \$3.8 billion trade surplus in textile and apparel products with North American Free Trade Agreement partners.

Role of tariffs

“We support the Trump administration using the Section 301 mechanism to address China’s intellectual property abuses...that [have] given Chinese manufacturers an unfair competitive advantage over U.S. suppliers,” Glas said. “However, we are concerned that under tranche three, there are tariffs being applied to U.S. manufacturers who need to source certain materials—whether it’s acrylic fibers, chemicals, dyes—that are on the list that are not manufactured in the United States and have to pay that additional penalty. In the manufacturing industry, margins are tight, so that would drive up costs for U.S. textile manufacturers and, in fact, make China more competitive.”

Glas said NCTO’s position is that “we need to look at putting tariffs on finished items, since 93.5 percent of U.S. imports from China in our sector come in on finished products. We have voiced this with the administration and with key stakeholders on Capitol Hill.”

“The underlying question is whether the impact of the tariffs is spread out equally and fairly,” she said. “NCTO has called for an exclusions process that is fair, transparent and expeditious for tranche three. We are very eager for the administration to publish the framework for a fair and expeditious removal process. We don’t believe under the current framework that the tariff process is absolutely correct.”

She noted that China provides around 40 percent of the U.S. apparel import market and “rampantly abuses intellectual property rights. So to address this issue, we believe there needs to be a better balance on applying tariffs to those end products.”

Global Sourcing

Apparel sourcing has already diversified throughout Asia, the Western Hemisphere and elsewhere—some 98 countries are supplying apparel to the U.S. market, according to data from the Commerce Department’s Office of Textiles & Apparel, Glas noted. Many of those countries are trade preference partners, she said, allowing the domestic textile firms to export raw materials for apparel production that is shipped back to the U.S. duty free.

“So brands and retailers have been shifting with the uncertainty of when the next round of tariffs will be, looking at diversifying their supply chain,” she said. “We hope that it will attract more interest in the Western Hemisphere region or with those who have trade benefits with the U.S. so that we see a leveling of the playing field.”

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