

PRESS STATEMENT

NCTO Lauds Expected House Passage of USMCA

December 19, 2019

WASHINGTON, DC – The National Council of Textile Organizations (NCTO), representing the full spectrum of U.S. textiles from fiber through finished sewn products, issued the following statement regarding the expected passage today of the U.S.-Mexico-Canada Agreement (USMCA) by the U.S. House of Representatives.

“Passage of the USMCA in the House today will mark a significant step forward in advancing the trade deal through Congress and we urge the Senate to pass it swiftly,” said NCTO President and CEO Kim Glas. “Mexico and Canada are the two largest export markets for the U.S. textile industry, totaling nearly \$12 billion last year, and several provisions in USMCA will help producers expand and build new business in the critical Western Hemisphere supply chain.”

NCTO worked with the administration during negotiations on USMCA and successfully lobbied for several provisions and [improvements](#) that were subsequently incorporated in the trade deal that will close loopholes and strengthen U.S. Customs enforcement.

“We expect U.S. textile companies to export more to the region and invest more in the U.S. when USMCA is implemented,” Glas said. “Textile [executives](#) from North Carolina to New York have said they will seek to take advantage of the modifications in the trade deal and build new business in areas such as pocketing and sewing thread, as a result of stronger rules of origin and Customs enforcement.”

The USMCA updates and modifies the North American Free Trade Agreement (NAFTA) and makes significant improvements, including:

- Creation of a separate chapter for textiles and apparel rules of origin with strong customs enforcement language.
- Stronger rules of origin for sewing thread, pocketing, narrow elastics and certain coated fabrics. Under the current NAFTA, these items can be sourced from outside the region – USMCA fixes this loophole and ensures these secondary components are originating to the region.

- Fixes the Kissell Amendment Buy American loophole, ensuring that a significant amount the Department of Homeland Security spends annually on clothing and textiles for the Transportation Security Administration is spent on domestically produced products.

This release follows NCTO's previous endorsement of the [deal reached between House Democrats and the administration](#) last week.

NCTO is a Washington, DC-based trade association that represents domestic textile manufacturers, including artificial and synthetic filament and fiber producers.

- U.S. employment in the textile supply chain was 594,147 in 2018.
- The value of shipments for U.S. textiles and apparel was \$76.8 billion in 2018.
- U.S. exports of fiber, textiles and apparel were \$30.1 billion in 2018.
- Capital expenditures for textile and apparel production totaled \$2.0 billion in 2017, the last year for which data is available.

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CONTACT: [Kristi Ellis](#)

(202) 684-3091

www.ncto.org