



## Press Statement

### **NCTO Welcomes Administration's Section 301 Investigation into Vietnam's Currency Practices**

October 5, 2020

WASHINGTON—The National Council of Textile Organizations (NCTO), representing the full spectrum of U.S. textiles, from fiber through finished sewn products, welcomes the Trump administration's recent [announcement](#) of the launch of a Section 301 investigation into the currency valuation practices of Vietnam.

“NCTO strongly opposes foreign governments undervaluing their currencies, which puts U.S. manufacturers at a disadvantage by inflating the cost of U.S. exports and deflating the cost of U.S. imports. This unfair trade practice displaces U.S. production and jobs, as well as those of our Western Hemisphere trade partners utilizing U.S. textile inputs,” said NCTO President and CEO Kim Glas.

“The U.S.-Vietnam trading relationship suffers from many of the same problems that we have experienced with China. There are strong indications of a purposefully undervalued currency that warrants a full investigation. Further, the industries in the two countries are inextricably linked, as Vietnam sources much of its textile inputs from China,” Glas added.

In 2019, the U.S. trade deficit with Vietnam stood at \$55.8 billion, including a \$14.6 billion deficit in textiles and apparel specifically. Vietnam has demonstrated tremendous growth in the U.S. textile and apparel market and is the second largest supplier after China, holding a 15.8% import market share for January-July 2020.

“Scrutinizing unfair practices such as currency undervaluation by Vietnam is one more action the administration can take to eliminate predatory trade practices by countries that continuously undermine domestic production and that of our free trade partners. Strong trade enforcement is key to leveling the playing field.

With so much discussion about onshoring production, including personal protective equipment (PPE), we believe this investigation is necessary, and we look forward to further opportunities to provide input as part of the formal investigation process.”

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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 585,240 in 2019.
- The value of shipments for U.S. textiles and apparel was \$75.8 billion in 2019.
- U.S. exports of fiber, textiles and apparel were \$29.1 billion in 2019.
- Capital expenditures for textile and apparel production totaled \$2.5 billion in 2018, the last year for which data is available.

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