



February 1, 2010

The Outlook for 2010

A Message from the President

Importers and retailers face many challenges today - the economy, consumers fearful of losing their jobs, and continuing price competition. We want to believe that the Federal Reserve Board is correct when they say that “economic activity has continued to strengthen ... and deterioration in the labor market is abating.”

And then there are the challenges that come from Washington. President Barack Obama just gave his first State of the Union address. The good news is that jobs and the economy are a top priority for the Administration. But it is absolutely clear is that there is a partisan divide between the Administration and the Congress that will continue to block action.

It seems that the Obama Administration trade policy agenda in 2010 will focus on enforcement of trade agreements and the promotion of U.S. exports through a National Export Initiative. While trade enforcement and export promotion are important goals that we know USA-ITA member companies support, what we were really looking for is a positive trade agenda that will help U.S. consumers, retailers and importers in the year ahead.

The fear for 2010 is that the Administration’s focus on jobs and trade enforcement may combine to fuel new protectionist measures. For more than one year there have been no quotas on U.S. imports of textiles and apparel. The goal for USA-ITA is to make sure that it stays that way.

We will continue to work with the Administration and the Congress to help them understand what is happening in our industry and the impact of agreements and regulations on our members. For those market opening negotiations that are on the agenda – notably negotiations to create the Trans Pacific Partnership and to reform U.S. trade preference programs – USA-ITA is already working to ensure that the negotiations will create 21st century trade agreements – and no longer rely on the old protectionist vision that apparel is a sector that requires special protection.

This year our industry is still on the defensive. There are rumors about potential 421 cases against apparel imports from China, and the threat of anti-dumping and countervailing duty cases remain a concern. We are monitoring these threats and recognize that trade remedy cases have the potential to disrupt the sourcing networks and supply chains for USA-ITA member companies. The industry is prepared to fight any new protectionist measures.

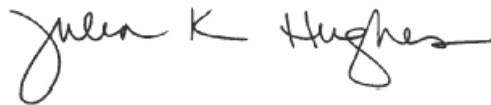
February 1st marks the beginning of many changes for USA-ITA, starting with the move of the headquarters to Washington D.C. We recently launched an updated website that offers more opportunities for members to gather information and stay in touch with your colleagues.

Our commitment at USA-ITA is to support the U.S. companies that import and sell textiles and apparel and to work to eliminate protectionism and unnecessary regulations that burden this sector. This remains an important mission that is especially relevant today. We know that your customers, the American consumers, remain concerned about their jobs, the economy and are incredibly value conscious.

On behalf of the USA-ITA Officers and Board, and the members and International Affiliates, we want to thank Laura Jones, USA-ITA's first Executive Director, and her team – Amy Roth, Deborah Ward and Merle Harris – for all their contributions to USA-ITA.

Please feel free to contact me directly with your suggestions and comments at 202/419-0444 and jhughes@usaita.com.

Sincerely,

A handwritten signature in black ink that reads "Julia K. Hughes". The signature is written in a cursive style with a large, looped initial "J".

Julia K. Hughes
President