



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

# TEXTILE AND APPAREL TRADE TRENDS USA-ITA

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# OTEXA Overview




- ü Compile industry data
- ü Research and analysis
- ü Assist in trade negotiations
- ü Promote U.S. textile and apparel companies at trade events
- ü Execute U.S. textile and apparel trade policy
- ü Works to improve exports of U.S. textile and apparel companies in overseas markets
- ü Evaluates the current state of the domestic fiber, textile, and apparel industries and the impact of import competition

# Committee for the Implementation of Textile Agreements (CITA)

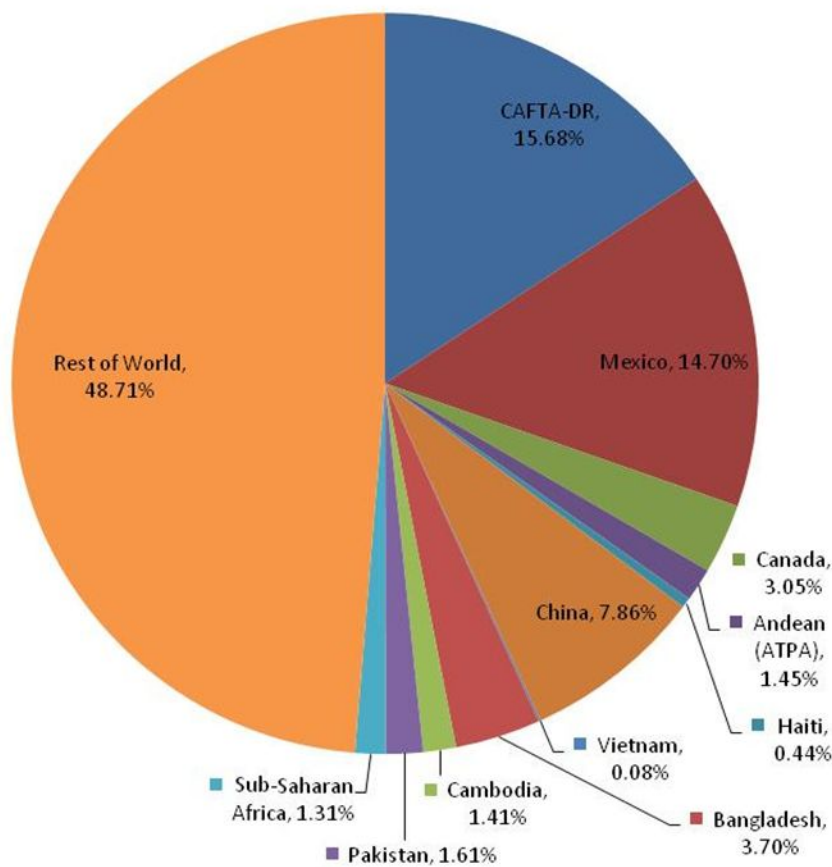


- Interagency committee chaired by the Department of Commerce – USTR, State, Treasury, Labor
  - Established in 1972
  - Implement FTA Provisions
  - Formulate textile and apparel trade policy

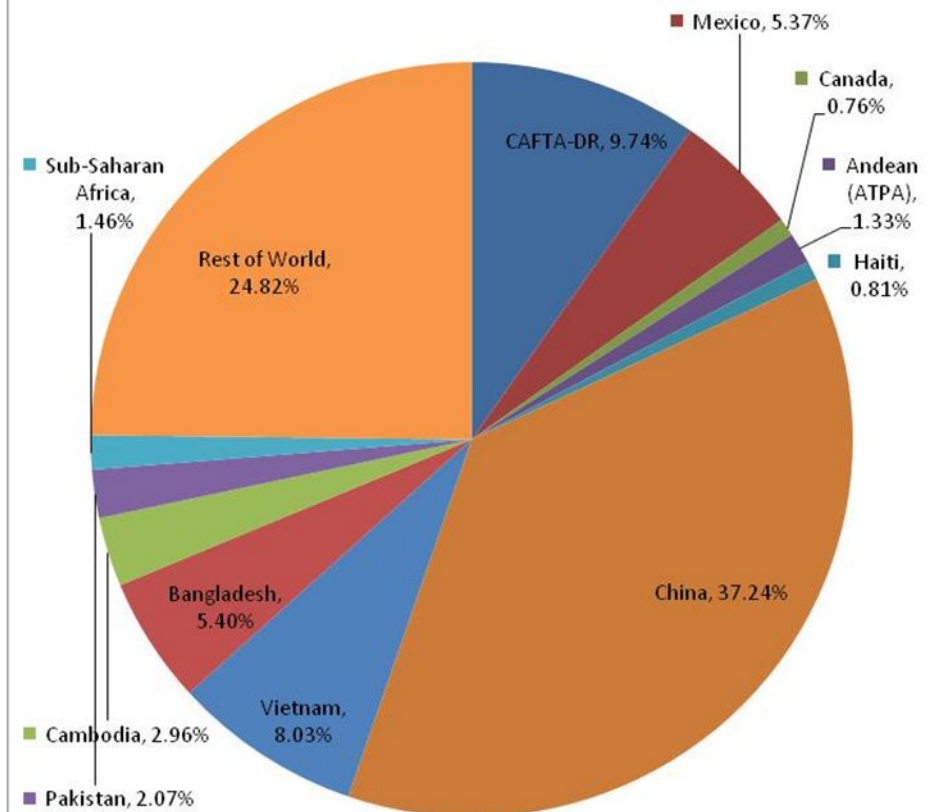


# To Trade or Not to Trade Is that the Question?

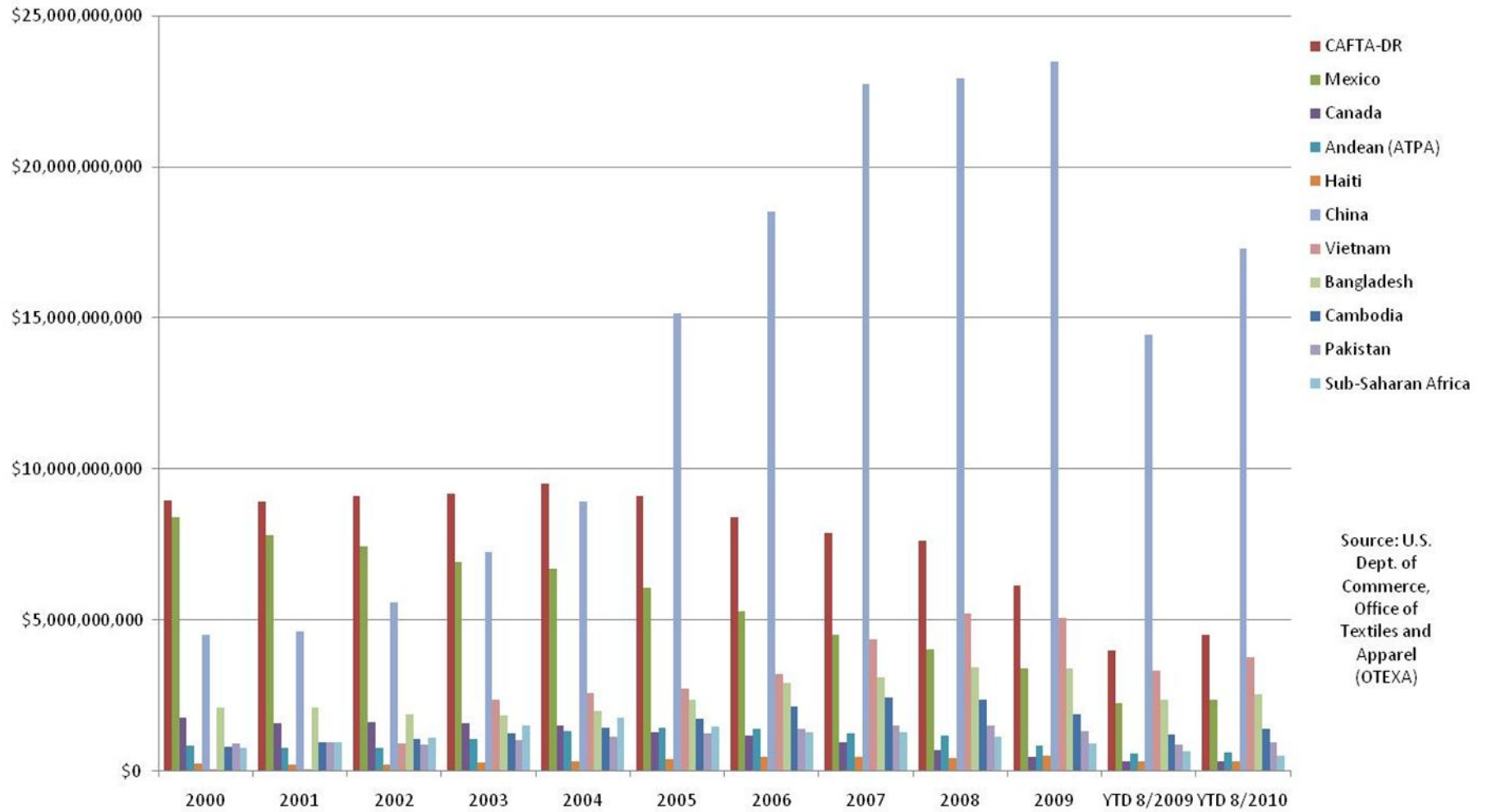
**Selected Country Imports as a Percentage of Total U.S. Apparel Imports, 2000**



**Selected Country Imports as a Percentage of Total U.S. Apparel Imports, 2009**

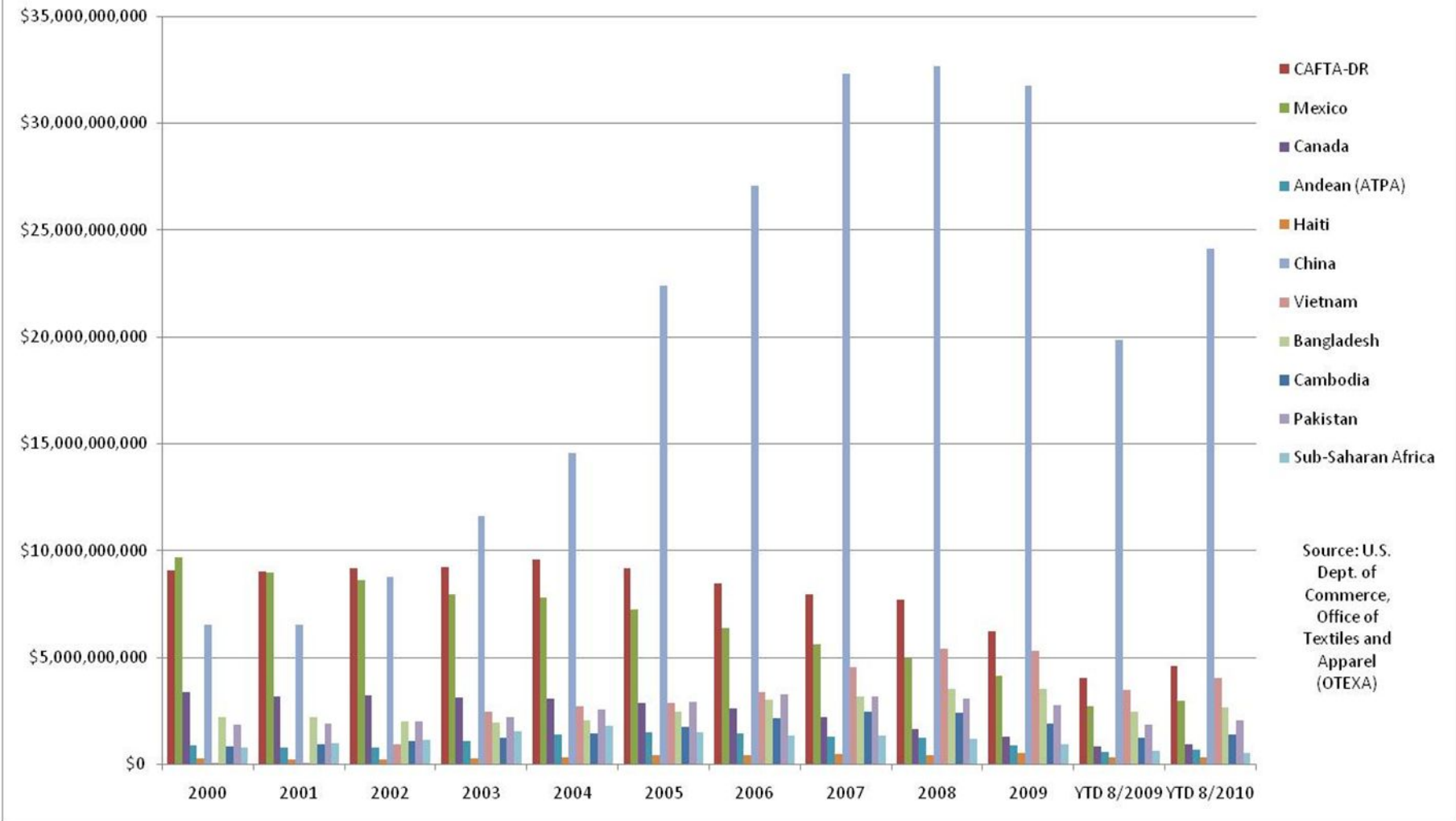


### U.S. Imports of Apparel, 2000-2009 (USD)



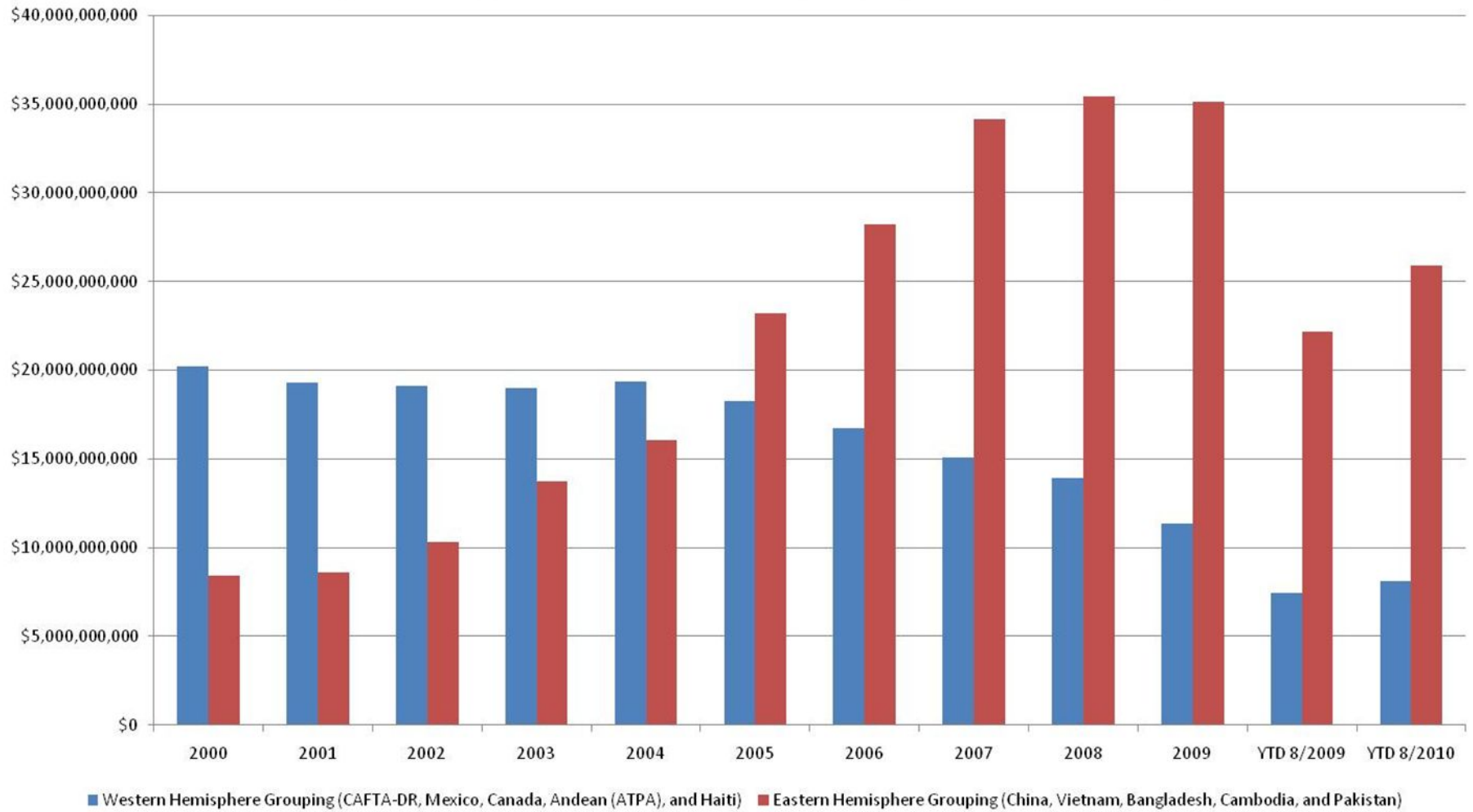
Source: U.S. Dept. of Commerce, Office of Textiles and Apparel (OTEXA)

### U.S. Imports of Textiles and Apparel, 2000-2009 (USD)



Source: U.S. Dept. of Commerce, Office of Textiles and Apparel (OTEXA)

**U.S. Imports of Apparel: Selected Country Aggregations, 2000-2009 (\$US)**



# Leading Textiles and Apparel Shippers to U.S.

Ranked by YTD August 2010 Value  
(\$Billions)

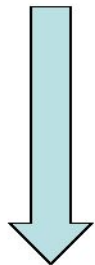
China	\$31.8	\$19.8	\$24.1	21.7
Vietnam	\$5.3	\$3.5	\$4.0	15.4
India	\$4.6	\$3.2	\$3.7	15.4
Indonesia	\$4.0	\$2.8	\$3.1	14.0
Mexico	\$4.1	\$2.7	\$2.9	8.0
Bangladesh	\$3.5	\$2.4	\$2.6	8.4
Pakistan	\$2.8	\$1.8	\$2.0	11.2
Honduras	\$2.0	\$1.3	\$1.5	16.9
Cambodia	\$1.9	\$1.2	\$1.4	12.3
El Salvador	\$1.3	\$.855	\$1.1	24.2
World	\$81.0	\$52.9	\$60.2	13.8



Source: Office of Textiles and Apparel, Major Shippers Report.

# Top 10 Markets for U.S. Exports of Textiles and Apparel

Ranked by YTD August 2010 Value  
(\$Billions)



Canada	\$3.5	\$2.3	\$2.6	12.6
Mexico	\$3.2	\$2.0	\$2.5	23.0
Honduras	\$1.0	\$.681	\$.932	36.9
Dominican Rep.	\$0.556	\$0.386	\$0.412	6.7
China	\$0.431	\$0.267	\$0.361	35.2
Japan	\$0.447	\$0.286	\$0.336	17.8
United Kingdom	\$0.379	\$0.240	\$0.300	24.8
El Salvador	\$0.368	\$0.253	\$0.280	10.5
Germany	\$0.291	\$0.189	\$0.201	6.5
Belgium	\$0.229	\$0.152	\$0.205	35.1
World	\$13.6	\$8.8	\$10.6	20.4

Source: Office of Textiles and Apparel, Major Shippers Report.

# U.S. Textile and Apparel Export Trends

- Fastest Growing Export Markets, YTD 8/09-8/10
  - Brazil: Up 41%, from \$75 million to \$106 million.
  - China: Up 35%, from \$267 million to \$361 million.
  - Russia: Up 52%, from \$19 million to \$29 million.
  - Korea, Malaysia, Singapore, Thailand: Up 27%, from \$247 million to \$313 million.
  - India and Pakistan: Up 38%, from \$42 million to \$58 million.

# Issues for 2011

- Pending FTAs
- Trans-Pacific Partnership
- Trade Preference Renewal / Reform
- Doha Round – labeling proposal
- Miscellaneous Tariff Bills (MTBs)
- National Export Initiative

# FTA Status



- Implemented - 17 Countries:
  - NAFTA (Canada & Mexico)
  - Israel
  - Jordan
  - Singapore
  - Chile
  - Australia
  - Bahrain
  - Morocco
  - CAFTA-DR (Costa Rica, DR, El Salvador, Guatemala, Honduras, Nicaragua)
  - Oman
  - Peru
- Pending Congressional Approval – 3 Countries:
  - Colombia
  - Panama
  - Korea
- Detailed Information on FTAs: [otexa.ita.doc.gov](http://otexa.ita.doc.gov)

# Trans-Pacific Partnership Agreement (TPP)

*“Potential platform for economic integration across the Asia Pacific region”*

- Original parties to 2006 regional FTA:
  - *Brunei, Chile, Singapore, New Zealand*
- Additional negotiating parties:
  - *U.S., Australia, Peru, Malaysia, possibly Vietnam*
- While U.S. exports to the Asia-Pacific increased by 63 percent during the past five years, our share of trade in the region has declined by 3 percent in favor of U.S. competitors
- Aim to increase access to a region that accounts for 40 percent of world trade
- Next round in Auckland, New Zealand, December 2010

# Trade Preference Programs

- Trade Preference Program: legislated by Congress, provides duty-free treatment to certain textile and apparel products from designated beneficiary countries that meet the program's rules.
- There are four Trade Preference Programs that provide for preferential access to the U.S. market for textiles and apparel:
  - African Growth and Opportunity Act (AGOA)
  - Andean Trade Promotion and Drug Eradication Act (ATPDEA)
  - Caribbean Basin Trade Partnership Act (CBTPA)
  - Haitian Hemispheric Opportunity through Partnership Encouragement Act (Haiti HOPE)

# Trade Preference Reform

- Current programs expire in 2010: GSP, ATPDEA
- Congress reviewing all existing trade preference programs
- Congress considering consolidation of programs; expansion of rules of origin; new beneficiaries; graduation from programs
- Administration engaged with stakeholders in reviewing proposals



## **Understanding on the Interpretation of the Agreement on Technical Barriers to Trade with respect to the Labeling of Textiles, Clothing, Footwear, and Travel Goods (TAFT)**

- Co-sponsors: U.S, EU, Mauritius, Sri Lanka and Ukraine
- Harmonizing labeling practices to reduce costs and delays to markets and simplify the process worldwide
- Reducing the ability of regulators to use labeling as a trade barrier
- Improving transparency to help industry adapt to new labeling requirements more efficiently

# Miscellaneous Tariff Bills (MTBs)

- MTB guidelines are broadly set by Congress
  - duty revenue loss must be < \$500,000/year
  - no domestic production of a like or competing product
  - non-contentious
- Commerce industry offices, including OTEXA, have lead in determining whether there is domestic production of a like or competing product and whether industry objects to the MTB
- Commerce recommendations become basis for interagency review, which includes CBP and USTR. The Office of Management and Budget determine the final Administration position sent to Congress.
- Over 50 fiber, textile and footwear provisions, providing 3-year tariff relief, were included in PL 111-227, “United States Manufacturing Enhancement Act of 2010”

# The President's National Export Initiative

- President Obama's New Export Initiative
  - Doubling exports within 5 years
  - Exports = Opportunities for growth
    - ü Job creation
    - ü Business expansion
    - ü Profit opportunities



# OTEXA Export Services

OTEXA has over 30 years of experience in facilitating exports for small and medium-sized companies:

- Export counseling and assistance
- Market research
- U.S. Pavilions at established overseas trade shows
- Trade missions
- Emphasis on niche markets, higher end producers and suppliers, and FTA partnerships
- Catalog/sample presentations at overseas trade shows



# OTEXA Export Services, continued

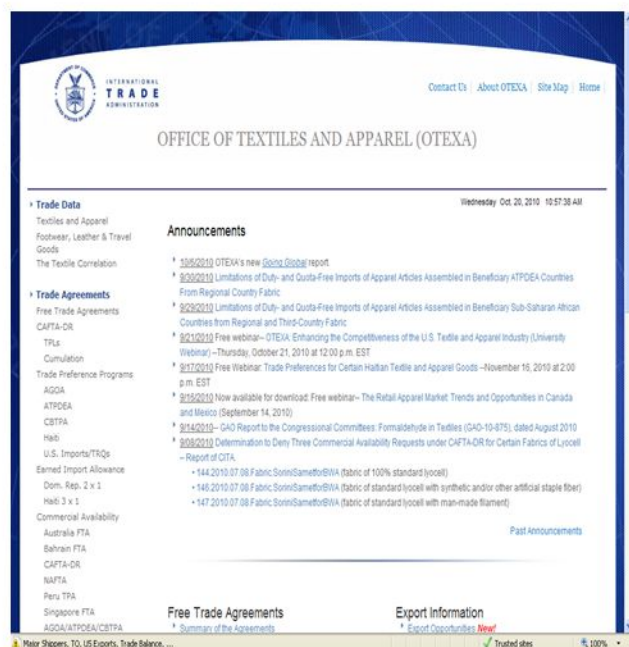
OTEXA's export services also include:

- Trade events to increase international business exposure and business match-making
- Online resource information for export business development including
  - ü Market research - information on how to export
  - ü Identification of top U.S. export markets
  - ü Marketing strategies (export plan, best practice and strategies)



# OTEXA.ita.doc.gov: Your Textile/Apparel Resource

- Trade Data Reports
  - Major Shippers (Import Data)
  - Export Market
  - Trade Balance
  - Imports, Production & Domestic Market Share




- Free Trade Agreements
- Trade Preference Programs
- Statutory Programs: Wool TRQs, DR 2 for 1, Haiti HOPE 3 for 1
- Export Information
- Legislation, including Miscellaneous Tariff Bills

# Contact

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