



INTERNATIONAL
TRADE
ADMINISTRATION

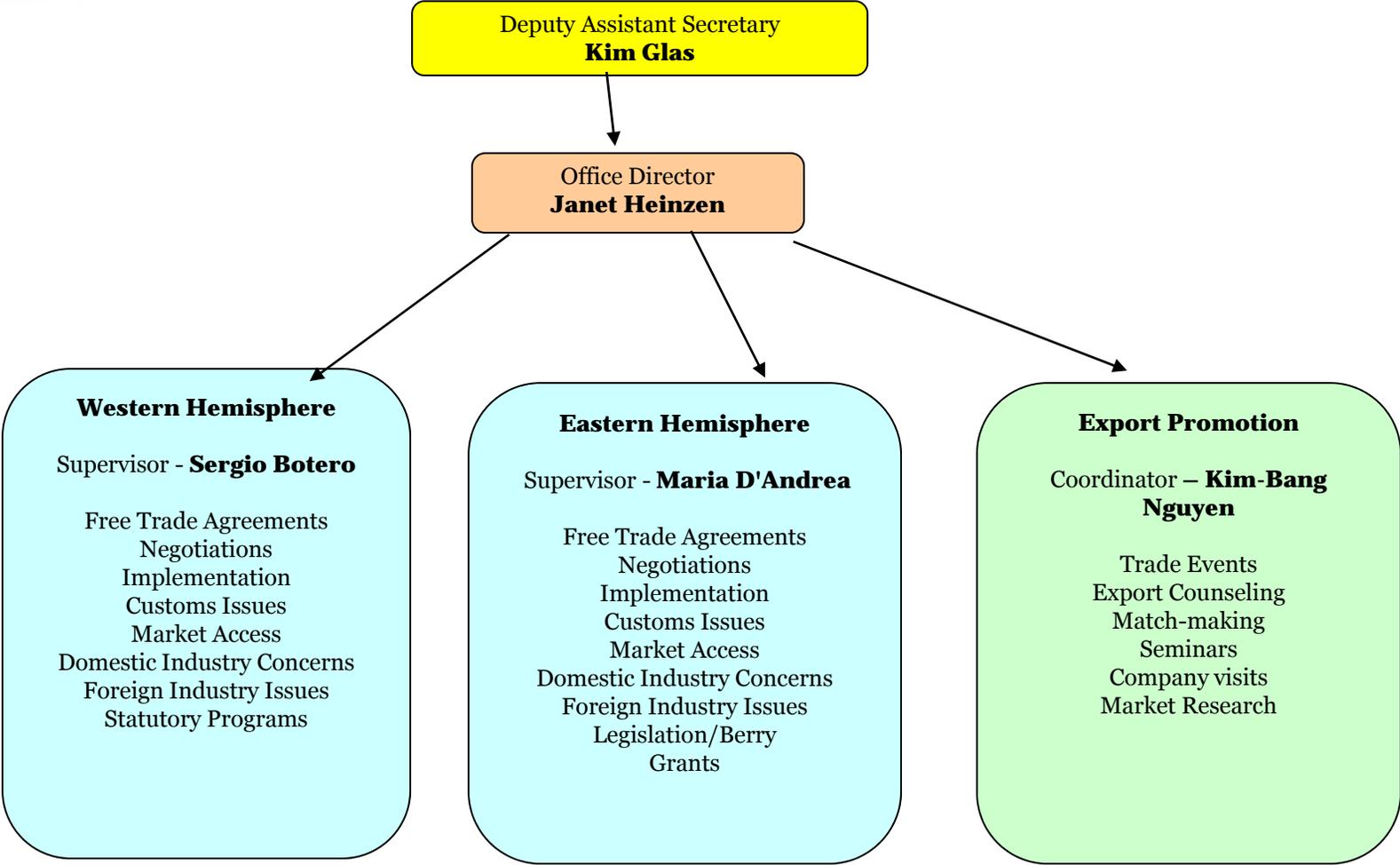


OTEXA: Enhancing the Competitiveness of the U.S. Textile & Apparel Industry

October 21, 2010

**Office of Textiles & Apparel
International Trade Administration
U.S. Department of Commerce**

Office of Textiles & Apparel (OTEXA) Organization



OTEXA Mission Statement

To develop programs and strategies to improve the competitiveness of the U.S. textile, apparel, footwear, and travel goods industries

OTEXA's Responsibilities & Duties

- Compile industry data
- Research and analysis
- Assist in trade negotiations
- Formulate and execute U.S. textile and apparel trade policy
- Promote U.S. textile and apparel companies at international trade events
- Work to improve exports of U.S. textiles and apparel companies in overseas markets



Committee for the Implementation of Textile Agreements (CITA)

Interagency committee chaired by the Department of Commerce, includes USTR, State, Treasury, Labor



- Established in 1972
- Implement textile and apparel provisions of Free Trade Agreements (FTAs) and preference programs
- Administer textile and apparel safeguard actions (FTAs)

Industry Advice: Essential to Formulating U.S. Textile & Apparel Trade Policy



Formal industry advice on U.S. trade policy matters related to textiles, apparel, footwear, and travel goods trade matters is received from:

- The Industry Trade Advisory Committee on Textiles and Clothing (ITAC 13)
- The Industry Trade Advisory Committee on Distribution Services (ITAC 5)

Profile of the U.S. Textile and Apparel Industry

- The textile and apparel industry is one of the largest employers in the manufacturing sector, with 421,800 workers in 2009 - ***3.5% of the U.S. manufacturing workforce.***
- There are approximately 17,900 textile and apparel establishments in the United States.
- There are 252,200 textile industry employees and 169,600 apparel industry employees.
- The textile industry is located primarily in Southeastern states, while the apparel industry is concentrated in California, New York and North Carolina.

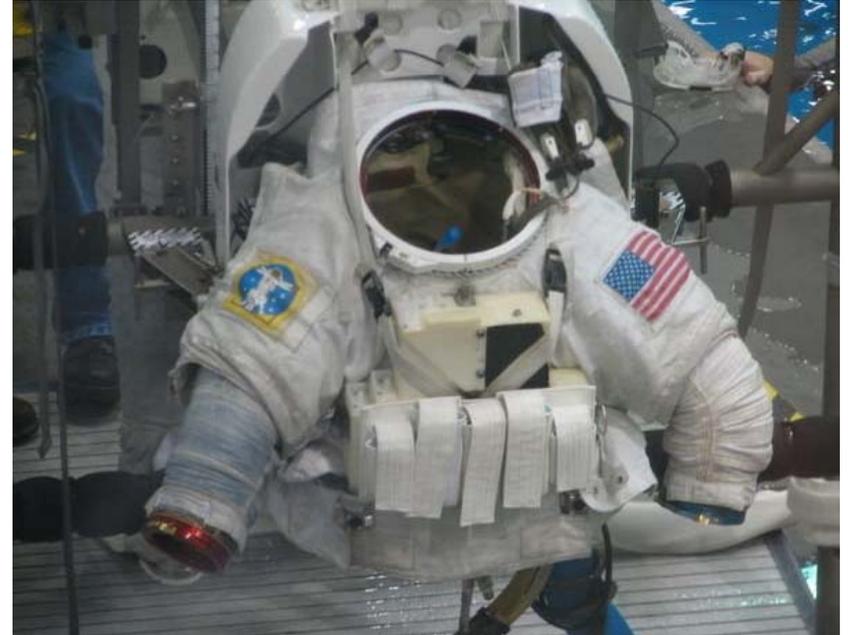
Industry Profile, continued

- In 2008, textile and apparel industries worldwide generated \$612 billion (USD) in world exports and accounted for a 4% share in global merchandise exports.
- The U.S. textile and apparel industry generated \$16.9 billion in exports in 2008, which represented 2.8% of total world exports of textiles and apparel.
- In 2009, the total combined value of U.S. textile and apparel shipments was \$62.8 billion (\$47.2 billion in textile industry shipments, \$15.6 billion in apparel industry shipments).
- In 2009, the U.S. earned \$9 billion in Customs revenue on imports of textile and apparel products.

Yesterday and Today's Textiles: 100 Years of Progress



1910



2010

You've come a long way, baby!

A Day In The Life of Theodore Textiles



- Fire resistant, anti-microbial mattress and mattress pad . . .
- Allergy-resistant pillow . . .
- Dresses in wind resistant, stain resistant, water repellent, wrinkle free clothes . . .

Theodore Drives to Visit a Sick Friend



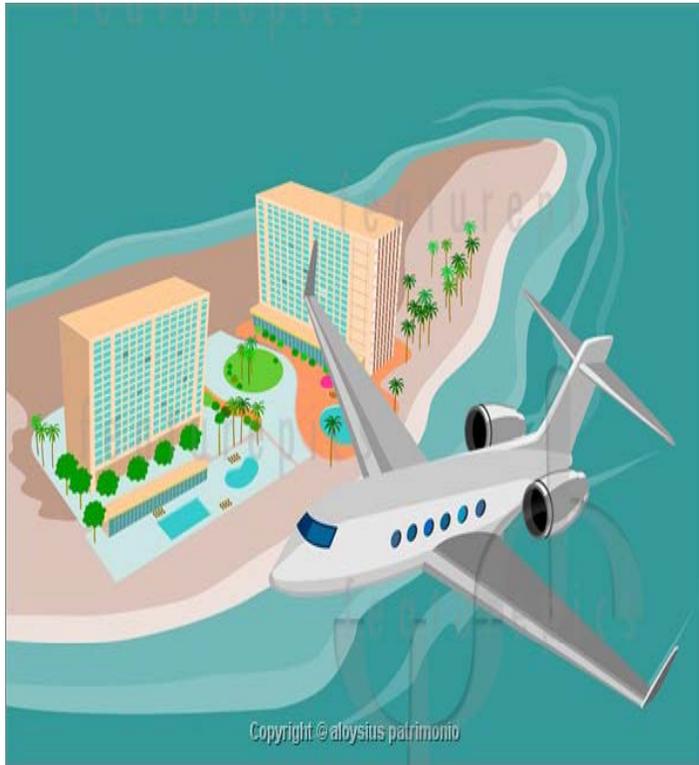
- Micro-suede washable seat . . .
- Woven nylon fabric airbag . . .
- Secure tire cord . . .
- Lightweight composite paneling and auto body . . .

Theodore's Friend in His Hospital Room



- State of the art patient room with anti-microbial, moisture absorbing, infection controlled mattresses, covers, cubicle curtains, bed linens, gowns, wall coverings . . .
- Textile heart filter, nonwovens wipes . . .
- Textile composites in equipment, bed frame, medical machines, tubing, ventilation, vital signs controls, oxygen masks . . .

Theodore Flies to Business Meeting



- Textile composites used in airplane body construction for fuel efficiency and performance . . .
- Highly flame retardant fabrics used throughout aircraft interiors . . .
- Air filtration, oxygen masks, fiber optic communication and navigational systems . . .

Leading Textiles and Apparel Shippers to U.S.

**Ranked by YTD August 2010 Value
(\$Billions)**

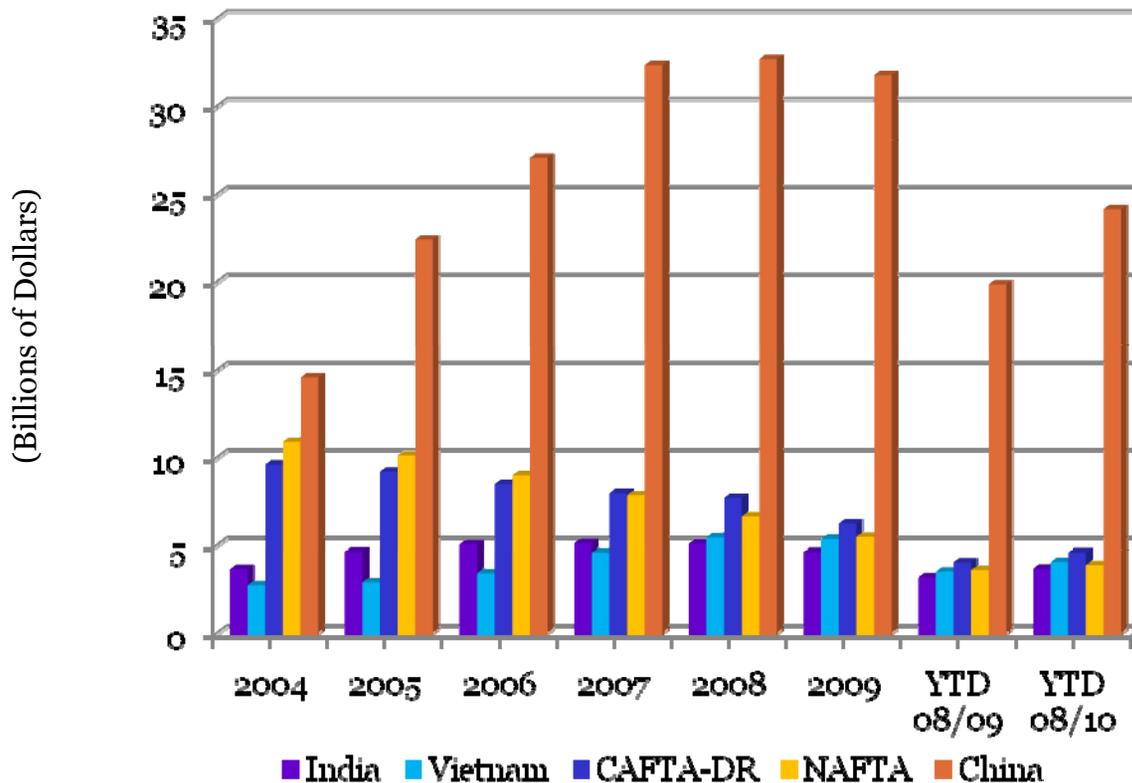
Country	2009	YTD August 2009	YTD August 2010	% change
China	\$31.8	\$19.8	\$24.1	21.7
Vietnam	\$5.3	\$3.5	\$4.0	15.4
India	\$4.6	\$3.2	\$3.7	15.4
Indonesia	\$4.0	\$2.8	\$3.1	14.0
Mexico	\$4.1	\$2.7	\$2.9	8.0
Bangladesh	\$3.5	\$2.4	\$2.6	8.4
Pakistan	\$2.8	\$1.8	\$2.0	11.2
Honduras	\$2.0	\$1.3	\$1.5	16.9
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.

U.S. Imports of Textiles and Apparel

\$81.0 billion in U.S. imports of textiles and apparel in 2009;
 \$60.2 billion in YTD August 2010

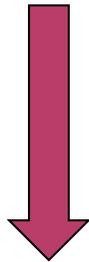


India, Vietnam, CAFTA-DR, NAFTA and China together account for almost 70% of U.S. imports of textiles and apparel.

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)

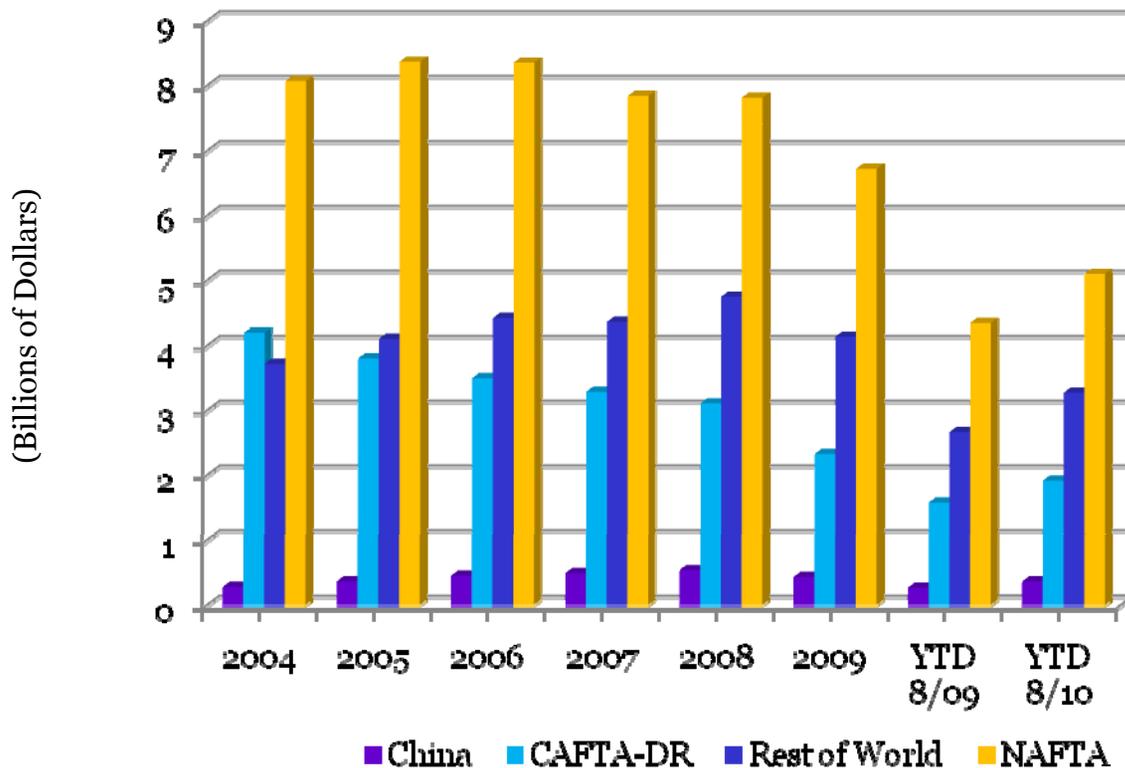


Country	2009	YTD August 2009	YTD August 2010	% change
Canada	\$3.5	\$2.3	\$2.6	12.6
Mexico	\$3.2	\$2.0	\$2.5	23.0
Honduras	\$1.0	\$.681	\$.932	36.9
Dominican Rep.	\$0.556	\$0.386	\$0.412	6.7
China	\$0.431	\$0.267	\$0.361	35.2
Japan	\$0.447	\$0.286	\$0.336	17.8
United Kingdom	\$0.379	\$0.240	\$0.300	24.8
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. Exports of Textiles and Apparel

\$13.6 billion in exports of U.S.-made textiles and apparel in 2009;
\$10.6 in YTD August 2010

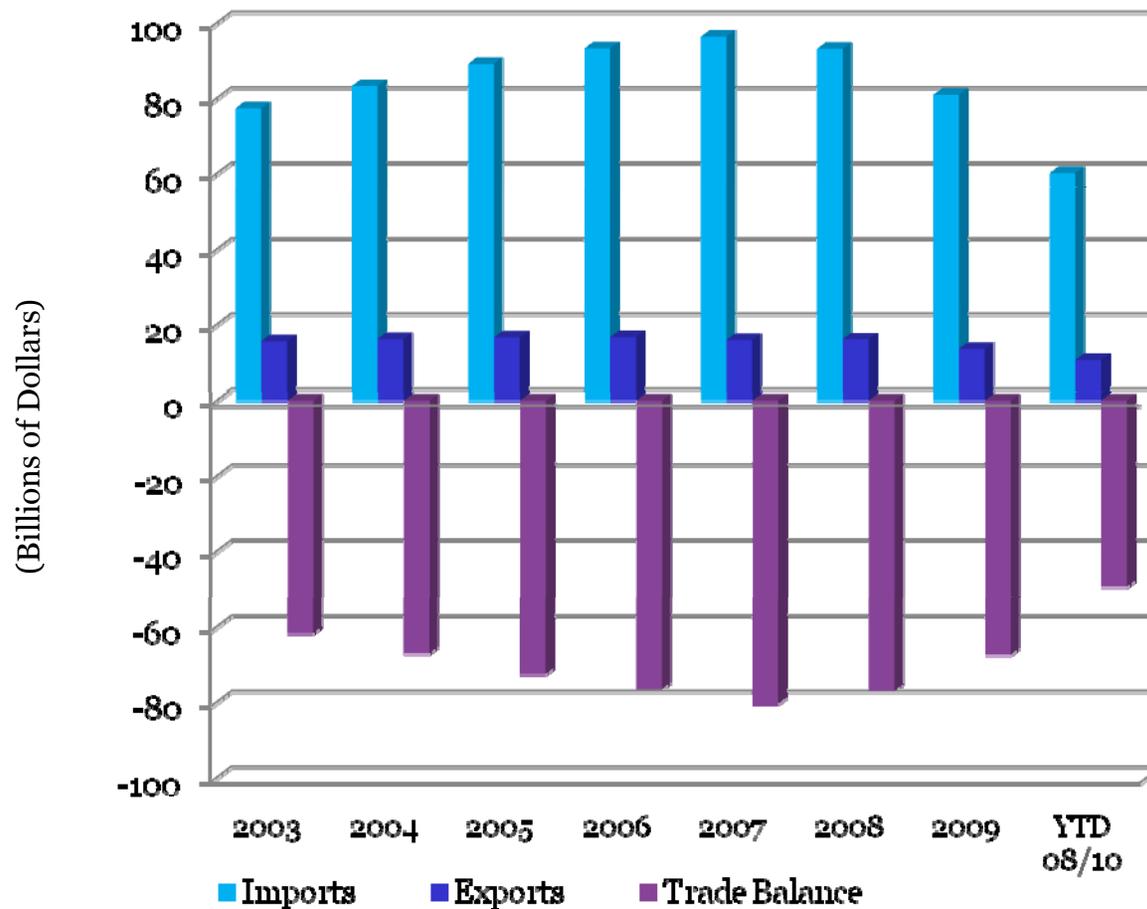


Almost 70% of U.S. exports are to our FTA partners in the Western Hemisphere: CAFTA-DR, Chile and NAFTA

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

U.S. Textile and Apparel Trade Balance

The U.S. textile and apparel trade balance narrowed from \$61.8 billion in 2003, to \$49.6 billion in January-August 2010



Opening Markets: Free Trade Agreements

FTAs in place:

- Israel
- NAFTA
- Jordan
- Chile
- Singapore
- Australia
- Morocco
- CAFTA-DR
- Bahrain
- Oman
- Peru

Pending:

- Colombia
- Panama
- South Korea



President Barack Obama greets President Oscar Arias of Costa Rica on April 17, 2009. Costa Rica joined the CAFTA-DR FTA on January 1, 2009.

Trans-Pacific Partnership Agreement (TPP)

“potential platform for economic integration across the Asia Pacific region”

- Original parties to 2006 regional FTA:
✓ Brunei, Chile, New Zealand, Singapore
- Additional negotiating parties as of October 2010:
✓ U.S., Australia, Malaysia, Peru, possibly Vietnam
- While U.S. exports to the Asia-Pacific increased by 63% during the past five years, our share of trade in the region has declined by 3% in favor of U.S. competitors
- Aim: to increase exports to a region that accounts for 40% of world trade
- First round held in Melbourne, Australia March, 2010
- Second round in San Francisco, California, June 2010
- Third round held in Brunei October 2010
- U.S. will seek separate treatment for textiles and apparel

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)

Statutory Programs

Dominican Republic (DR) 2 for 1 Earned Import Allowance



- For every 2 square meter equivalents (SME) of qualifying U.S.-formed fabric shipped to the DR for the production of apparel, qualifying apparel producers may export 1 SME of certain apparel, wholly formed in the DR, to the U.S. duty-free, regardless of the yarn and/or fabric source.
- Effective December 1, 2008.
- Authority delegated to OTEXA to implement the program.

Statutory Programs, continued

Haiti Earned Import Allowance Program

- For every 2 square meter equivalents (SME) of qualifying U.S.-formed fabric shipped to Haiti for the production of apparel, qualifying apparel producers may export 1 SME of apparel wholly formed or knit-to-shape in Haiti, from Haiti or the DR, duty free, regardless of the source of the fabric.
- Effective October 1, 2008.
- Authority delegated to OTEXA to implement the program.

Statutory Programs, continued

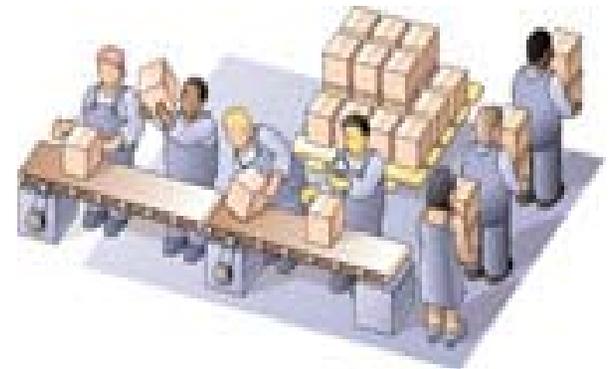
Wool TRQ Program



- Provides temporary duty reductions for imports of certain worsted wool fabrics for manufacturing men's & boys' suits/suit-type jackets/trousers.
- Eligible participants must cut & sew men's & boys' worsted wool suits/suit-like jackets/trousers in the U.S. or weave worsted wool fabric in the U.S.
- OTEXA reviews applications & issues licenses to eligible U.S. manufacturers.
- 12 companies were issued licenses in 2010.

The President's National Export Initiative

- President Obama's New Export Initiative
 - Doubling exports within 5 years
 - Exports = Opportunities for growth
 - ✓ Job creation
 - ✓ Business expansion
 - ✓ 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
 - ✓ market research - information on how to export
 - ✓ identification of top U.S. export markets
 - ✓ marketing strategies (export plan, best practice and strategies)



The Department's Sustainable Manufacturing Initiative



- Overseen by the Department's Working Group on Sustainability Initiatives
- Goal of strengthening U.S. industry's global competitiveness, starting at home
- Held the Sustainability and Competitiveness Summit in 2009 to discuss progress and to identify most pressing needs

Sustainable Manufacturing American Regional Tours - “SMARTs” and “SMARTers”

- Goal: To raise awareness of the benefits of sustainable manufacturing and other business practices
- Entails Commerce-led tours of facilities of national and local sustainability leaders
- Closes the “familiarity gap” – show companies what “going green” entails



Sustainability: Affecting Manufacturers *and* Service Providers

What does the future hold for the SMI?



Expand SMI's Focus:

- Training Module for Manufacturers
- Sector-Focused Studies
- Processes and Products
- Smarter events for the carpet supply chain and the textile supply chains
- Green Jobs

Foreign Trade Concerns and Problems

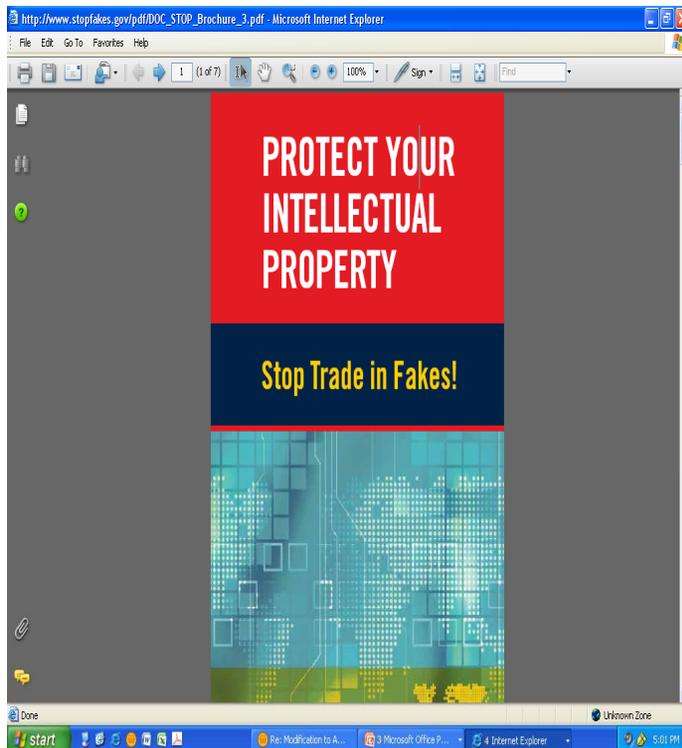
- Monitor foreign trade policies and practices to ensure compliance with WTO and international trade agreement commitments and access for U.S. products.
- Provide information on foreign import requirements, by country, for the textile, apparel, footwear and travel goods sectors:
 - Product standards
 - Labeling
 - Tariffs
 - Taxes
 - Import documentation

Monitoring Foreign Subsidies

- Monitor foreign subsidies practices affecting the U.S. textile and apparel sectors.
- Evaluate compliance with WTO subsidies commitments.
- Consult with foreign governments regarding subsidies practices.
- In December 2009, the United States reached an agreement with China, as part of the WTO Dispute Settlement process, for China to end its illegal support for Chinese “Famous Brands”, measures to promote Chinese exports, ranging from textiles and refrigerators to beer and peanuts.



Strategy Targeting Organized Piracy (STOP)



- Growing trade in pirated & counterfeit goods threatens innovation, workers' livelihoods, health and safety.
- Fake products, including clothing, account for an estimated 5-7% of global trade, costing legitimate rights holders around the world billions of dollars annually.
- STOP: a comprehensive U.S. government program to stop trade in pirated and counterfeit goods.
- Visit www.StopFakes.gov for information about obtaining and enforcing intellectual property rights.

Military Procurement of Textiles and Apparel



- Department of Defense (DoD) required by the “Berry Amendment” to procure domestically manufactured textile and apparel products:
 - Purpose: to maintain active industrial base for these products
 - FY 2009 procurement of clothing and textiles by the Defense Logistics Agency: more than \$2.5 billion worldwide
- OTEXA liaisons with the domestic industry and DoD contractors to ensure compliance with domestic source requirements.
- Visit the OTEXA website at otexa.ita.doc.gov for additional information on the Berry Amendment.

Department of Homeland Security (DHS) Domestic Source Requirements for Clothing & Textiles



- In 2009, new requirement implemented into law requiring DHS to procure domestically produced certain clothing and other textile items directly related to U.S. national security interests.
- Currently applies only to Transportation and Security Administration and the U.S. Coast Guard
- Must be applied in a manner consistent with U.S. obligations under international agreements

Textile Grants

Textile Technology Grants

- OTEXA administers grants for basic textile and apparel research to enhance the competitiveness of the U.S. fiber/textile/apparel complex.
- In FY2010, Congress provided authorization and funding for:
 - ✓ the National Textile Center (NTC)
 - ✓ Textile/Clothing Technology Corporation [TC]²
 - ✓ Philadelphia University
- Total funds administered in FY2010, \$3.9 million.
- Status for FY2011 unknown; federal government is on a continuing resolution.

What OTEXA Does, *Matters!*



- OTEXA is the face and voice of the U.S. government for textile and apparel issues.
- OTEXA negotiates and implements Free Trade Agreements (FTA) provisions to ensure fair and balanced trade.
- OTEXA provides export assistance to SMEs providing valuable tools for business retention, growth and employment.
- OTEXA supports the U.S. textiles industry through research and grants to maintain creative leadership, spark innovations and assure industry competitiveness on a global scale.
- OTEXA promotes the Made-In-USA label as a global quality standard.

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

INTERNATIONAL TRADE ADMINISTRATION

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OFFICE OF TEXTILES AND APPAREL (OTEXA)

Trade Data Wednesday, Oct. 20, 2010 10:57:38 AM

Textiles and Apparel
Footwear, Leather & Travel Goods
The Textile Correlation

Trade Agreements

Free Trade Agreements
CAFTA-DR
TPLs
Cumulation

Trade Preference Programs

AGOA
ATPOEA
CBTPA
Haiti
U.S. Imports/TRQs

Earned Import Allowance

Dom. Rep. 2 x 1
Haiti 3 x 1

Commercial Availability

Australia FTA
Bahrain FTA
CAFTA-DR
NAFTA
Peru TPA
Singapore FTA
AGOA/ATPOEA/CBTPA

Announcements

- 10/19/2010 OTEXA's new [Spino Global](#) report
- 9/30/2010 Limitations of Duty- and Quota-Free Imports of Apparel Articles Assembled in Beneficiary ATPDEA Countries From Regional Country Fabric
- 9/29/2010 Limitations of Duty- and Quota-Free Imports of Apparel Articles Assembled in Beneficiary Sub-Saharan African Countries from Regional and Third-Country Fabric
- 9/24/2010 Free webinar- OTEXA: Enhancing the Competitiveness of the U.S. Textile and Apparel Industry (University Webinar) -Thursday, October 21, 2010 at 12:00 p.m. EST
- 9/17/2010 Free Webinar: Trade Preferences for Certain Haitian Textile and Apparel Goods -November 16, 2010 at 2:00 p.m. EST
- 9/16/2010 Now available for download: Free webinar- The Retail Apparel Market: Trends and Opportunities in Canada and Mexico (September 14, 2010)
- 9/14/2010- GAO Report to the Congressional Committees: Formaldehyde in Textiles (GAO-10-475), dated August 2010
- 9/08/2010 Determination to Deny Three Commercial Availability Requests under CAFTA-DR for Certain Fabrics of Lyocell - Report of CITA
 - 144.2010.07.08.Fabric.SoriniSameho@WA (fabric of 100% standard lyocell)
 - 148.2010.07.08.Fabric.SoriniSameho@WA (fabric of standard lyocell with synthetic and/or other artificial staple fiber)
 - 147.2010.07.08.Fabric.SoriniSameho@WA (fabric of standard lyocell with man-made filament)

Past Announcements

Free Trade Agreements Summar of the Agreements

Export Information Export Opportunities **New!**

Major Shippers, TQ, US Exports, Trade Balance, ...

Trusted sites 100%

- 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

Contacts

Thank you for your time and attention!

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Contact Us!

To Better Serve You and to Further Develop our Webinar Program:

If you registered as a group under one name, please
let us know:

- how many participants
- what University/program

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