

# U.S. Textile Outlook & Opportunities



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# US Trade Preference Programs and Free Trade Agreements

## Trade Preference Programs

- AGOA
- CBTPA
- QIZ
- Haiti HELP/HOPE

## Free Trade Agreements

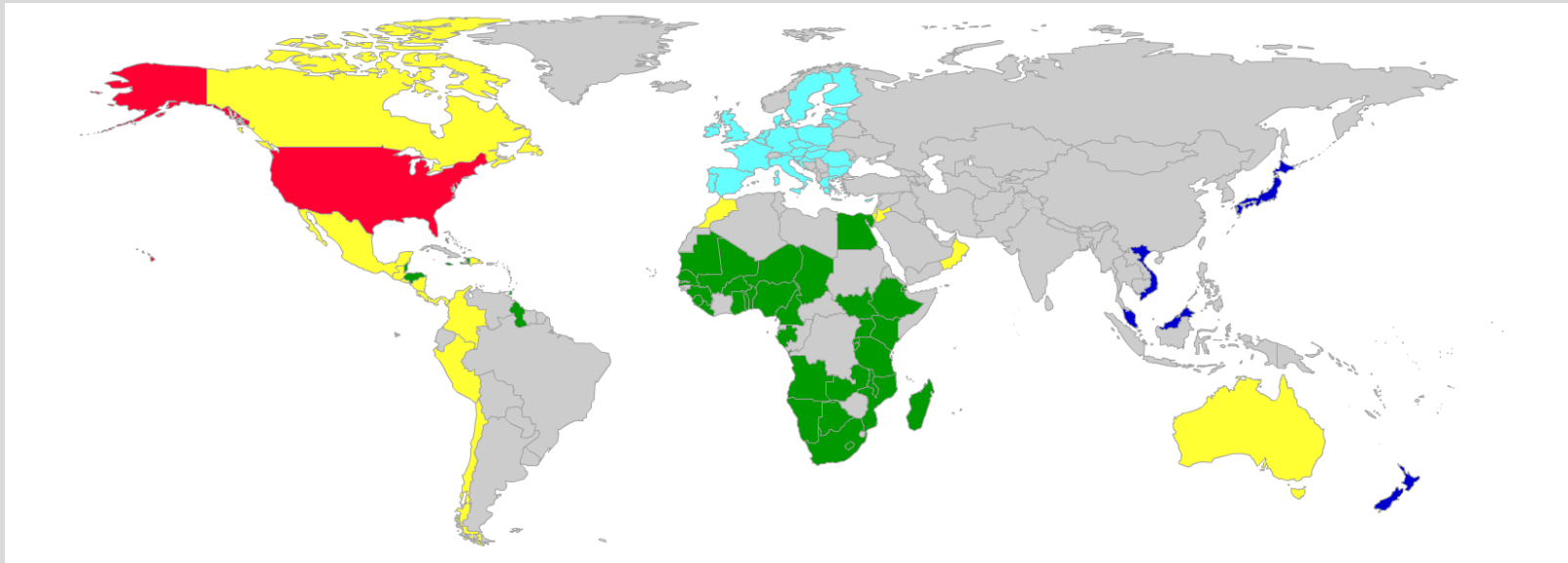
- Australia
- Bahrain
- CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua)
- Chile
- Colombia
- Israel
- Jordan
- Korea
- Morocco
- NAFTA (Canada, Mexico)
- Oman
- Panama
- Peru
- Singapore

## TPP (in negotiations)

- Australia
- Brunei
- Canada
- Chile
- Japan
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Vietnam

## TTIP (in negotiations)

- The European Union



# Trans Pacific Partnership (TPP)



- 21<sup>st</sup> century FTA (environment, labor, services, investment, IPR, etc)
- Agreement covers 40% of world trade in goods
- TPP increases market access for exporters in growing markets for U.S. textiles and apparel and streamlines foreign regulatory processes
- US proposes a primarily yarn-forward rule of origin to assure that duty-preference does not go to third-parties, along with a carefully negotiated short-supply list

Australia



Brunei



Canada



Chile



Japan



Malaysia



Mexico



New Zealand



Peru



Singapore



Vietnam



United States





# TPP Textile Export Opportunities



- \$9.9 billion in US textile exports to TPP countries in 2014
- With full tariff preference, exports to Japan, Vietnam, and Malaysia are expected to grow significantly
  - Particularly in the industrial fabrics sector
- Large demand in Japanese market for US textile material
  - Synthetic nylon filament, high tenacity yarns, elastomeric yarn, rubberized/plastic coated fibers

Australia



Brunei



Canada



Chile



Japan



Malaysia



Mexico



New Zealand



Peru



Singapore



Vietnam



United States



# Top Textile Exports to Japan (2014)



- Non-wovens - \$61,418,667
- Textile products and articles for technical uses - \$31,385,503
- Synthetic filament yarn of nylon or other polyamides - \$30,792,515
- Synthetic filament tow of nylon or other polyamides - \$25,708,759
- Textile flock - \$11,192,636
- Artificial filament tow - \$10,456,856

Australia



Brunei



Canada



Chile



Japan



Malaysia



Mexico



New Zealand



Peru



Singapore



Vietnam



United States





# Top Textile Imports from Japan (2014)



- Manmade fibers impregnated or covered with polyurethane - \$61,708,326
- Woven fabrics of 85%+ cotton - \$26,325,492
- Synthetic filament yarn - \$19,880,364
- Synthetic staple fibers of acrylic or modacrylic - \$16,788,850
- Textile flock - \$15,574,644
- Articles for technical uses - \$14,907,875
- Straining cloth - \$14,751,809
- Non-wovens – \$41,640,406

Australia



Brunei



Canada



Chile



Japan



Malaysia



Mexico



New Zealand



Peru



Singapore



Vietnam



United States



# Transatlantic Trade and Investment Partnership (T-TIP)



- Agreement represents 33% of trade in goods and 42% of trade in services
- Reduce non-tariff barriers and domestic protections in the EU region
- Standardize testing methodologies and specification requirements
- Streamline customs procedures
- Overarching objectives
  - Open services industry with mutual recognition of professional licensing
  - Loosen restrictions on cultural products
  - Harmonize technical NTBs including SPS and autos

# Top Textile Exports to the EU (2014)



- Nonwovens - \$363,911,605
- Artificial filament tow- \$150,208,709
- Synthetic filament yarn - \$110,749,441 (2014)
- Textile products and articles for technical uses nesoi - \$39,679,157
- Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio backcloths or the like - \$35,484,937





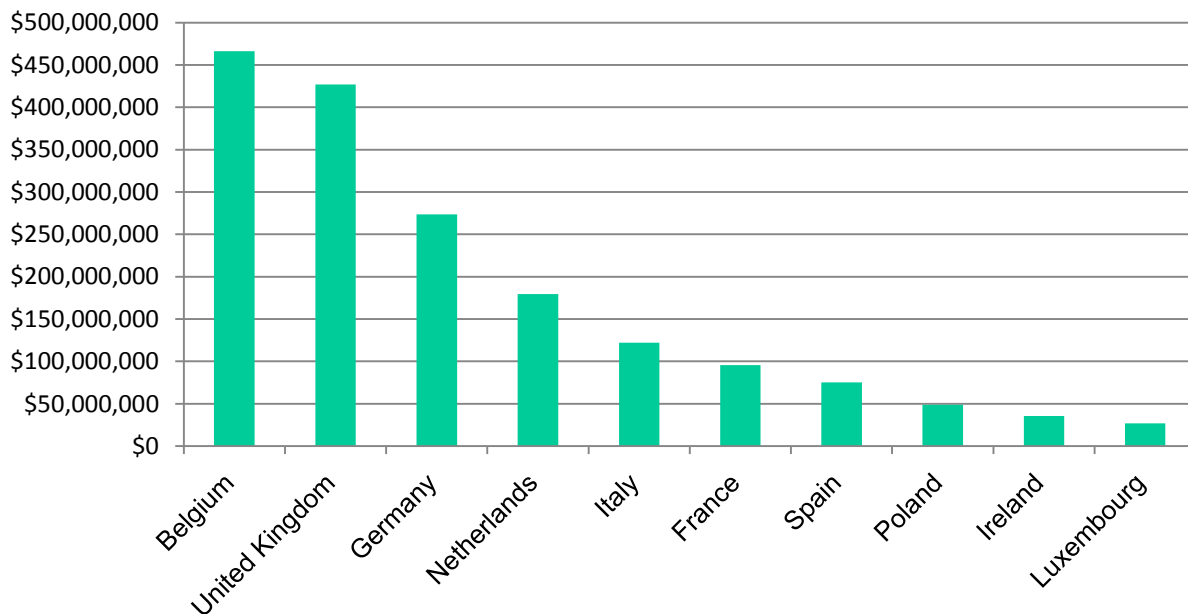


# Top Textile Exports to the EU (2014)

- 1) **Belgium** - \$466,052,516
- 2) **UK** - \$426,869,951
- 3) **Germany** – \$273,484,596
- 4) **Netherlands** - \$179,553,767
- 5) **Italy** – \$122,166,118



**Top 10 EU-28 Importers of US Textiles  
(Over 90% of Total EU-28 Imports)**





# Renewal of Preference Programs

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- Recently introduced legislation expected to be passed by end of June – extends AGOA, GSP and Haiti HOPE/HELP for 10 years (through 2025)
- AGOA 3<sup>rd</sup> country fabric provision extended in renewal through September 30, 2025
- Proposal also adds travel goods to GSP
- President Obama and Congress are committed to working towards a “seamless” AGOA renewal

# Haiti HOPE/HELP

## Haitian Hemispheric Opportunity through Partnership Encouragement Act / Haiti Economic Lift Program



- Began in 2006 as the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE)
- HELP = comprehensive expansion of the preference program
- Recently introduced legislation extends program through 2025
- Utilizes Tariff Preference Levels (TPLs) to allow yarns and fabrics to originate from any country
- Textile/apparel exports to US - **\$843,512,581** (2014)





# African Growth & Opportunity Act (AGOA)

- Out of all sub-Saharan African (SSA) countries eligible for AGOA benefits, 26 currently qualified for textile and apparel benefits
- U.S. imports of textiles and apparel from SSA totaled \$986.3 million in 2014, up 5.8% from 2013
- Virtually all imports receive preferential access to U.S. market

## Apparel Provision Qualifying Countries

- Benin
- Botswana
- Burkina Faso
- Cameroon
- Cape Verde
- Chad
- Cote d'Ivoire
- Ethiopia
- Ghana
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- Senegal
- Sierra Leone
- South Africa\*
- Tanzania
- Uganda
- Zambia

*\*South Africa does not qualify as an LDC and is ineligible for 3<sup>rd</sup> party fabric provision*

# Committed to Trade Enforcement



- USTR has asked WTO to establish Dispute Settlement Panel regarding China's "Demonstration Bases- Common Service Platform" program
- This program appears to grant unfair, prohibited export subsidies to a large range of Chinese manufacturers and producers in textile sector
- Consultations with China have failed to resolve concerns



# Obama Announces Domestic Textile Initiative

- On March 18, President Obama announced a \$150 million competition Wednesday designed to boost domestic textile manufacturing
- Obama unveiled plans for the Department of Defense-led competition aimed at sharpening the capabilities of textile-focused manufacturers, universities and nonprofits by financing cutting-edge technologies with a \$75 million public investment that will be matched by the private sector
- According to the White House, the American textile industry is adding jobs for the first time in two decades, increasing shipments by nearly one fifth since the recession, and increasing exports by 45 percent since 2009



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