



U.S. Government Approves Four More Safeguards

May 18, 2005
For Immediate Release

WASHINGTON, DC - The U.S. government approved four safeguard cases against China today covering man-made fiber, shirts, non-knit (woven) shirts, man-made trousers, and combed cotton yarn.

“The Istanbul Declaration Coalition applauds decision by the White House to impose additional Safeguards on Chinese Textiles. This action by the U.S. Administration provides the global textile producing nations an opportunity to adjust to the current unfair and extreme environment created by China” said **ITKIB Association USA President Ziya Sukun in New York.**

"We are gratified that the U.S. government approved these cases. It is important to note that the cases approved today were filed as threat-based cases in October 2004. Today's approval validates the U.S. textile industry's prediction that China would surge into the market in a disruptive way," said **AMTAC Executive Director Auggie Tantillo**

NCTO hailed the decision today by the Bush Administration to impose safeguards on four additional textile and apparel categories, namely man-made fiber trousers, man-made fiber knit shirts, woven shirts and combed cotton yarn.

Cass Johnson, President of NCTO, said: “For the second time in a week, this Administration has acted to save thousands of textile jobs that are at immediate risk from subsidized Chinese imports. As a result, thousands of our workers will rest easier tonight knowing their jobs are no longer at risk from China’s unfair trade practices. We fully recognize that taking trade actions against a country like China are not easy decisions. We applaud the Bush Administration for sending China a strong message that it can no longer flout international trade rules with impunity in the textile and apparel sector. “

Through April 2005 according to the U.S. Office of Textiles and Apparel, U.S. imports from China had surged:

287 % in MMF trousers
364 % in MMF shirts
293 % in non-knit shirts
78 % in combed cotton yarn

In terms of volume through April 2005, the safeguard petitions approved today:

Represent 1.1 percent of total U.S. textile and apparel imports from the world;
Represent 4.1 percent of total U.S. textile and apparel imports from China,
Represent 12.8 percent of U.S. imports from the world in the categories affected.

In terms of value through the first quarter of 2005, the safeguards approved today:

Represent 0.09 percent of the \$380.85 billion in total U.S. imports;
Represent 0.7 percent of the \$51.03 billion in total imports from China;
Represent 1.7 percent of the \$21.05 billion in total U.S. textile and apparel imports;
Represent 13.9 percent of the \$2.6 billion in total imports in the individual categories
Represent 7.6 percent of the \$4.77 billion in total U.S. textile and apparel imports from China,
Represent 362 million dollars in textile and apparel imports from China.

Imports from China in Safeguard Categories			
	Jan-April 2004	Jan-April 2005	Increase
Underwear	15,070,800	63,063,146	318%
Woven shirts	7,828,884	30,819,024	294%
Man-made fiber shirts	10,293,684	46,636,680	353%
Combed cotton yarns	358,089 kg	375,717 kg	89%

FACTS on the U.S. TEXTILE and APPAREL COMPLEX:

- The U.S. textile and apparel complex, including textile fibers and machinery, employs more than 950,000 workers in the United States.
- The U.S. textile industry, which employs 409,000 workers, has invested \$34 billion in new plants and technology during the past five years to prepare for the quota phase-out.
- Since quotas were lifted on China, 18 textile plants have closed and 16,600 textile and jobs have been lost.

FACTS on CHINA:

- According to United Nations statistics, Chinese prices for major apparel products average 58 percent below average world prices.
- The Chinese government subsidizes its textile and apparel exports to the United States in a number of ways: currency manipulation; export tax rebates; forgiveness of loans by its government banks; direct payments to its state-owned textile and apparel industry, and subsidized utilities and shipping costs, among others.

With approval of the safeguards, the growth of Chinese exports to the United States will be limited to 7.5 percent when the U.S. government sends China an official diplomatic cable requesting consultation on this matter.

The United States and China then have 90 days to consult and try to reach an agreement on limiting the growth of Chinese exports to the United States in these categories. If no agreement is reached, the United States can maintain the 7.5 percent growth limit through the end of calendar year 2005.

The U.S. right to impose safeguards on textile and clothing imports from China is contained in Paragraph 242 of the Report of the Working Party on the Accession of China to the WTO.

In 1995, the WTO began implementing a ten-year phase-out of worldwide quotas on textile and apparel products. When China joined the WTO in 2002, it was allowed to join the quota phase-out in lockstep, giving it a three-year transition period compared to ten years for the rest of the world. China agreed to be subject to textile and clothing safeguards through the end of 2008 in return for receiving the reduced transition period.

The Chinese textile and apparel sector has been declared a “pillar industry of the nation” and its expansion has been actively managed by the government according successive Five Year Plans.

GAFTT >>> www.fairtextiletrade.org www.itkibUSA.org www.gaftt.org

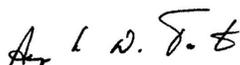
The Global Alliance for Fair Trade in Textiles (GAFTT) is comprised of 96 trade groups from 54 countries, the signatories of the Istanbul Declaration. The countries represent over \$170 billion in Global Textile and Apparel Trade.



Ziya Sukun
Executive Director

ITKIB Association USA

www.itkibUSA.org



Auggie Tantillo
Executive Director

American Manufacturing
Trade Action Coalition

www.amtacdc.org



Cass Johnson
President

National Council of Textile
Organizations

www.ncto.org

Mobile Fax + 1 (208) 246 1787 – Mobile Tel + 1 (917) 348 8539
