



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

## Trade Policy Perspectives

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U.S. Department of Commerce



### OTEXA Overview



- Develops programs and strategies to improve the competitiveness of the U.S. textile, apparel, footwear, and travel goods industries:
  - Compile industry data
  - Research and analysis
  - Assist in trade negotiations
  - Promote U.S. textile and apparel companies at international trade events
  - Develop supply chain and sourcing strategies
  - Execute U.S. textile and apparel trade policy

## 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)

## 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/suppliers, and FTA partnerships
- Catalog/sample presentations at overseas trade shows

## Leading Textiles and Apparel Shippers to U.S.

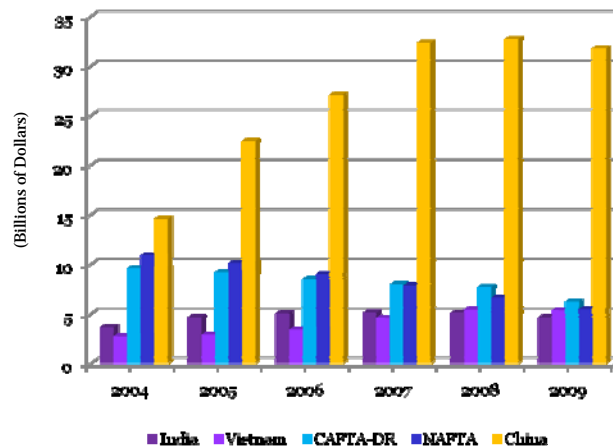
Ranked by 2009 Value  
(Billions of Dollars)

1. China	\$31.8
2. Vietnam	\$5.3
3. India	\$4.6
4. Mexico	\$4.1
5. Indonesia	\$4.0
6. Bangladesh	\$3.5
7. Pakistan	\$2.8
8. Honduras	\$2.0
9. Cambodia	\$1.9
10. Thailand	\$1.5



## U.S. Imports of Textiles and Apparel

\$81.0 billion in imports of textiles and apparel to the U.S. in 2009



India, Vietnam, CAFTA-DR, NAFTA and China together account for over 65% of U.S. imports of textiles and apparel

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

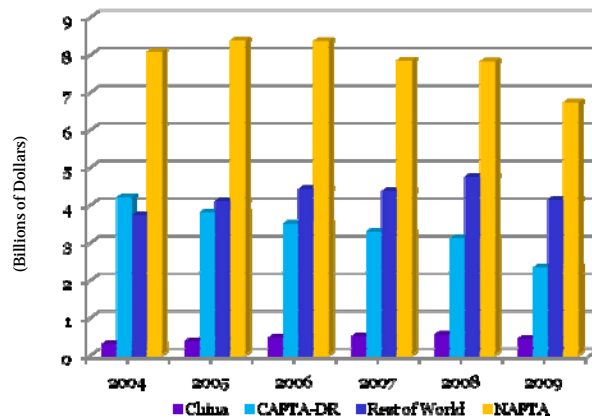


Ranked by 2009 Value  
(Billions of Dollars)

1.	Canada	\$3.5
2.	Mexico	\$3.2
3.	Honduras	\$1.0
4.	Dominican Republic	\$0.6
5.	Japan	\$0.4
6.	China	\$0.4
7.	United Kingdom	\$0.4
8.	El Salvador	\$0.3
9.	Germany	\$0.3
10.	Hong Kong	\$0.2

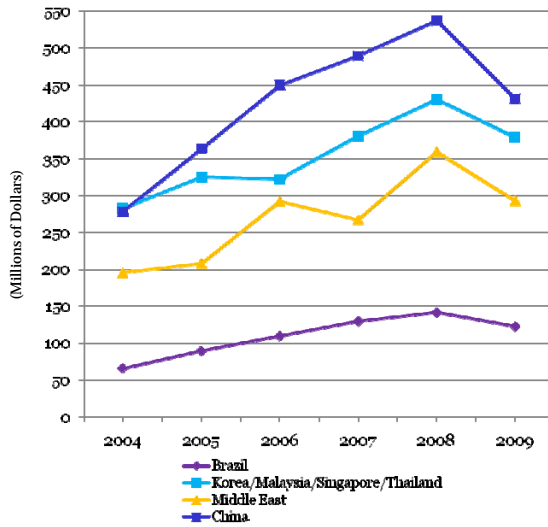
## U.S. Exports of Textiles and Apparel

\$13.6 billion in exports of U.S.-made textiles and apparel in 2009



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

## U.S. Textile and Apparel Export Trends



### Fastest Growing Textile & Apparel Export Markets, 2004-2009

o Korea, Malaysia, Singapore, and Thailand: up 34%, to \$379.1 million

o Brazil: up 86%, to \$122.7 million

o Middle East<sup>1</sup>: up 50%, to \$293.3 million

o China: up 55%, to \$431.0 million

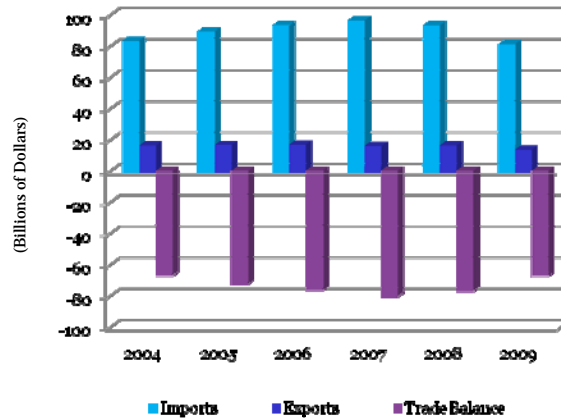
Together, these countries' share of total U.S. textile and apparel exports grew from 5% in 2004 to 9% in 2009.

<sup>1</sup>Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen.

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## U.S. Textile and Apparel Trade Balance

The U.S. textile and apparel trade balance widened from \$67.1 billion in 2004, to \$67.4 billion in 2009



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## 2010 Starts with Improvements



### YTD January 2010 Exports from U.S.:

World:	+11%
Canada:	+ 9%
Mexico:	+ 14%
Honduras:	+11%
Japan:	+25%
China:	+31%
UK:	+29%
Australia:	+44%
El Salvador:	+ 1%
Guatemala:	+ 33%
Brazil:	+43%
UAE:	+44%

## 2010 Outlook

- National Export Initiative
- Trans-Pacific Partnership Agreement: Brunei, Chile, New Zealand, Singapore + Australia, Peru, Vietnam
- Pending Free Trade Agreements
- Sustainable Manufacturing Initiative
- Trade Preference Reform



## National Export Initiative

### Goal: Double U.S. exports over the next five years

- Government-wide effort
- Export Promotion Cabinet
- Re-establish President's Export Council as principle private sector advisory committee on international trade
- Increase Export-Import Bank trade financing, especially for small/medium sized enterprises
- Enforce current trade agreements
- Strengthen existing relationships



## 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, March 2010:  
✓ *U.S., Australia, Peru, 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 exports to a region that accounts for 40 percent of world trade
- First round held in Melbourne, Australia March 15, 2010

## Opening Markets: Free Trade Agreements

### FTAs in place:

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

### Pending:

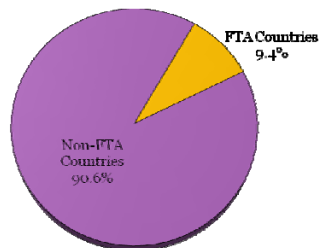
- Colombia
- Panama
- South Korea



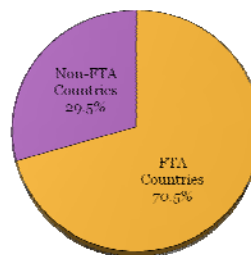
President Barack Obama greets President Oscar Arias of Costa Rica on April 17, 2009. Costa Rica joined the CAFTA-DR FTA on January 1, 2009.

## U.S. Free Trade Agreement Partners in the Global Economy

Percent of World GDP, 2008



Percent of U.S. Textile & Apparel Exports, 2008



FTA = Free Trade Agreement  
 GDP = gross domestic product  
 Notes: World GDP excludes the United States. GDP figures on a purchasing power parity basis. Export figures are for total U.S. exports. FTA Countries include all countries with free trade agreements with the United States (Australia, Bahrain, Canada, Chile, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, and Singapore).  
 Source: International Monetary Fund, World Economic Outlook Database (October 2008); U.S. Department of Commerce and the U.S. Census Bureau.

## The Department of Commerce 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

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## 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



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## Sustainability: Affecting Manufacturers and Service Providers

*What does the future hold for the SMI?*



Expand SMI's Focus:

- Sustainable Business
- Supply Chains
- Processes and Products
- Deepen Industry Focus: studies, events including SMARTer tour of carpet supply chain in Dalton, GA
- Green Jobs

## Trade Preference Reform

- Current programs expire in 2010: CBTPA, 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



## 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
  - Generally applied on fiber forward basis
  - DoD procurement of domestically manufactured clothing and textiles: over \$2 billion
- Visit the OTEXA website at [otexa.ita.doc.gov](http://otexa.ita.doc.gov) for additional information on the Berry Amendment.

## Domestic Source Requirements for Clothing & Textile Procurement: DHS



- Provided for in Title VI, Sec. 604 of the American Recovery and Reinvestment Act of 2009 (the “Kissell Amendment”).
  - Department of Homeland Security (DHS) required to procure domestically produced certain clothing and other textile items directly related to U.S. national security interests
  - Requires relevant training for the DHS acquisition workforce during FY2009
  - Must be applied in a manner consistent with U.S. obligations under international agreements<sup>1</sup>

<sup>1</sup>Covers only the procurement of certain clothing and textile items for the Transportation and Security and the U.S. Coast Guard within DHS.

## OTEXA Website: Your Textile/Apparel Resource



[Otexa.ita.doc.gov](http://Otexa.ita.doc.gov)

- Trade Data Reports
  - Major Shippers (Import Data)
  - Export Market
  - Trade Balance
  - Preliminary Import Data
- Free Trade Agreements
- Trade Preference Programs: AGOA, ATPDEA, CBTPA, Haiti HOPE
- Statutory Programs: Cotton and Wool TRQs, DR 2 for 1, Haiti HOPE 3 for 1

## Contact Information



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# THANK YOU!

