



## **Textile Industry Urges “No” Vote on Korea FTA**

### **Weak Enforcement Rules and Unfair Terms Mean More Outsourcing**

#### **- Industry Supports Colombia and Panama FTAs -**

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For Immediate Release

July 7, 2011

Washington, DC) – The Ways and Means and Finance Committees held open executive sessions, or mock mark-ups, today on the proposed U.S.-Korea Free Trade Agreement, U.S.-Colombia Trade Promotion Agreement, and U.S.-Panama Trade Promotion Agreement.

“It is disconcerting that at a time of economic uncertainty that the U.S. Congress is choosing to move forward on the Korea FTA which is a flawed trade agreement that will cause significant jobs losses in the U.S. textile and apparel sectors. Our industry is one of the few that has continued to add jobs over the last year. The Korea FTA puts these jobs and future jobs in serious jeopardy,” said Cass Johnson, President of the National Council of Textile Organizations (NCTO). Textile mills have added 2,500 direct jobs and 7,500 indirect jobs to the U.S. economy over the last year.

In the KORUS agreement, the government removed important textile enforcement measures, thus opening the door to billions of dollars of illegal transshipments from China, a country with a long history of using Korea to illegally transship goods. The government also gave Korean textile exporters more advantageous terms than U.S. textile companies, creating an unfair playing field for U.S. textile companies. The lopsided terms particularly target U.S. textile suppliers of advanced products to the U.S. military.

“We urge members of Congress who are concerned about textile jobs in their districts to vote “No” on this agreement. Congress should not support the outsourcing of more manufacturing jobs to China or badly negotiated agreements that cost U.S. textile jobs. “

Industry requests to renegotiate portions of the textile text were turned down by the Obama Administration, though the government has acknowledged the textile text was flawed. The Administration even refused to include language that would have required U.S. Customs to have regular meetings with Korean officials in order to prevent illegal Chinese exports.

According to the U.S. government analysis, the KORUS agreement will cause the U.S. trade deficit to increase and cause a surge of exports of Korean textile products. Studies show that the overall agreement is expected to cost nearly 159,000 U.S. jobs, with a U.S. textile industry analysis shows that 40,000 direct and indirect textile and apparel sector jobs could be lost. Polls show that nearly 70 percent of Americans believe that free trade agreements are bad for the U.S. economy.

Johnson also reiterated the industry's support for the passage of the Colombia and Panama FTAs, which contain stronger rules for U.S. textile products. Johnson added that the Andean Trade Preference Act (ATPA) must be included with Colombia FTA in order to immediately restore duty benefits for U.S. textile exporters that were lost earlier this year when ATPA was allowed to expire.

### **Key Facts about the U.S. Textile Industry**

- The U.S. textile industry is one of the largest manufacturing employers in the United States. In 2010, the overall textile sector, from fibers to final garments and other textile products, employed nearly 600,000 workers. Textile companies alone employed 255,000 workers.
- The U.S. textile sector is the third largest exporter of textile and apparel products in the world with exports growing 19 percent in 2010 to more than \$20 billion.
  - U.S. textile exports support a textile and apparel platform created by the NAFTA/CAFTA/Andean free trade areas that now employs nearly two million workers.
- The U.S. textile industry supplies more than 8,000 different textile products each year to the U.S. military.
- The U.S. textile industry has a long history of creating innovative, hi-tech products, from heart valve prosthesis and nanotube body armor to non-iron apparel and moisture wicking athletic wear.
- The U.S. textile industry invested more than \$15 billion in new plants and equipment from 2001 to 2009. U.S. textile shipments totaled \$51 billion in 2010.
- The U.S. textile industry increased productivity by 45 percent over the last 10 years, making textiles one of the top industries among all industrial sectors in productivity increases.
- In 2010, textile workers on average earned 155% more than clothing store workers (\$559 per week vs. \$219) and received health care and pension benefits.

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