



## PRESS STATEMENT

### **NCTO President & CEO Kim Glas Testifies at U.S. Trade Representative's Hearing on Proposed 301 Tariff List**

June 20, 2019

WASHINGTON, DC - National Council of Textile Organizations (NCTO) President and CEO Kim Glas is testifying at a public hearing today in support of the administration's efforts to crack down on China's abuse of intellectual property rights through the use of the Section 301 mechanism, while also calling on the administration to include finished apparel and home furnishings in any retaliatory tariffs against China.

Glas is joining several other NCTO member companies today to testify at a U.S. Trade Representative hearing as part of the administration's consideration of the Tranche 4 of retaliatory tariffs on U.S. imports from China.

"If the United States truly wants to resolve China's rampant IPR abuse, pillar sectors of the Chinese economy will need to be included on the 301-retaliation list," Glas said in prepared [remarks](#) for today's USTR hearing. "Leaving sectors that are highly sensitive within China's economy off the list has actually weakened U.S. leverage throughout the negotiating process, delaying a long overdue remedy to this systemic trade problem."

"To effectively respond to China's predatory practices in our sector, we believe the administration needs to address the exports from China that are disrupting our market and distorting trade: exports of end items to the United States," Glas said.

Finished apparel, home furnishings and other made-up textile goods equate to 93.5 percent of U.S. imports from China in our sector, while fiber, yarn and fabric imports from China only represent 6.5 percent, according to government data.

NCTO is "pleased the proposed Tranche 4 includes finished imported items from China, which have the most significant impact on U.S. employment, production and investment," Glas said.

"We believe this move will lead to the re-shoring of production to the United States and the Western Hemisphere production platform—and will also address and mitigate China's rampant trade distortions," she added.

However, Glas said the industry has serious concerns that certain inputs "already vetted by the administration and removed from previous retaliatory tariff lists are back on this list for proposed

duties. These inputs include but are not limited to: machinery, dyes and chemicals and textile components not available domestically, like rayon staple fiber.”

“Adding tariffs on imports of manufacturing inputs that are not made in the U.S. in effect raises the cost for American companies and makes them less competitive with China,” Glas said, calling for the earlier exclusion reviews to be upheld. In addition, Glas also urged the U.S. government to institute a fair, transparent and expeditious exclusion system for all retaliation tranches.

NCTO is a Washington, DC-based trade association that represents domestic textile manufacturers, including artificial and synthetic filament and fiber producers.

- U.S. employment in the textile supply chain was 594,147 in 2018.
- The value of shipments for U.S. textiles and apparel was \$76.8 billion in 2018.
- U.S. exports of fiber, textiles and apparel were \$30.1 billion in 2018.
- Capital expenditures for textile and apparel production totaled \$2.0 billion in 2017, the last year for which data is available.

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