

PRESS STATEMENT

NCTO Welcomes Senate Passage of USMCA

January 16, 2020

WASHINGTON, DC—The National Council of Textile Organizations (NCTO), representing the full spectrum of U.S. textiles from fiber through finished sewn products, lauded Senate passage today of the U.S.-Mexico-Canada Agreement (USMCA).

“We are pleased the Senate voted swiftly to approve USMCA—a trade deal that we expect to significantly bolster textile exports to the Western Hemisphere, particularly to Mexico,” said NCTO President and CEO Kim Glas.

Mexico and Canada are the two largest export markets for the U.S. textile and apparel industry, totaling nearly \$11.5 billion for the year ending Nov. 30, 2019, according to government data.

“USMCA is a win for the textile industry,” Glas said. “The improvements it makes to NAFTA (the North American Free Trade Agreement) will only serve to generate more business for domestic producers and create more jobs and investment in the U.S.”

NCTO worked with the administration during negotiations on USMCA and secured [several provisions](#) in the trade deal including stronger rules of origin for certain textile inputs and increased U.S. Customs enforcement.

[U.S. textile executives](#) are ramping up to take advantage of the modifications in USMCA and some plan to build new business or expand existing business in areas such as pocketing and sewing thread, “Our member companies, making some of the most advanced textiles in the world, have long supported USMCA and are eagerly awaiting implementation of the trade deal,” Glas added. “We urge quick implementation of USMCA and thank the administration and Congress for their hard work to get the deal across the finish line.”

The USMCA updates and modifies the North American Free Trade Agreement (NAFTA) and makes significant improvements, including:

- Creation of a separate chapter for textiles and apparel rules of origin with strong customs enforcement language.
- Stronger rules of origin for sewing thread, pocketing, narrow elastics and certain coated fabrics. Under the current NAFTA, these items can be sourced from outside the region – USMCA fixes this loophole and ensures these secondary components are originating to the region.

- Fixes the Kissell Amendment Buy American loophole, ensuring that a significant amount the Department of Homeland Security spends annually on clothing and textiles for the Transportation Security Administration is spent on domestically produced products.

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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CONTACT: [Kristi Ellis](#)

(202) 684-3091

www.ncto.org