



## **PRESS STATEMENT**

### **NCTO Comments on 301 Tariff Increase; Renews Call for Tariffs on Textile and Apparel End Items and Need for Exclusion Process**

May 8, 2019

WASHINGTON, DC – The National Council of Textile Organizations (NCTO) appreciates the Trump administration’s action to crack down on unfair trade practices from China through the Section 301 mechanism.

A Federal Register notice, set to be published on Thursday, states the administration’s intent to raise tariffs on \$200 billion of imported Chinese goods from 10 percent to 25 percent on May 10. NCTO urges the administration to ensure an expeditious and transparent exclusion process and the inclusion of finished apparel and textile end products to this remedy.

“It’s long past time we address China’s unfair trade practices, particularly relating to intellectual property abuses,” said NCTO President and CEO Kim Glas.

“However, we remain very concerned that finished Chinese textile home furnishings and apparel are not on the administration’s retaliatory tariff list,” Glas said. “Chinese imports of finished goods into the U.S. market have the most significant impact on domestic textile and apparel production, investment and jobs. In order to address the crisis, we need to get to the very heart of the problem.”

According to U.S. government data, China predominantly ships end items to the U.S. versus intermediate inputs. Finished apparel, textile 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 represent only 6.5 percent.

“NCTO also remains seriously concerned that some inputs critical to the competitiveness of U.S. textile manufacturers remain on the retaliation list and will now face a 25 percent tariff. Duty increases on inputs alone, without addressing the growing problem of end products can raise the cost of U.S. textile manufacturers trying to compete with like Chinese products,” Glas said. “We are pleased that the administration intends to announce an exclusion process and we urge that the process be fair, transparent, and expeditious.”

For more on this issue, see: [NCTO Testimony to the Section 301 Committee on August 20, 2018](#)

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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