



PRESS STATEMENT

NCTO Applauds Continued IPR Enforcement Efforts

Renews Request for Added Tariffs on Chinese Textile and Apparel End Items

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WASHINGTON, DC – The National Council of Textile Organization's (NCTO) applauds the Trump administration's September 17 Section 301 tariff <u>announcement</u> as necessary to resolve longstanding trade inequities with China. NCTO, however, strongly believes that the administration's continued focus on added tariffs on upstream textile inputs while thus far refusing to impose tariffs on finished Chinese textile home furnishing and apparel is flawed.

"The Trump administration is right to confront China's unfair trade practices. Section 301 tariffs show the world that countries which serially abuse U.S. intellectual property rights (IPR) will be held accountable," said NCTO President & CEO Auggie Tantillo.

"NCTO also thanks the Trump administration for removing various items from the latest retaliation list, including rayon fiber and certain dyes and chemicals. The U.S. textile industry requested the exclusion of these products because they are not available domestically and China is the only significant source of supply," Tantillo continued.

"Had U.S. textile manufacturers been forced to pay higher duties on the excluded items, it would raise costs for manufacturers making goods that must compete with like Chinese products," Tantillo added.

"Despite yesterday's announcement, the U.S. textile industry remains of the belief that the administration's strategy to impose Section 301 tariffs on inputs is not the most effective approach to penalize China for its rampant abuses of intellectual property rights in our sector," Tantillo said.

"Added tariffs on finished Chinese textile home furnishings and apparel is the most effective sanction the United States could impose on China because like products from the NAFTA and CAFTA regions using U.S.-made textile inputs immediately become more competitive, thereby incentivizing the reshoring textile manufacturing jobs," Tantillo explained as he referred to NCTO's <u>public comments</u> filed on May 11 requesting Section 301 tariffs on Chinese textile and apparel end 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 550,500 in 2017.
- The value of shipments for U.S. textiles and apparel was \$77.9 billion in 2017.
- U.S. exports of fiber, textiles and apparel were \$28.6 billion in 2017.

• Capital expenditures for textile and apparel production totaled \$2.4 billion in 2016, the last year for which data is available.

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