



## **PRESS STATEMENT**

### **NCTO Issues Statement in Support of Biden Administration's New China Trade Policy Framework**

October 4, 2021

WASHINGTON—The National Council of Textile Organizations (NCTO) President and CEO Kim Glas issued a statement today following U.S. Trade Representative Katherine Tai's speech at the Center for Strategic and International Studies, outlining the Biden administration's China trade policy.

**National Council of Textile Organizations President and CEO Kim Glas issued the following statement:**

We support the Biden administration's plan outlined today by U.S. Trade Representative, Ambassador Katherine Tai, to enforce the Phase One deal with China and maintain tariffs on finished textile and apparel products. We believe it's important to hold China accountable for pervasive intellectual property theft and persistent predatory trade practices that have undermined U.S. manufacturers and its workforce.

China's rampant abuse of intellectual property rights and other illegal trade activity has gone on for far too long at the direct expense of U.S. manufacturers and the loss of millions of U.S. manufacturing jobs. The U.S. textile industry supports the president's authority to use Section 301 to address China's unfettered practice of intellectual property theft, which has had a damaging impact on the entire U.S. textile and apparel production chain and other manufacturing industries for decades.

NCTO has strongly supported applying tariffs on finished products in our sector as a key negotiating leverage with the Chinese. NCTO also supports a targeted and limited exclusion process for a small list of inputs such as dyes, chemicals and textile

machinery that are not available domestically and that enable U.S. manufacturers to compete in the global marketplace.

We also appreciate the administration's support for strengthening Buy American policies and investing in the U.S. manufacturing base. We urge the administration to impose duties on finished medical protective equipment (PPE) to support domestic textile companies that have produced over a billion PPE items since the COVID pandemic began. While tariffs aren't the only mechanism in the toolbox, it's necessary to ensure a holistic approach to onshoring and nearshoring these critical supply chains, a key priority for the Biden administration and our domestic manufacturers who ramped up production overnight to help in the current crisis.

Finally, we strongly support the administration's intention to address broader, systemic issues in our trading relationship with China—specifically, the need to remedy unfair advantages that stem from rampant state ownership of manufacturing and the pervasive use of production and export subsidies that displace U.S. textile manufacturers in markets both at home and abroad.

We appreciate the Ambassador's thoughtful approach on addressing these complicated matters in a way that ensures that workers and manufacturing sectors are the center of the trade approach with China.

We appreciate Ambassador Tai and the Biden administration recognizing the critical need for a strong resilient manufacturing sector and look forward to working closely with the administration to implement a strategic vision that helps strengthen our middle class.

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NCTO is a Washington, DC-based trade association that represents domestic textile manufacturers.

- U.S. employment in the textile supply chain was 530,000 in 2020.
- The value of shipments for U.S. textiles and apparel was \$64.4 billion in 2020.
- U.S. exports of fiber, textiles and apparel were \$25.4 billion in 2020.
- Capital expenditures for textiles and apparel production totaled \$2.38 billion in 2019, the last year for which data is available.

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