



## PRESS RELEASE

### **NCTO President & CEO Kim Glas Issues Statement on USTR 301 Tariff Review**

May 4, 2022

WASHINGTON – National Council of Textile Organizations (NCTO) President and CEO Kim Glas, representing the full spectrum of U.S. textiles from fiber through finished sewn products, issued a statement on the U.S. Trade Representative’s statutory four-year review of the China 301 tariffs.

#### **Statement from NCTO President and CEO Kim Glas:**

“We have long advocated for the 301 penalty tariffs to remain on finished textile and apparel products from China. Not only do they increase the government’s negotiating leverage to address the Chinese government’s serious predatory trade practices that have hurt our domestic manufacturing sector and that of our free trade agreement partners for decades; they also send a strong message to China that the United States is committed to addressing systemic predatory trade practices that have undermined domestic industries and their workers.

For decades, China’s illegal actions have undermined virtually every domestic manufacturing sector and contributed to the direct loss of millions of U.S. jobs. These devastating state-sponsored practices, which include intellectual property theft, pervasive state-ownership of manufacturing, industrial subsidies, and abhorrent labor and human rights abuses in the Xinjiang region, have allowed China to dominate the global marketplace, which has had severe ramifications on American workers and our Western Hemisphere trade allies. As sourcing executives seek to de-risk out of China for these products, our sector is experiencing massive investment in the U.S. and Western Hemisphere supply chains. In fact, we expect approximately \$1 billion of investment announced in the United States and Central America this year alone, as penalty tariffs have played a key role in sourcing shifts.

We have long advocated for the tariffs to be maintained on finished textile and apparel products to ensure we address these larger systemic issues that have substantially hurt our manufacturing sector and offshored jobs.

Tariffs are a reasonable and necessary mechanism to support U.S. jobs, offset unacceptable practices, and strengthen the national economy. They help partially level the playing field for American manufacturers and workers trying to compete against unfair and illegal trade practices – ranging

from intellectual property theft, forced labor, to state-sponsored subsidies – that have been perpetuated by the Chinese government. These products have flooded the U.S. market and put our domestic producers and their jobs at risk and have significantly contributed to offshoring and the destruction of the middle-class jobs. It's critical we maintain key negotiating leverage to address these predatory trade behaviors.

We have also strongly advocated for a fair, transparent process to remove tariffs on certain limited textile machinery, chemicals and dyes that cannot be sourced domestically to help U.S. manufacturers compete against China.

The review process, which is required by statute and being undertaken by the U.S. Trade Representative's office, will allow domestic manufacturers to weigh in on whether removing the tariffs will be harmful and trigger USTR to do a further review.

Our position has not wavered; the U.S. must maintain Section 301 tariffs on finished products, in the absence of substantive improvements in China's pervasive, predatory trade practices. Lifting these penalty duties will cement China's destructive dominance of global manufacturing and will do nothing to achieve the administration's goal of easing inflationary pressures, as apparel prices out of China continue to hit rock bottom regardless of the Section 301 tariffs."

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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 534,000 in 2021.
- The value of shipments for U.S. textiles and apparel was \$65.2 billion in 2021.
- U.S. exports of fiber, textiles and apparel were \$28.4 billion in 2021.
- Capital expenditures for textiles and apparel production totaled \$1.85 billion in 2020, the last year for which data is available.

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