

U.S. Trade Update



The Hosiery Association
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Gail W. Strickler
Assistant U.S. Trade
Representative

Our Goal: Making Trade Work for America's Working Families

American jobs supported by trade pay as much as 18 percent more than the national average.

Keeping markets open around the world, and opening new ones, can help us to retain and create jobs for American workers.

Trade can be a powerful tool to aid recovery from the economic crisis.

President Obama's goal to double exports in 5 years will support 2 million additional jobs in America.

The President's Policy Priorities

- Support and Strengthen a rules-based trading system;
Enforce our rights within this system
- Enhance U.S. growth, job creation, and innovation
- Facilitate progress on national energy and environmental goals
- Advance the social accountability and political transparency of trade policy
- Foster stronger relationships with developing nations
- Focus on SMEs

Trade Updates

- National Export Initiative
 - SME focus
 - EX financing
- CAFTA
- DR Sock Safeguard
- China
- Trade Preference Reform
- Haiti Reconstruction / Plus 1 for Haiti
- Trans-Pacific Partnership

National Export Initiative (NEI)

- NEI aims to improve conditions that directly affect the private sector's ability to export
- Improved export performance will create good, high-paying jobs
- Government-wide approach to export advocacy abroad
- Specifically will address:
 - Small and medium sized enterprises (SMEs)
 - Export financing
 - Reducing barriers to trade
 - Federal export assistance
 - Macroeconomic rebalancing

SME Focus

- Roughly 1% of US SMEs export; the global participation rate averages between 3-5%
- Ambassador Kirk appointed a dedicated Assistant USTR to focus on SME issues
- USTR has requested a series of reports from the ITC that will enable us to better target specific industries and expand global outreach effectively
- Working with the Department of Commerce, EX-IM Bank, and the Small Business Administration to help SMEs expand into new markets
- Exploring expanded export financing options for textile and apparel SMEs through the EX-IM Bank

EX-IM Bank Textile Financing

- Administration collaborating with Export-Import bank to extend credit to U.S. textile exporters
- Working with factors to open up CAFTA as a full package sourcing option for major brands and retailers

US-CAFTA Textile Trade: An Important Economic Relationship

- Essential vertical integration in the Western Hemisphere
- CAFTA is the 2nd largest supplier of apparel to the US market; 9.7% of US IM market share of apparel by value
- Apparel accounts for 99% of total U.S. textile and apparel imports from CAFTA
- CAFTA is 3rd largest export market for U.S. textiles and apparel or \$2.3 billion in 2009
- 17.1% of total U.S. textile and apparel exports are destined for CAFTA countries

CAFTA: Technical Issues

To promote hemispheric cooperation and integration need to tweak the agreement so that it best serves the industry's needs

We need to fix:

- Two errors:
 - Short Supply Treatment on Elastomeric Yarn
 - Monofilament sewing thread
- Two technical corrections:
 - Ribbed trim
 - Corrected language submitted in December
 - Sleep pants

Dominican Republic: Sock Safeguards

- The Dominican Republic notified the WTO on March 10, 2010 that it had initiated a global safeguard procedure on March 2, 2010 for:
 - Sports and other socks for women, men, children, and babies, of cotton or synthetic fibers, excluding woolen socks, panties, support socks for varicose veins and other socks used in the health sector (subheadings 6115.95.00 and 6116.96.20).*
- We're concerned regarding the scope of product coverage, specifically if "in-process" socks finished in the DR would be subject to safeguard actions
- USTR working with domestic industry affected by the DR's investigation
- Please contact us if this will affect you

China Trade Issues

- Joint Commission on Commerce and Trade (JCCT)
 - Bilateral discussions between the US and China concerning IP, Agriculture, and other issues
 - Negotiate issues through consultation
- Famous Brands Case
 - China agreed to eliminate WTO illegal export subsidies
- These successful examples demonstrate that we can engage the Chinese and work to remedy issues through dialogue and cooperation

China Currency Issues

- Secretary Geithner postponed the release of the Foreign Exchange Report to Congress
- There are a series of high level meetings over the next few weeks that will be critical to bringing about policies that will help create a stronger, more sustainable, and more balanced global economy

Trade Preference Reform

- Congress is reviewing current preferences, likely to address comprehensive reform later this year with programs such as GSP and CBTPA scheduled to expire
 - Proposed extension/expansion of benefits for Haiti
 - ROZs for Pakistan/Afghanistan
- Actively monitoring discussions on the Hill and in policy discussions
- Will consult with industry for input and feedback on proposals

Haiti Reconstruction

- The Administration seeks to extend meaningful preferences to Haiti to encourage rebuilding and growth in the apparel sector
- Support use of TPLs to monitor exporter compliance and prevent transshipment
- We believe that supporting a vibrant Haitian garment industry is in the long-run interests of the US textile industry
- USTR working with Congress as they develop legislation to extend and enhance Haitian trade preferences

Plus 1 for Haiti Program

- An initiative to assist post-earthquake recovery efforts in Haiti and create long term jobs and investment in the apparel sector
- Encourages U.S. brands and retailers to work toward sourcing 1 percent of their total apparel production from Haiti
- Companies sourcing from Haiti can utilize existing U.S. preference programs such as CBTPA and HOPE

Plus 1 for Haiti

Participating Companies can use the Plus one Logo



TPP: A 21st-Century Agreement that Promotes Jobs

- Advances innovation and competitiveness
- Supports new technologies and emerging economic sectors
- Increases the participation of small- and medium-sized businesses in trade
- Elevates trade-related priorities such as environmental protection and conservation, transparency, workers rights and protections, and development

Trans-Pacific Partnership (TPP)

- A platform for economic integration across the Asia-Pacific region
- Provide economically significant new market access for U.S. businesses, farmers, ranchers, and workers
- Expand exports, critical to retaining and creating jobs in the United States
- Strong partnerships with Congress and industry stakeholders in developing negotiating objectives

TPP (Continued)

- TPP markets are already top destinations for US exports; critical to build solid agreement to maintain these linkages in Asia
- The United States currently has bilateral FTAs with four TPP partners: Singapore, Chile, Australia, and Peru
- Vietnam has a significant textile and apparel sector; we will work to balance the interests of industry stakeholders to craft a meaningful partnership that supports U.S. jobs and export opportunities

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Thank You
Our door is open
You are our Stakeholders

- GStrickler@ustr.eop.gov
- www.ustr.gov
- <http://otexa.ita.doc.gov>
- www.cbp.gov

