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NCTO Board Votes Unanimously to Support Peru and Colombia FTAs

URGES EXTENSION OF ANDEAN TRADE PREFERENCES

Peru and Colombia Provisions Should Serve as a Template for Future FTAs

Washington DC) The Board of Directors of the National Council of Textile Organizations voted unanimously today to support the Colombia and Peru Free Trade Agreements.

Cass Johnson, President of NCTO, commented: "By including a strict yarn forward rule of origin, no loopholes for Asian products and strong customs enforcement, the Administration has negotiated two FTAs that will help the U.S. textile industry and its workers compete in world markets. Colombia and Peru represent important and growing export markets for U.S. textile products, totaling nearly \$200 million a year. These FTAs are essential if the Peru and Columbia markets are to continue to grow and we urge Congress to quickly pass implementing legislation for these agreements.

Johnson added, "At \$16 billion a year in exports, the U.S. textile industry is the third largest exporter of textile products in the world. These exports depend on trade agreements like the Colombia and Peru FTAs which ensure that FTA partners, not Asian exporters, are the true beneficiaries of these agreements. As the unanimous NCTO vote indicates, the textile provisions of these agreements represent a template for future trade agreements which can garner wide industry support. When trade agreements benefit U.S. textile workers and companies, the industry will back them enthusiastically."

"For the Colombia and Peru FTA's to be effective, however, there must be no loss in benefits in the transition from the current trade preference program (the Andean Trade Promotion and Drug Eradication Act, or ATPDEA). The ATPDEA is scheduled to expire at the end of this year and we strongly urge Congress to extend these trade preference benefits until the new FTAs can take effect. Congress must prevent the mistakes made during the CAFTA agreement when a staggered implementation caused substantial business to be lost to Asia because duty benefits for the region were suspended."

Johnson concluded, "The Peru and Columbia FTAs are key components in making the Western Hemisphere a competitive alternative to Asia. With 2.2 million textile and apparel workers in the NAFTA, CAFTA and Andean region, textile producers in the United States and apparel manufacturers in the larger region have integrated their production lines. These FTAs will create the necessary predictability and stability that is needed to help ensure this region remains viable."

Key Facts about U.S. Textiles

- One of the largest manufacturing employers in the United States, the overall textile sector employs nearly one million workers (909,000). Textile mills alone employ 383,000 workers.
- The 3rd largest exporter of textile products in the world – more than \$16 billion in 2005.
- Two-thirds of U.S. textile exports go to developing countries. The U.S. textile industry exports to more than 50 countries, with 20 countries buying more than \$100 million a year.
- Supplies more than 8,000 different textile products a year to the U.S. military.
- U.S. textile shipments totaled \$75 billion last year.
- Invested more than \$33 billion in new plants and equipment over the last 10 years.
- Has increased productivity by 51 percent over the last 10 years and ranks second among all industrial sectors in productivity increases.
- Textile workers earn 60% more than retail workers (\$516 a week vs. \$245) and get health care and pension benefits.