

**USA and Mexico Cooperate in the Fight against Growing Chinese Textile Shipments**

The two big textile associations National Council of Textile Organizations/NCTO ([www.ncto.org](http://www.ncto.org)) of USA and the Camara Nacional de la Industria Textil / Canaintex ([www.canaintex.org.mx](http://www.canaintex.org.mx)) of Mexico have concluded a cooperation agreement on July 30<sup>th</sup>, 2008, to enhance by this close cooperation the competitiveness of the Northern American textile industry.

According to a report on the website of the Hong Kong Trade Development Council/HKTDC ([www.hktdc.com](http://www.hktdc.com)) is this cooperation clearly aimed against the increasing Chinese textile deliveries into these two countries. On 1<sup>st</sup> of January, 2009 the restrictions concerning the export of textile and clothing products from Mainland China are going to fall globally. The Chinese exporters are currently under economic pressure, namely because of growing wages in the production plants in Mainland China, furthermore through the continuous rise of the Yuan and higher transport costs due to the oil crisis on the street, as well as in the air freight service and shipped container service. It is therefore difficult for them to keep up their share in the US-market.

According to the website the textile associations of the USA and Mexico still advocate a limiting of the textile- and clothing deliveries from China. They argue that every time trade restraints have been discontinued, Chinese exports from Mainland China have massively shattered the worldwide textile markets. The two textile organisations therefore demanded from the US-government in Washington to apply the current textile and clothing import monitoring system for Vietnam also on China. Thus it would be possible to commence anti-

dumping-law suits against Chinese products sooner. The Chinese textile- and clothing producers would receive more than 5 dozens of subsidies from the government in Beijing. These crude competition distortions would increase the prospects for successful antidumping-law suits.

The NCTO and Canaintex would further cooperate with the US- and Mexican government to put a stop to fraudulent textile- and clothing shipments into both of their markets. Especially worrying is currently the illegal use of Chinese yarns and weaves with clothing articles under exploitation of the customs-free preferences in the frame of the Northern American Free Trade Agreement. They are planning to collect data in this subject matter and to present the results to the customs authorities of both countries.

Vicky Acevedo, Mexico City Consultant, reported at a further HKTDC-website that in Mexico with its global 109 Mill inhabitants the middle class is growing, like in other countries of Latin America. According to a prognosis of the consumer research association ACNielsen there will be in Mexico until the year 2030 altogether 6.4 Mill people with an income of more than 60,000 USD per year.

With regard to the sales of luxury brands in Latin America Mexico lies already in front of Brazil and Argentina and ranks here worldwide as number 4. The market of Mexico concerning luxury brands is 20times higher than in Chile. Brands like Bulgari, Burberry, Christian Dior, Armani, Ermenegildo Zegna, Hermes, Louis Vuitton, Nina Ricci, Ralph Lauren, Calvin Klein, Prada and Escada are nowadays

not unknowns anymore for a big part of the Mexican middle class. Saks opened a store in Mexico in November and owns further shops in Saudi-Arabia and Dubai. Hugo Boss operates in this country more than 50 high-quality stores and derives 14.8% of their current worldwide sales from the luxury buys in Mexico. Louis Vuitton has so far eight stores in the Mexican capital. Tiffany owns seven stores in this Latin American state. In the coming years 40 to 50 Ferragamo Stores shall be established in this upcoming market.

Concluding the story, Vicky Acevedo writes that this ambitious sales place for luxury goods in Mexico offers also promising sales opportunities to renowned brand producers from Hong Kong and Mainland China like the brand "Shanghai Tang". The Hong Kong Fashion Week, taking place always in July, offers therefore a good chance to make profitable contacts with Mexican salesmen of products for the upper consumer segment.

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