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U.S. Cotton Apparel Imports Surge in January, Led by China

DATE: 2007/03/14

The U.S. imported 3.827 billion U.S. dollars worth of cotton apparel in January 2007, which represented 11.34 percent year-on-year growth. In quantity terms, imports expanded 13.9 percent to 1.169 billion square meter equivalents. Imports from China surged 92.2 percent in volume to 361.1 million square meter equivalents, worth 1.056 billion U.S. dollars. In volume and value terms, January imports reached a new all-time record, with the previous record set in June 2005 when 1.0108 billion U.S. dollars worth of cotton apparel was imported. That surge was related to an attempt to avoid the new import quotas. The increase in imports was focused on nightwear, women and girl's slacks, dresses, underwear, women and girl's knit blouses, men and boy's trousers, non-knit shirts, hosiery and sweaters.

Source: www.globecotnews.com

US Textile Lobby Urges Job Protection

DATE: 2007/03/14

As the Senate Finance Committee began looking at a number of international trade measures, the Washington-based National Council of Textile Organizations (NCTO) called for a revised US trade policy that would encourage investment in the United States and stop the flood of jobs to overseas countries. Andy Warlick, president and CEO of Parkdale Mills and a member of NCTO's board, discussed a number of US and foreign laws and regulations that continue to harm US manufacturers.

Warlick hit particularly hard on US free trade agreements (FTAs) that he claims have contained "large loopholes" that have cost hundreds of thousands of US textile and apparel jobs. "Congress has approved 10 free trade agreements over the past five years that have dramatically increased access to the US market for foreign-made textile goods while dramatically decreasing export opportunities for US textile products," Warlick said. He warned that loopholes in FTAs will provide a conduit for Chinese goods to enter the United States with preferential treatment.

Warlick sees tax policies here and abroad as a major source of increasing trade deficit problems. He

claims US tax policies create incentives for companies to invest in overseas operations and displace jobs here at home. He said US exported goods are taxed both in the United States through corporate taxes and overseas through value added taxes (VATs), while imports into the United States pay no US corporate income taxes and get their VATs rebated in their own countries.

In addition to addressing the VAT issue, Warlick called for passage of legislation introduced in both the House and Senate that would permit the United States to take action against countries that use currency manipulation to subsidize their exports. He told the senators that if Congress would tackle the two issues of VATs and currency manipulation alone, "I am convinced the United States would experience a rebirth in manufacturing and the restoration of millions of US manufacturing jobs."

By James A. Morrissey, Washington Correspondent, www.textileworld.com

Scope of trade pact to expand

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The mainland will expand the scope of a free trade pact with Hong Kong in the coming months, said an official familiar with the discussions who did not want to be named. The fifth phase of the Closer Economic Partnership Arrangement (CEPA) between the mainland and Hong Kong is likely to be signed before the 10th anniversary of Hong Kong's return to the motherland in July, he said recently.

The official said the Ministry of Commerce and the government of the special administrative region had reached a consensus at a conference last month on expanding the opening up of services trade and facilitating investment. The official did not reveal details, but analysts in Hong Kong predicted that the new deal may allow Hong Kong businesses to use renminbi to settle some transactions, such as for imports from the mainland.

Since the signing of the CEPA on June 29, 2003, the two sides have been working closely to broaden the arrangement. The second, third and fourth phases of the agreement were launched in October 2004, October 2005 and June last year. So far, the agreements cover nearly all products from Hong Kong as well as services and investment between the mainland and Hong Kong.

By the end of January, cargoes worth seven billion Hong Kong dollars have benefited from zero-tariff treatment; and the Hong Kong government has issued 1,700 certificates to service providers who benefit from CEPA, figures from the Hong Kong government showed. The previous phases of the free trade pact have helped the SAR recover strongly from the economic downturn following the Asian financial crisis in 1998 and the outbreak of the SARS epidemic in 2003. All the liberalization measures apply to Macao, with minor differences due to its different economic structure.

Source: China Daily

China against tariff increase proposed by U.S. lawmakers

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China resolutely opposes a tariff increase of 27.5 percent on Chinese goods, which was proposed by some U.S. lawmakers, Commerce Minister Bo Xilai said here Monday, adding such an increase will be destructive to healthy bilateral trade. "If implemented, such a policy is more than protectionism and becomes hegemonism," the minister said at a press conference on the sidelines of the parliament's annual session. China's trade surplus with the United States exceeded 140 billion U.S. dollars last year, sparking strong response from the U.S. Congress and media.

Some U.S. lawmakers proposed a 27.5 percent increase in tariff on all Chinese goods and suggested the most-favored-nation treatment for China be revoked, unless China makes major reforms and changes on foreign exchange policies. However, the Chinese commerce minister said the proposals are in breach of the World Trade Organization (WTO) agreements, while in bilateral trade "China has the surplus while the United States has the profits."

"The U.S. traders are wise and we have no grounds for suspicion. They will not do business with China if they can not make profits," Bo said. He said the development of Sino-U.S. trade is healthy and traders from both sides have reached a mutual beneficial and win-win relationship. The minister said U.S. trade deficit with China partly resulted from a transfer of its deficit with Japan and the Republic of Korea amid the development of processing trade in China.

Global business activities have kept growing after China's entry into the WTO, while trade frictions between China and some of its trade partners, especially Europe and the United States, are also on the rise, the minister noted. China prefers to resort to consultations for the settlement of trade frictions with its trade partners, he said.

China's trade surplus reached 177.47 billion U.S. dollars in 2006, with foreign trade totaling 1.76 trillion dollars, up 23.8 percent year-on-year. China will strive to reduce its "excessively large" trade surplus to ensure the sustained development of both domestic economy and foreign trade this year, said Premier Wen Jiabao on March 5 at the opening of annual full session of the 10th National People's Congress (NPC), the top legislature.

Wen said the government will limit export of products whose manufacture is highly energy consuming or highly polluting while supporting the export of high value-added products and products with Chinese trademarks, upgrading the processing trade and expanding the export of service and agricultural products. China will keep improving the mechanism for setting the Yuan exchange rate, easing the imbalance in international payment and optimizing foreign investment environment, the premier added.

Source: Xinhua Net