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# TPP Apparel Coalition



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## Key Goals

We support the negotiation of a **21st Century TPP agreement**, which offers a potential **growth platform for economic integration, trade and investment** that could provide tremendous **new opportunities** for our members **to buy and sell goods and services, to sustain and grow well-paying jobs, and to provide high value add for the US and TPP economies.**

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# TPP Objectives

- **No separate textile and apparel chapter.**
  - **Liberalize and simplify the Rules of Origin.**
  - **Immediate and reciprocal duty-free treatment for all qualifying products.**
  - **Harmonize and streamline customs procedures.**
  - **Harmonize the other rules and regulations – such as product safety and labeling – among all TPP countries.**
  - **Strengthen intellectual property rights (IPR) protections among all TPP countries.**
  - **Create a "living" agreement that welcomes additional parties and can evolve to address new textile and apparel issues as they arise.**
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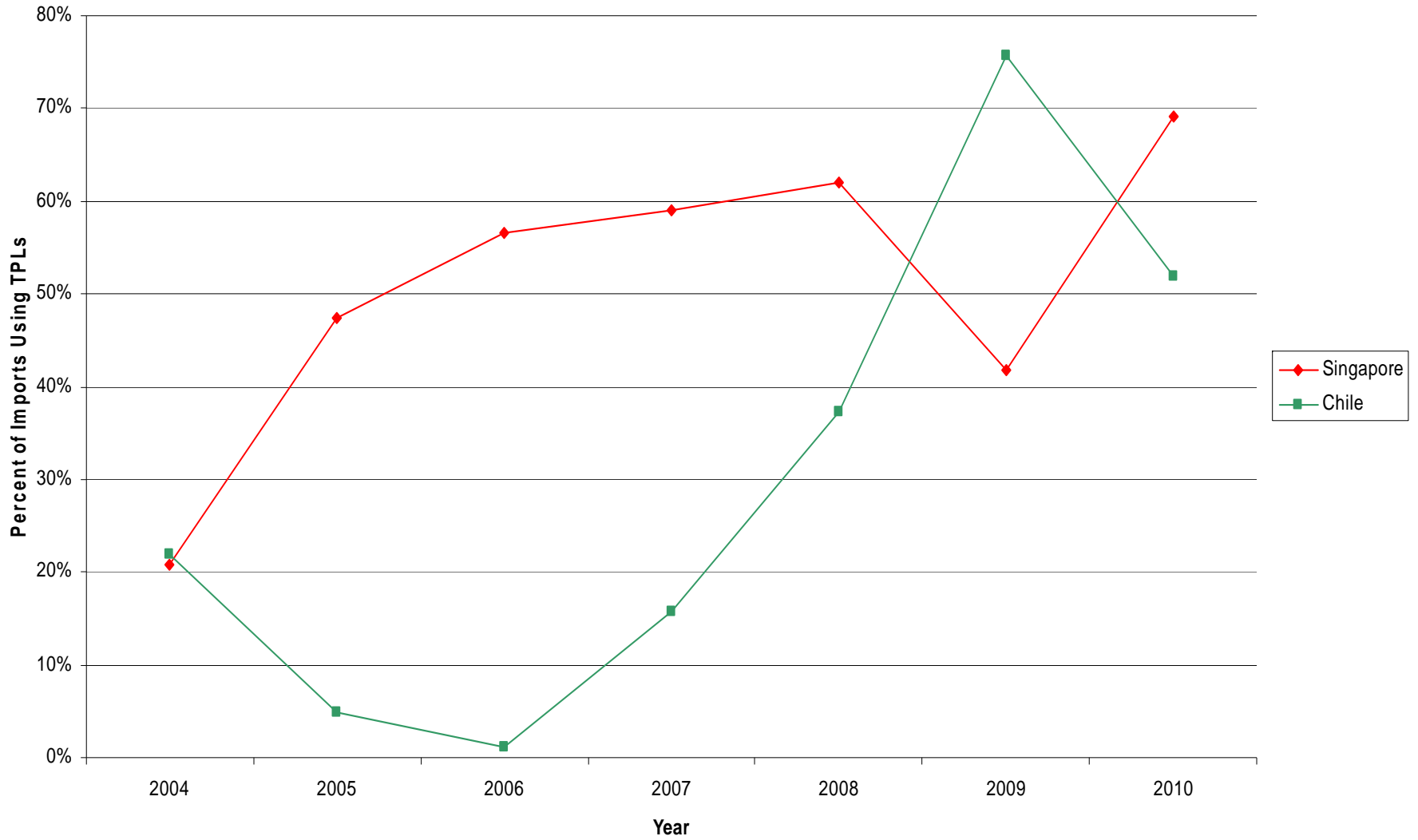
# TPP Opportunities

- **New FTAs between US and four Asian countries.**
    - Brunei
    - Malaysia
    - New Zealand
    - Vietnam
  - **Improve and strengthen partnerships with existing US FTA partners**
    - Australia
    - Chile
    - Peru
    - Singapore
  - **Expand Regional Links.**
  - **Improve Customs Procedures**
  - **Lay Foundation for Simple and Harmonized Rules**
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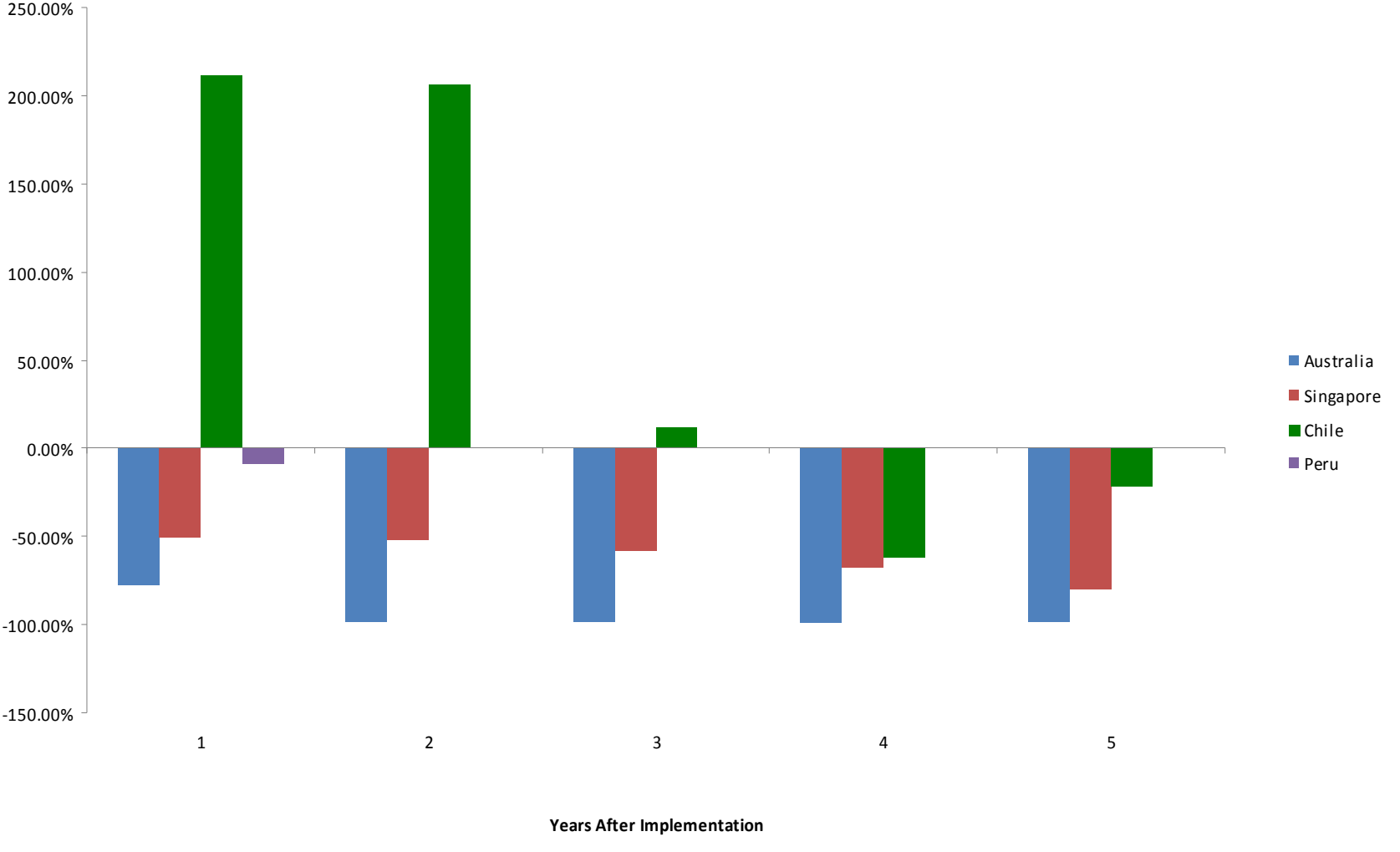
# Key Apparel Features in US TPP FTAs

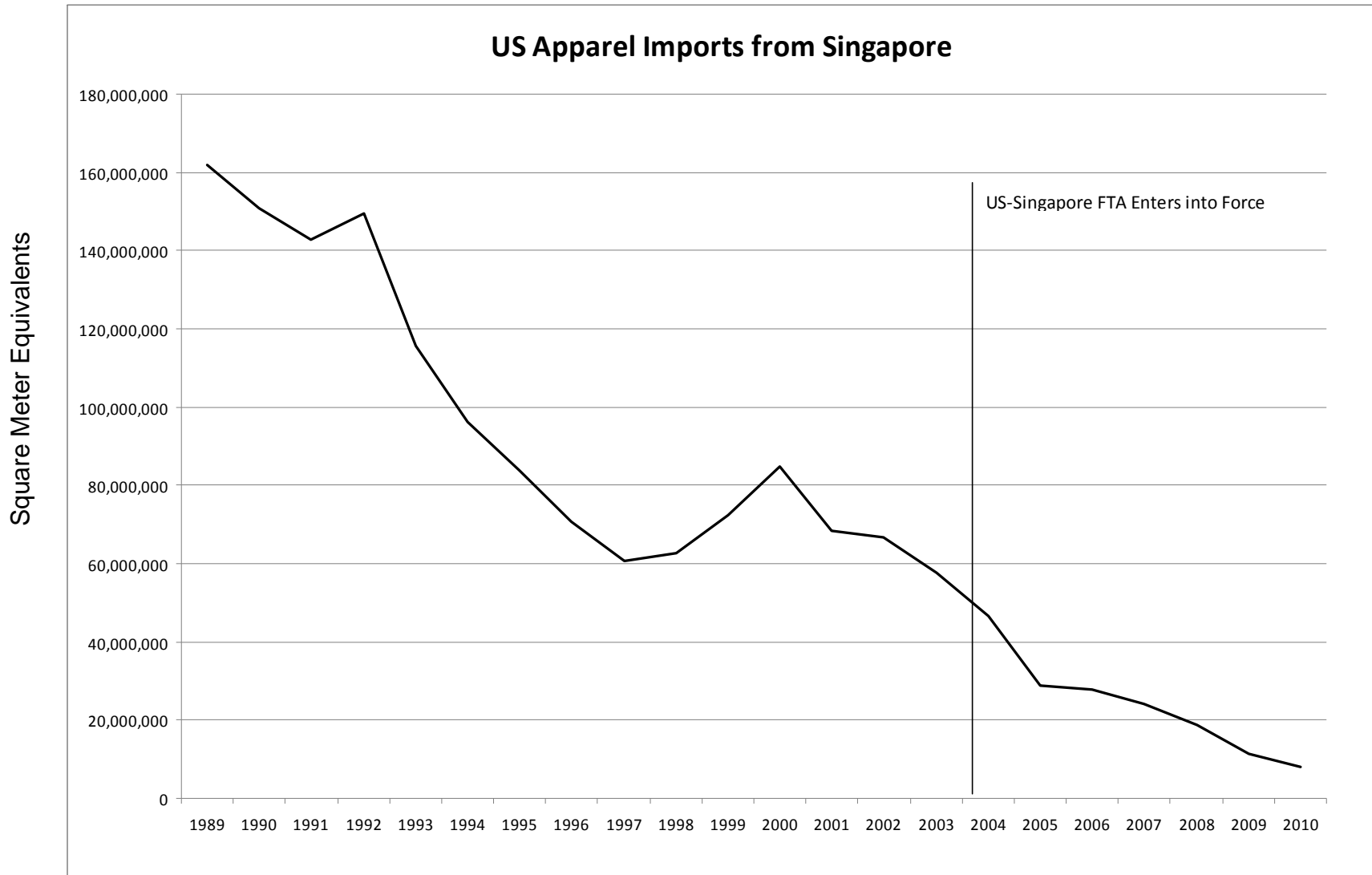
	Date	Basic ROO	Tariff Phase Out	TPL	TPL Feature
<b>Australia</b>	1/1/2005	Yarn Forward	15 year phase out	No	
<b>Chile</b>	1/1/2004	Yarn Forward	Immediate	Yes	Permanent, 10 year drop down
<b>Peru</b>	2/1/2009	Yarn Forward	Immediate	No	
<b>Singapore</b>	1/1/2004	Yarn Forward	Immediate	Yes	Temporary, declining, duty free phased in.

## TPL Usage in Two TPP FTAs



Percent US Apparel Import Growth of 4 TPP FTAs





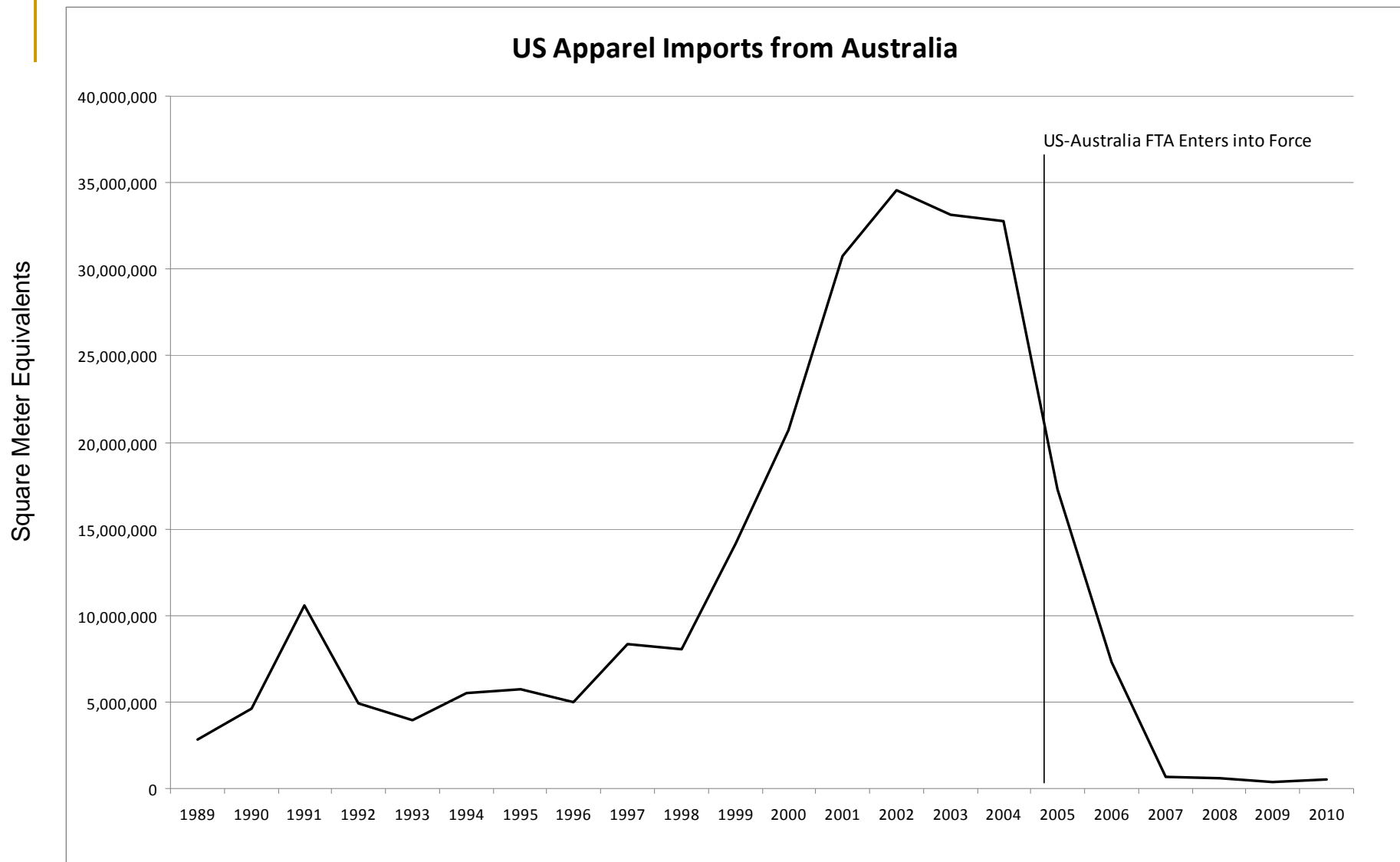
Source: US Commerce Department



### Singapore: TPL Usage and Total Apparel Imports

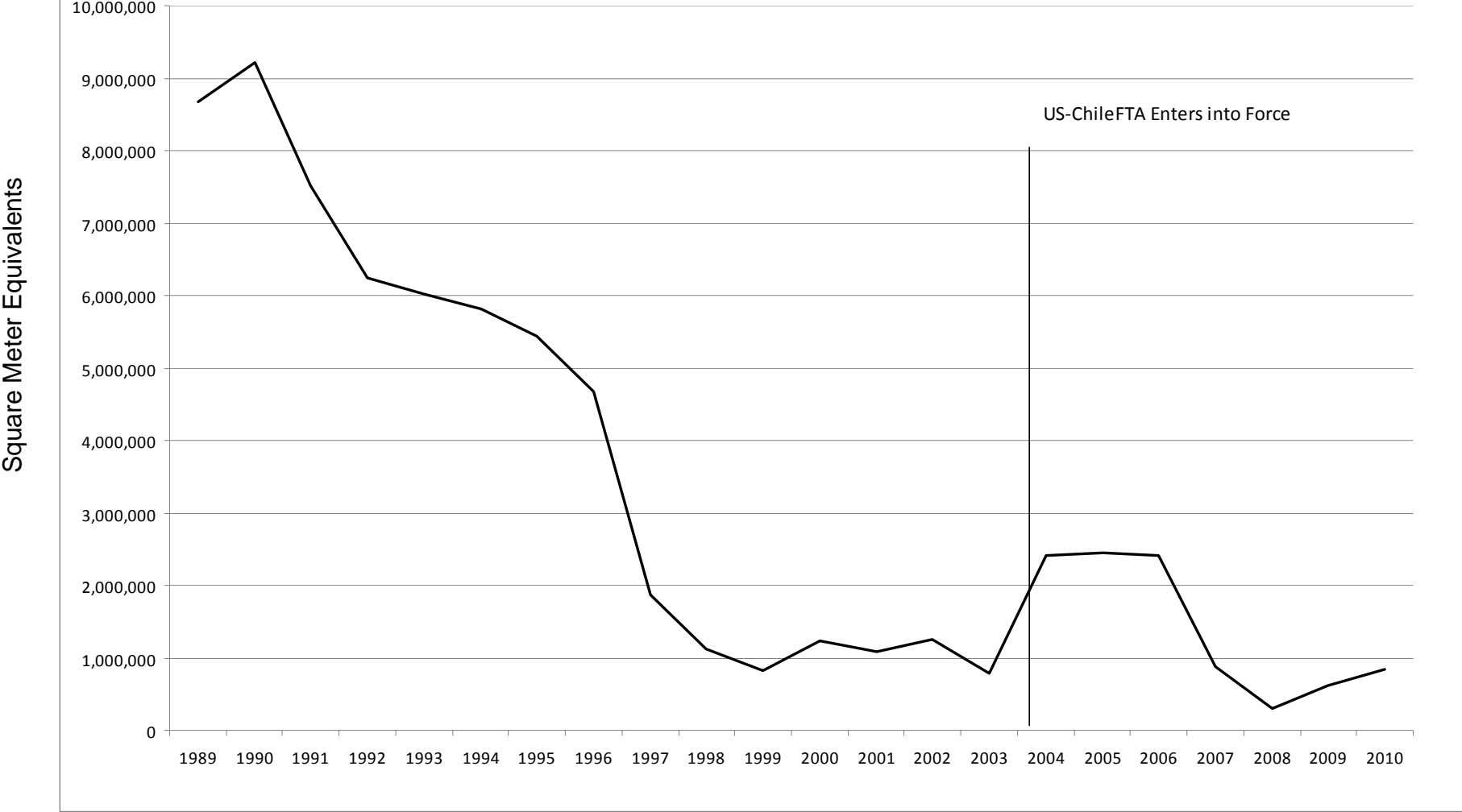


Source: US Commerce Department



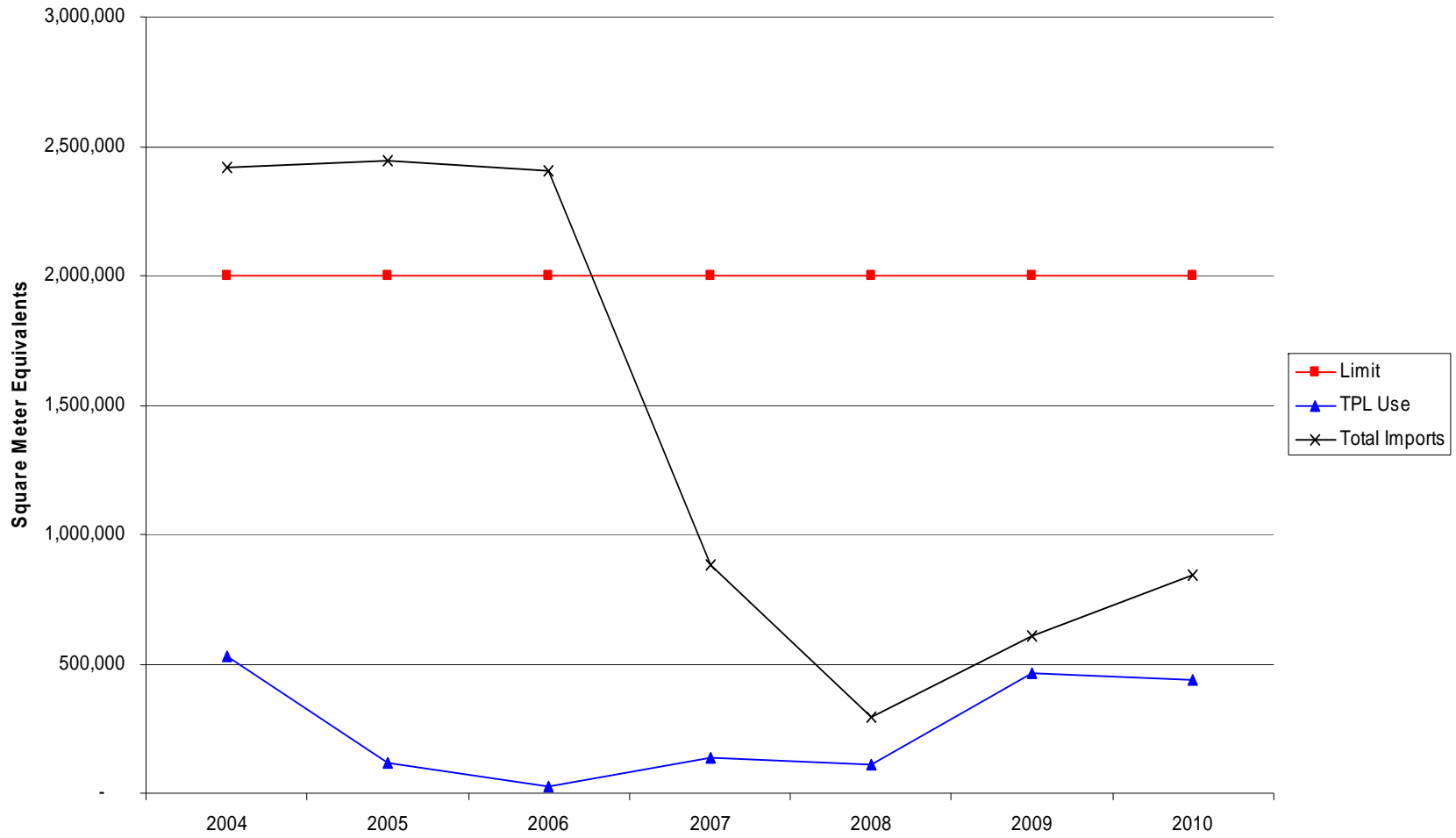
Source: US Commerce Department  
Source: US Commerce Department

# US Apparel Imports from Chile

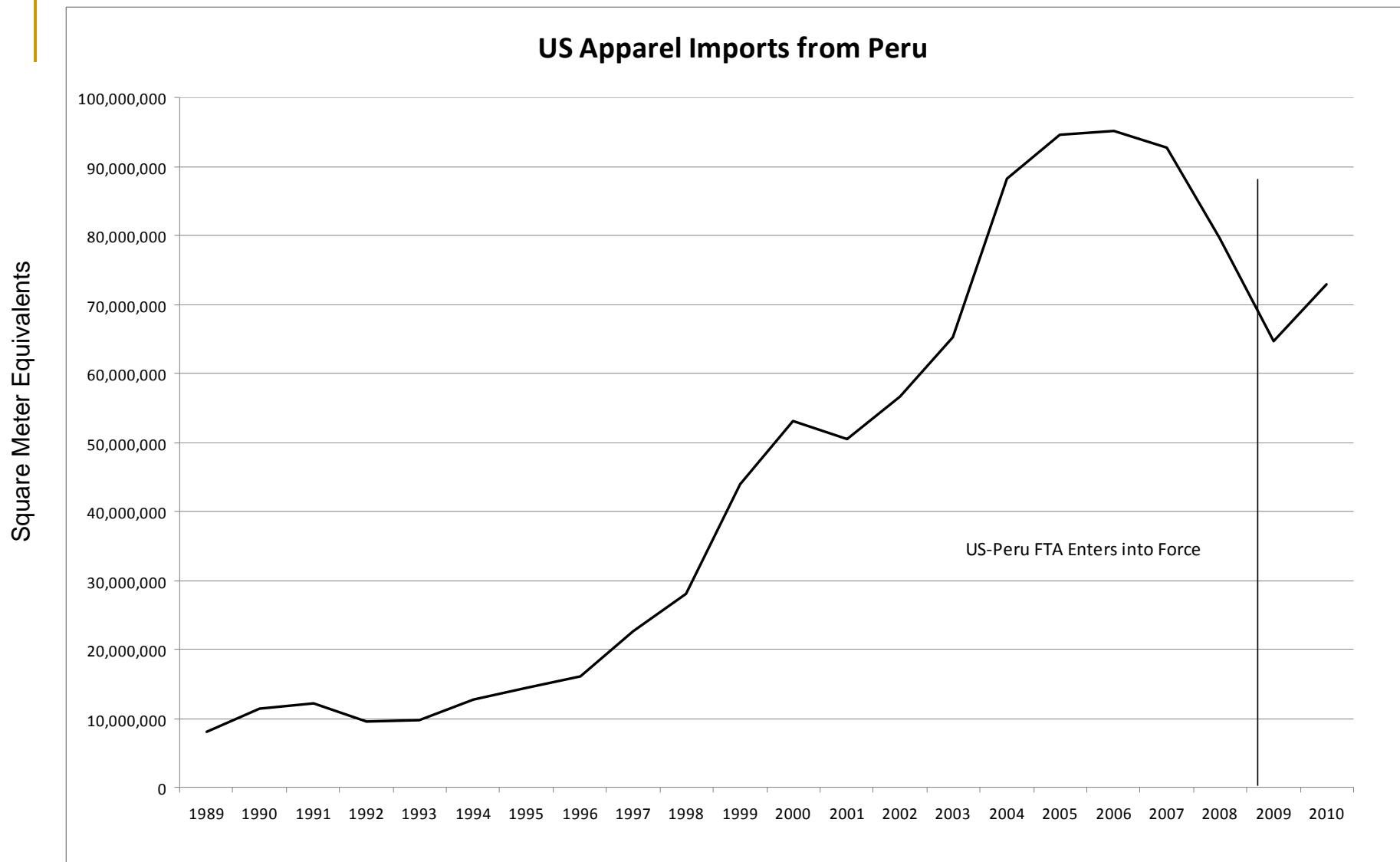


Source: US Commerce Department

### Chile: TPL Usage and Total Apparel Imports

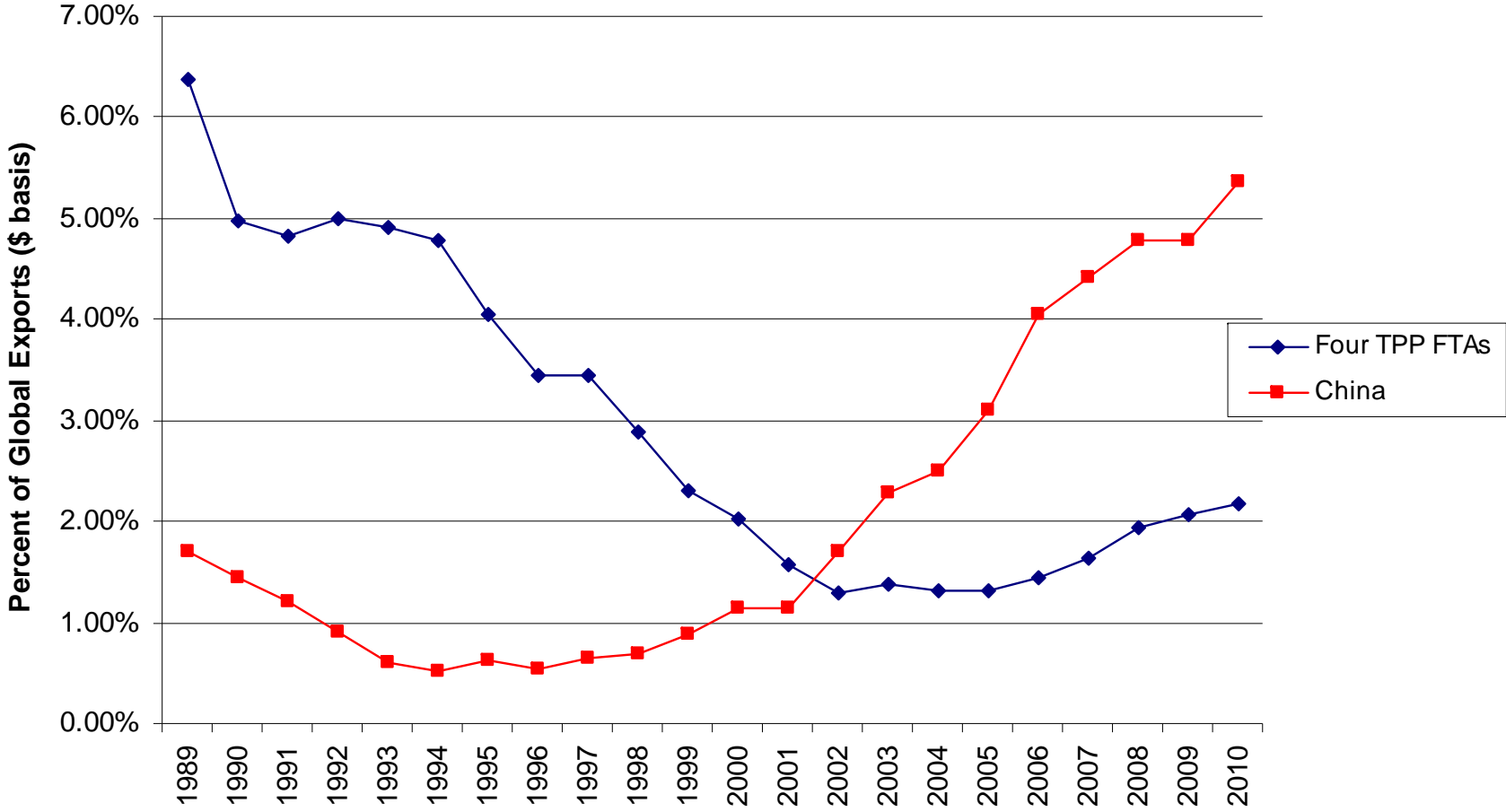


Source: US Commerce Department

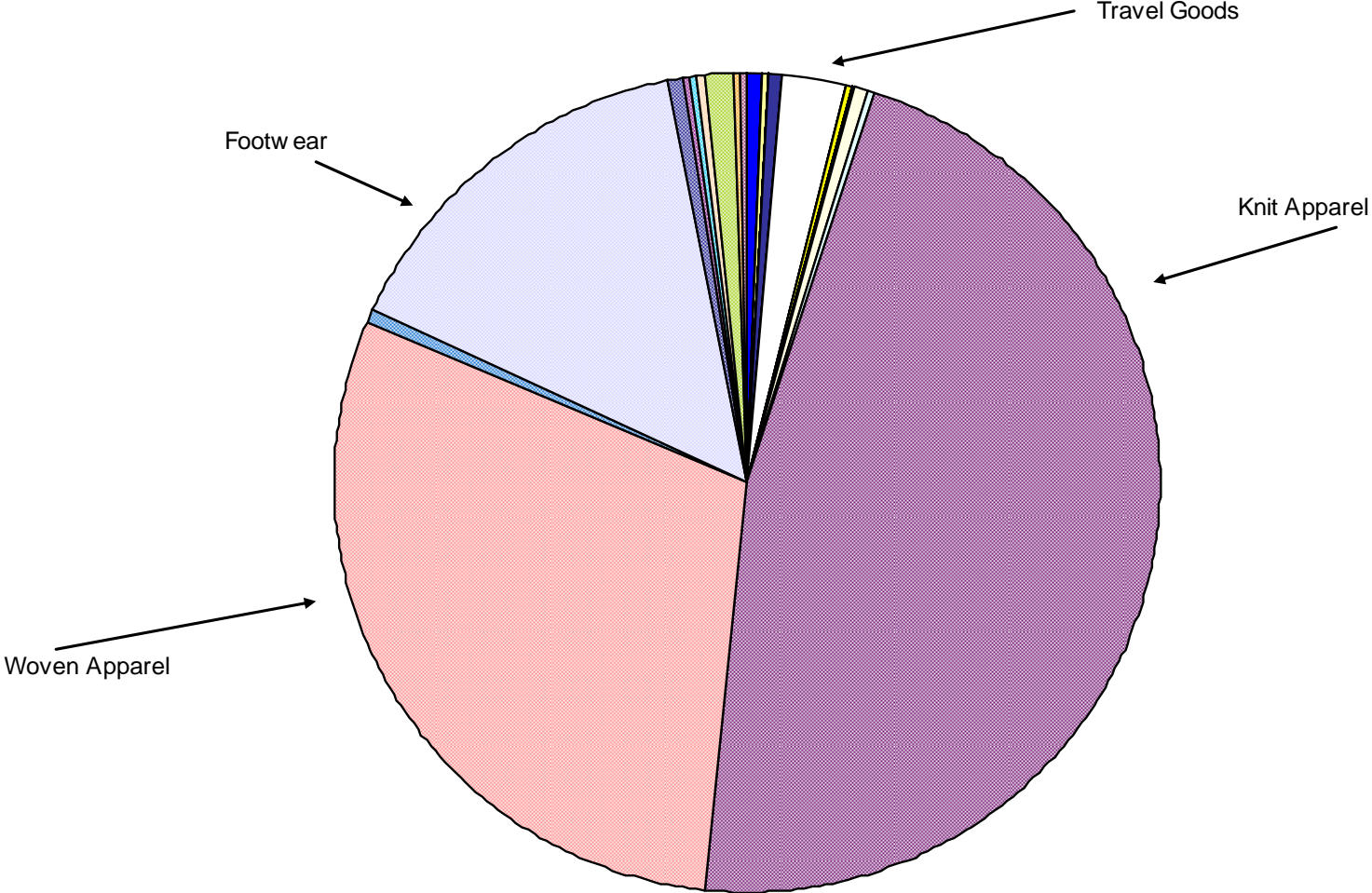


Source: US Commerce Department

### Share of US Yarn and Fabric Exports to China and TPP FTA Countries (1989 to 2010)



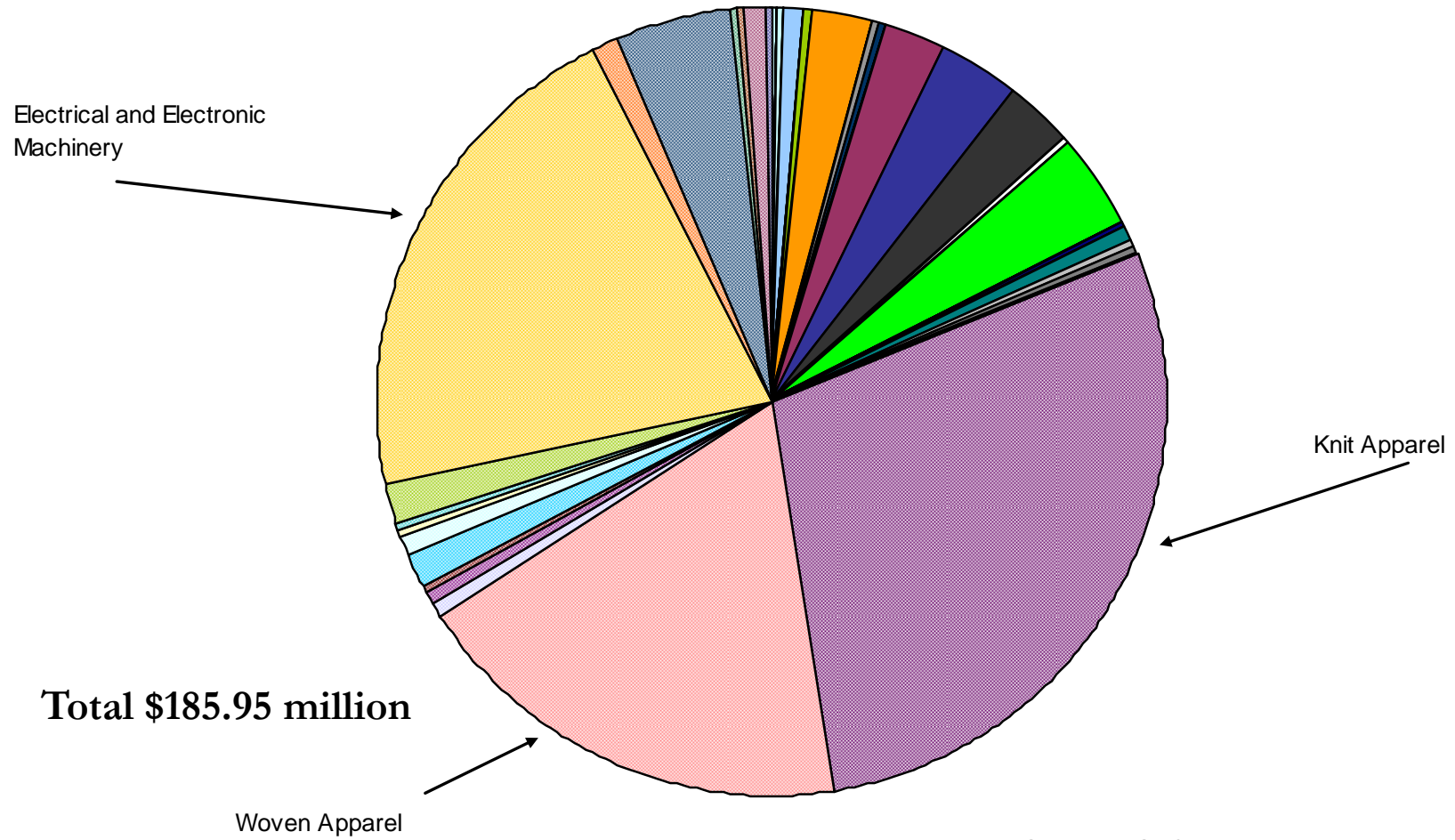
# Distribution of Duties Paid by Vietnam During 2010



Total \$1.33 billion

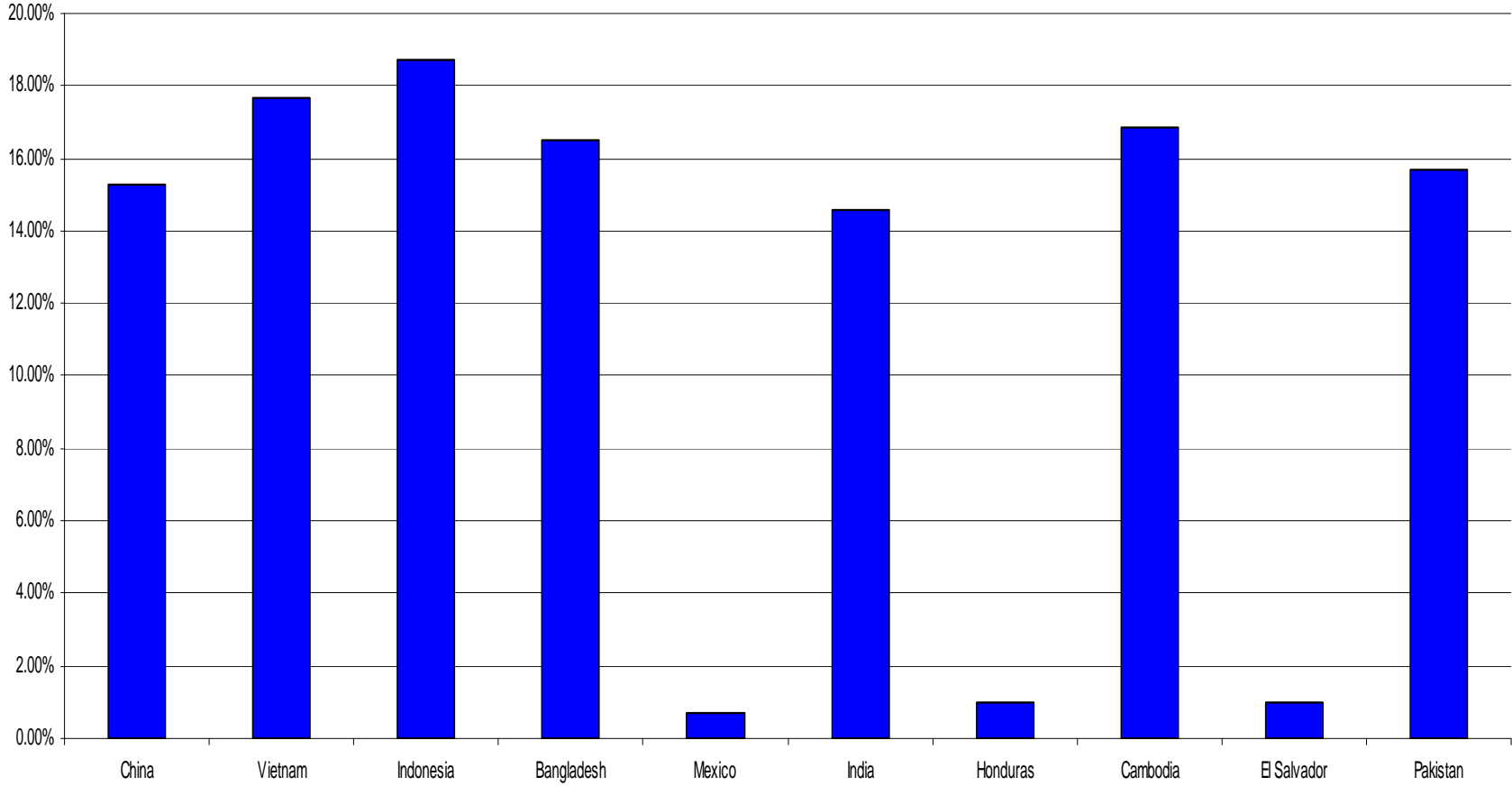
Source: USITC

## Distribution of Malaysia Duties in 2010



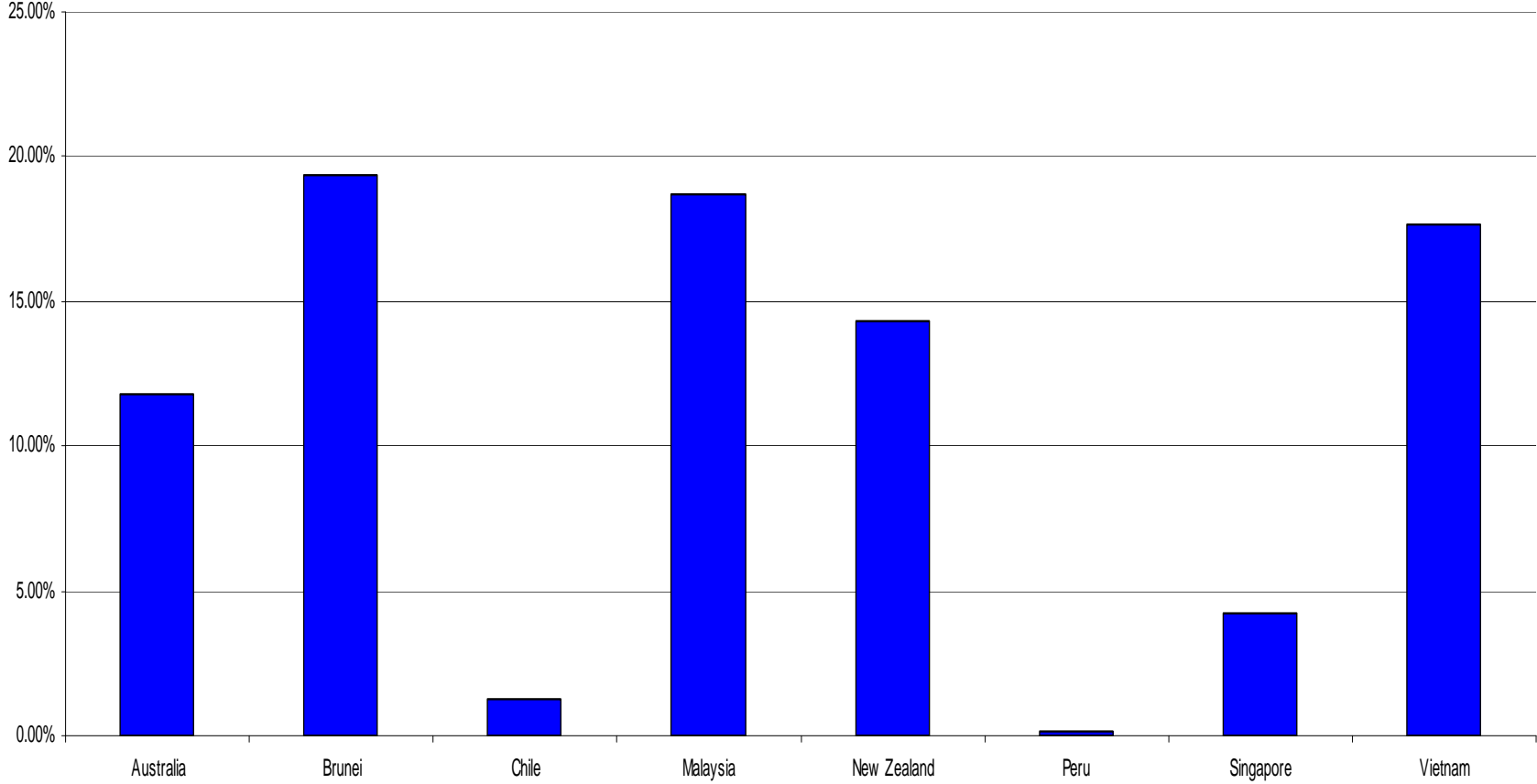


Average Duty Paid on Apparel Imported  
into US From Top 10 Apparel Importers  
2010



Source: USITC

Average Duty Paid on Apparel Imported  
into US From TPP Countries  
2010



Source: USITC

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# Key Observations

- **Yarn Forward in the FTA TPPs Has Not Worked Well**
    - Imports of apparel into US are weak
    - US exports of yarns and fabrics are weak
  - **Apparel imports are attracted to more flexible rules of origin in the FTA TPPs**
    - Most trade in Singapore and Chile concentrated in TPLs.
  - **High US Duty Payments on Vietnam- and Malaysia-Sourced Apparel Signal Opportunities in TPP.**
  - **Attention Must Be Paid to Customs Provisions and Other Features**
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# Thank You

