



UNITED TEXTILE INDUSTRY DEMANDS **ACTION ON CHINA TRADE POLICY**

EMBARGOED UNTIL 10:00 AM, JUNE 11, 2003

June 11, 2003

See addendum for list of summit attendees and press contacts.

WASHINGTON, DC – Officers from the six largest trade associations representing the U.S. textile and fiber industry met in Washington, DC on June 10 and unanimously approved an aggressive, coordinated lobbying campaign designed to ensure the industry’s survival.

“The U.S. government’s lack of follow through on its commitments concerning textile trade policy has thrown the U.S. textile, fiber and apparel industry and its nearly one million workers into a life or death struggle,” said Billy Moore, ATMI Chairman and Executive Vice President of Governmental and Investor Relations of Unifi, Inc., “and yesterday the industry made an unwavering commitment to take any and all political steps to ensure the industry’s survival.”

The centerpiece of the campaign is an intensely focused lobbying effort designed to convince the U.S. government that it needs to act swiftly to counter the threat from China. The groups released a report from ATMI, available at www.atmi.org, showing that unless the government acts, China will gain control of between 65% and 75% of the U.S. apparel market once quotas on Chinese imports are removed on January 1, 2005 and will destroy the U.S. textile and apparel industries.

The initial goal of the campaign is to persuade the U.S. government to implement the special textile China safeguard in an early and effective way to moderate the massive surge of Chinese exports. At the meeting, the organizations agreed to work together on submitting new safeguard petitions to the government in short order.

The lobbying effort will also concentrate on preventing Chinese goods from unfairly taking advantage of regional free-trade agreements now being negotiated, in particular the proposed Central American agreement. The associations agreed to work against the inclusion of exceptions, called tariff preference levels (TPLs), that allow Chinese and other Asian textile exports to enter the region duty-free. The inclusion of TPLs would undercut more than \$5 billion in U.S. textile export trade with Central America and threaten ten of thousands of U.S. jobs.

From twelve months ending in March 2002 to twelve months ending in March 2003, the U.S. government has stood by while the China’s textile and apparel exports to the United States have surged 140%, the biggest increase in history. During the same one year period, the U.S. textile industry closed more than fifty plants and more than 40,000 textile workers lost their jobs.



ATMI, AYSA, NCC, NTA, AMTAC and AFMA press statement

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U.S. trade policy toward China is the most important factor leading to the bankruptcy of many of the nation's largest textile companies, the closure of hundreds of textile and apparel plants, and the loss of 267,700 textile and apparel industry jobs from January 2001 to May 2003.

Moreover, despite pleas by the U.S. textile industry and dozens of other manufacturing groups, the U.S. government has refused to move against China's illegal currency regime that gives its exports a 40% price advantage over U.S. manufactured goods. At a time when U.S. manufacturing has experienced its sharpest falloff in employment since the Great Depression, Chinese exports of manufactured goods have reached record highs.¹

To secure congressional passage of trade promotion authority (TPA), numerous Administration officials made promises to the U.S. textile industry. President Bush even issued a statement on December 6, 2001 saying, "In short, I intend to ensure that the interests of our textile industry and workers are at the heart of our trade negotiations."²

With the textile industry in crisis and in light of the highly damaging textile bilateral agreement with Vietnam, among other actions, it is critical that the Administration fulfill its commitments made to the industry in 2001. **The six organizations represented above view the full and aggressive implementation of the special textile China safeguard as one "litmus test" as to whether those commitments have been fulfilled.**

Allen Gant, ATMI Second Vice Chairman and CEO of Glen Raven Mills said, "When Japan and Australia eliminated their textile quotas, Chinese exports quickly cornered 75% of the market. Unless the U.S. government acts decisively before China's textile quotas expire in January 2005, Chinese exports undoubtedly will dominate the U.S. market in a similar fashion – eviscerating the U.S. textile industry. Concluded Jonathan Stevens, NTA Vice Chairman and President of Ames Textile Corp., "China's massive surge into the market will render all U.S. trade agreements with Western Hemisphere countries obsolete and cause the loss of millions of textile jobs from Chile to Canada and every country in between."

Attachments: List of textile summit attendees

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¹ In testimony in May, the National Association of Manufacturers (NAM) predicted that absent U.S. government action, the trade deficit with China will increase from \$103 billion to more than \$330 billion in less than five years.

² A list of government statements supporting the domestic textile industry is available on ATMI's website at www.atmi.org.



TEXTILE SUMMIT ATTENDEES

ATMI Press Contact Info: Cass Johnson – (202) 862-0545
cjohnson@atmi.org www.atmi.org

ATMI Summit Attendees: Billy Moore, ATMI Chairman and Executive Vice President for Governmental and Investor Relations of Unifi, Inc. located in Greensboro, NC.

Allen Gant, ATMI Second Vice-Chairman and CEO of Glen Raven Mills located in Glen Raven, NC.

Parks Shackelford, ATMI President, Washington, DC

Cass Johnson, ATMI Senior Vice President, Washington, DC

AYSA Press Contact Info: Mike Hubbard – (704) 824-3522
mshaysa@aol.com www.aysa.org

AYSA Summit Attendees: ## Jim Chesnutt – AYSA President and President/CEO of National Spinning Company located in Washington, NC.

George Moretz – AYSA Man-Made Fiber Committee Chairman of Carolina Mills located in Maiden, NC.

*Mike Hubbard – AYSA Exec. Vice President, Gastonia, NC.

NCC Press Contact Info: Marjory Walker – (800) 377-9030
mwalker@cotton.org www.cotton.org

NCC Summit Attendees: Kenneth Hood – NCC Past Chairman, Gunnison, MS

Gaylon Booker – NCC Immediate Past President, Memphis TN.

John Maguire – NCC Senior Vice President for Washington Affairs, Washington, DC

* Attended meeting via conference call.

Mr. Chesnutt is also ATMI First Vice Chairman.



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NTA Press Contact: David Trumbull – (617) 542-8220 x 2
dtrumbull@nationaltextile.org www.nationaltextile.org

NTA Summit Attendees: Jonathan Stevens – NTA Vice Chairman and President of Ames Textile Corp. located in Lowell, MA

James Robbins – NTA Vice President and President of Elastic Fabrics of America located in Greensboro, NC.

Karl Spilhaus – NTA President, Boston, MA

AMTAC Press Contact Info: Lloyd Wood – (202) 452-8493 or (703) 307-7662 (cell)
lwood@amtacdc.org www.amatacdc.org

AMTAC Summit Attendees: Roger Milliken – AMTAC Co-Chair and CEO of Milliken & Co. located in Spartanburg, SC.

*George Shuster – AMTAC Co-Chair and CEO of Cranston Print Works located in Cranston, RI.

Augustine Tantillo – AMTAC Washington Coordinator

AFMA Press Contact Info: Paul O'Day – 703-875-0432
oday@afma.org www.afma.org

AFMA Summit Attendees: Geoff Schofield – AFMA President of Drake Extrusion Inc. located in Ridgeway, VA.

Paul O'Day – AFMA President, Arlington, VA

Also Attending: Jerry Rowland – CEO of National Textiles located in Winston-Salem, NC.

Jock Nash – Washington Counsel, Milliken & Co.

* Attended meeting via conference call.