



INTERNATIONAL
TRADE
ADMINISTRATION

The Retail Apparel Market: Trends and Opportunities in Canada and Mexico

Laurie Mease
Office of Textiles & Apparel (OTEXA)
U.S. Department of Commerce



Overview, Office of Textiles and Apparel (OTEXA)



- Develops programs and strategies to improve the competitiveness of the U.S. textile, apparel, footwear, and travel goods industries:
 - Compile industry data
 - Research and analysis
 - Assist in trade negotiations
 - Promote U.S. textile and apparel companies at international trade events
 - Develop supply chain and sourcing strategies
 - Execute U.S. textile and apparel trade policy

Committee for the Implementation of Textile Agreements (CITA)

Interagency committee chaired by the Department of Commerce, includes USTR, State, Treasury, Labor



- Established in 1972
- Implement textile and apparel provisions of Free Trade Agreements (FTAs) and preference programs
- Administer textile and apparel safeguard actions (FTAs)

OTEXA Export Services

OTEXA has over 30 years of experience in facilitating exports for small and medium-sized companies.

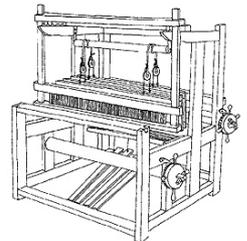
- Export counseling and assistance
- Market research
- USA Pavilions at established overseas trade shows
- Trade missions
- Emphasis on niche markets, higher end producers/suppliers, and FTA partnerships
- Catalog/sample presentations at overseas trade shows



Profile of the U.S. Textile and Apparel Industry

- The textile and apparel industry is one of the largest employers in the manufacturing sector, employing 421,800 workers in 2009, or 3.5% of the U.S. manufacturing workforce.
- There were 17,933 textile and apparel establishments in the United States in 2008.¹
- There are 252,200 textile industry employees and 169,600 apparel industry employees.
- The textile industry is located primarily in Southeastern states, while the apparel industry is concentrated in California, New York and North Carolina.

¹: The latest year for which data are available.



Industry Profile, continued



- In 2008, textile and apparel industries worldwide generated \$612 billion (USD) in world exports and accounted for a 4% share in global merchandise exports.
- The U.S. textile and apparel industry generated \$13.6 billion in exports in 2009, which represented approximately 2% of total world exports of textiles and apparel.
- In 2009, the total combined value of U.S. textile and apparel shipments was \$62.8 billion (\$47.2 billion in textile industry shipments, \$15.6 billion in apparel industry shipments).
- In 2009, the U.S. earned \$9 billion in Customs revenue on imports of textile and apparel products.

Top 10 Textile & Apparel Shippers to the U.S.

Ranked by 2009 Value (\$Billions)

| Country | 2009 | YTD June 2009 | YTD June 2010 | % change |
|---------------|--------------|---------------|---------------|-------------|
| China | \$31.8 | \$13.4 | \$15.8 | +17.9 |
| Vietnam | \$5.3 | \$2.5 | \$2.8 | +14.2 |
| India | \$4.6 | \$2.4 | \$2.8 | +14.4 |
| Mexico | \$4.1 | \$2.0 | \$2.1 | +8.3 |
| Indonesia | \$4.0 | \$2.0 | \$2.3 | +12.4 |
| Bangladesh | \$3.5 | \$1.8 | \$1.9 | +5.2 |
| Pakistan | \$2.8 | \$1.3 | \$1.5 | +10.7 |
| Honduras | \$2.0 | \$0.962 | \$1.1 | +13.3 |
| Cambodia | \$1.9 | \$0.898 | \$0.978 | +9.0 |
| Thailand | \$1.5 | \$0.735 | \$0.720 | -2.0 |
| World | \$81.0 | \$37.6 | \$41.6 | +10.9 |

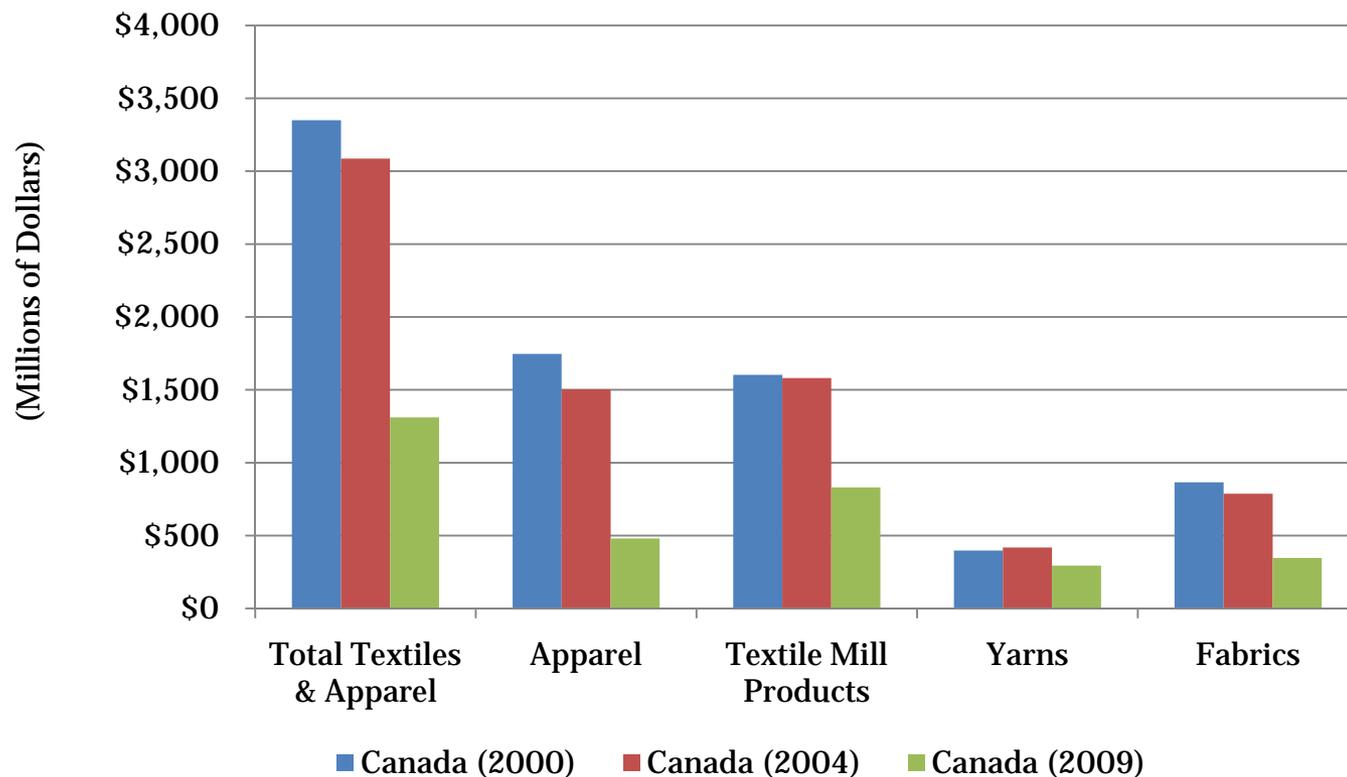
In 2009, Canada ranked as the #13 shipper of textiles and apparel to the U.S. with \$1.3 billion in exports.



Source: Office of Textiles and Apparel, Major Shippers Report.

U.S. Textile and Apparel Imports from Canada

U.S. Imports from Canada, 2000-2009

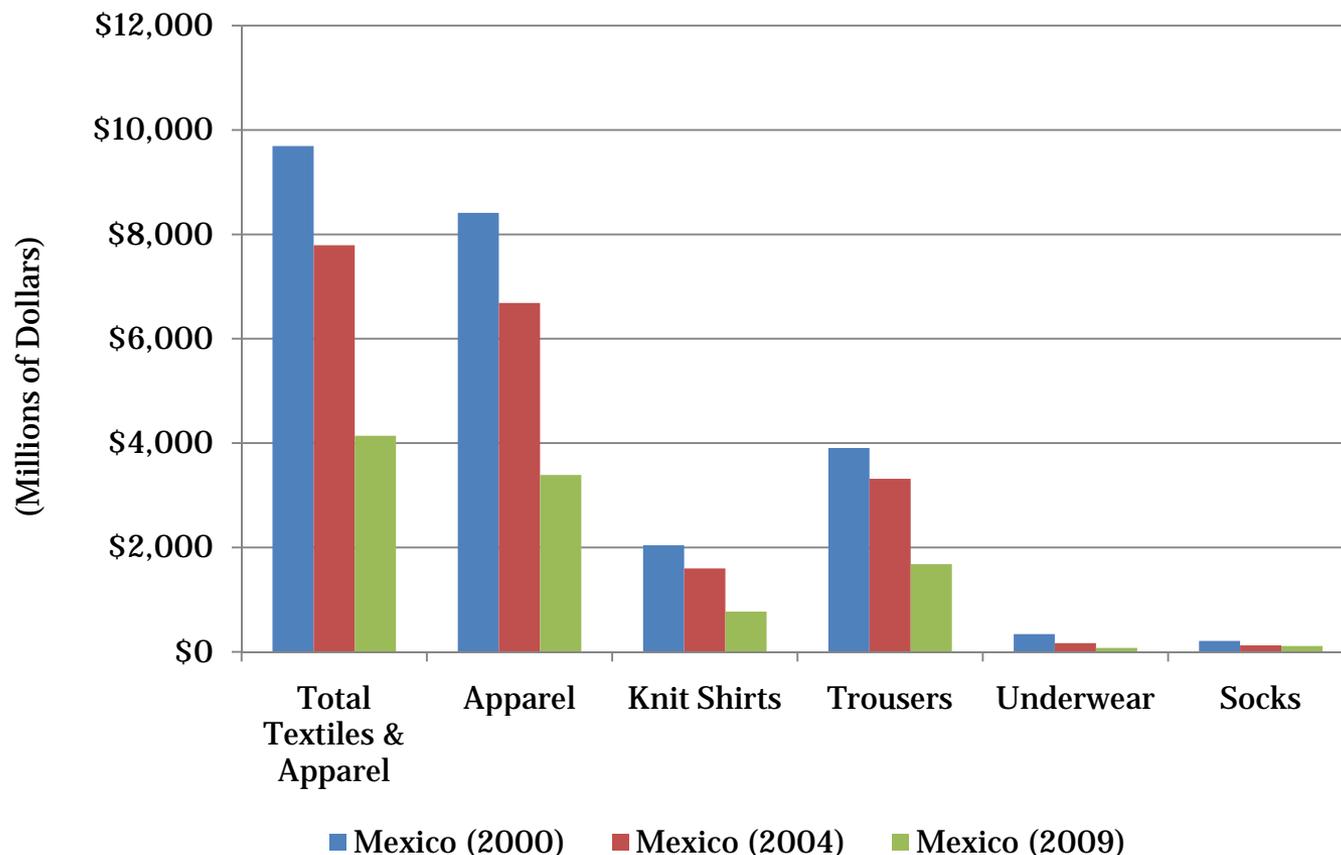


Between 2000 and 2009, total U.S. imports of textiles and apparel from Canada dropped from \$3.35 billion to \$1.31 billion – a decrease of 60.8%.

Source: Office of Textiles and Apparel, Major Shippers Report.

U.S. Textile and Apparel Imports from Mexico

U.S. Imports from Mexico, 2000-2009

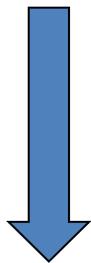


In 2000, Mexico accounted for 40.68% of U.S. imports of textiles and apparel from Latin America and the Caribbean.

Source: Office of Textiles and Apparel, Major Shippers Report

Top 10 Markets for U.S. Exports of Textiles and Apparel

Ranked by 2009 Value (\$Billions)

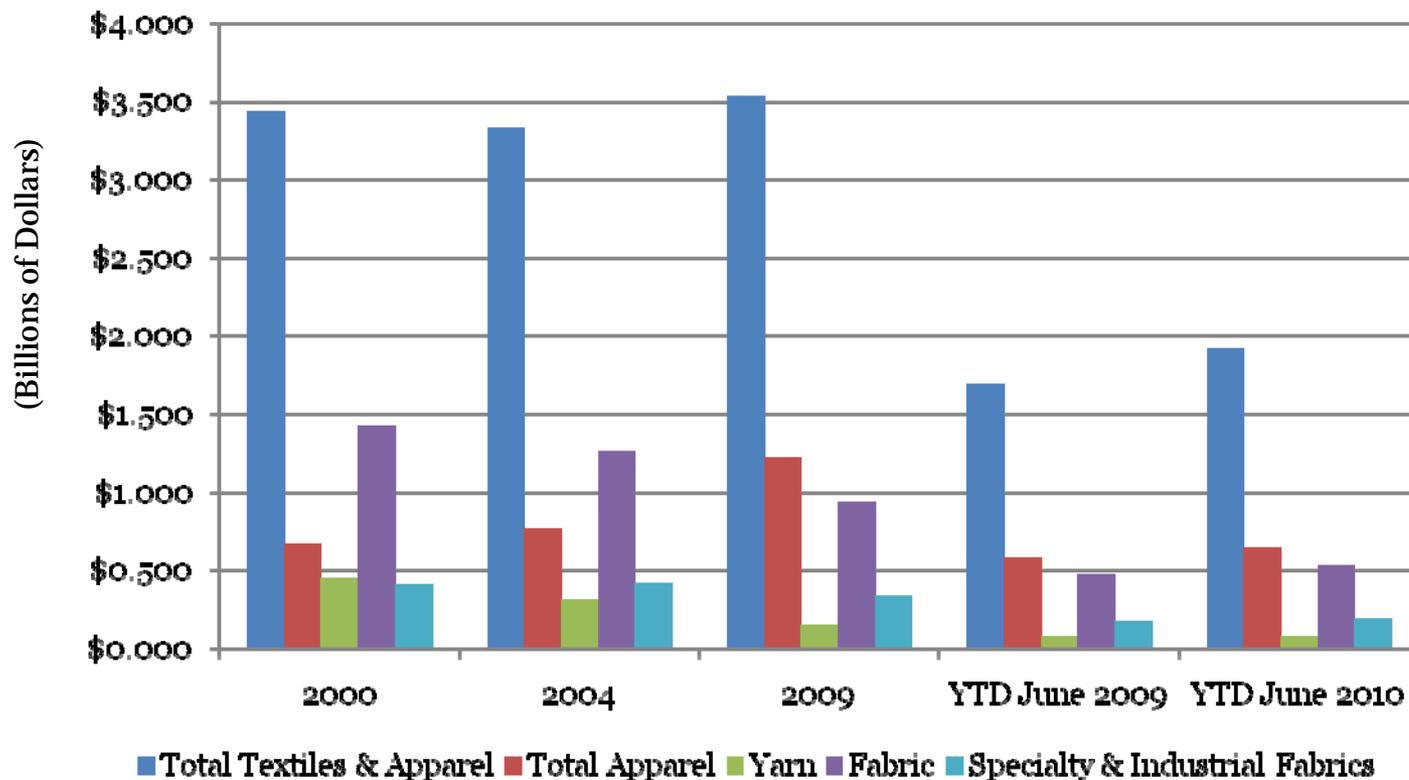


| Country | 2009 | YTD June 2009 | YTD June 2010 | % change |
|----------------|---------|---------------|---------------|----------|
| Canada | \$3.5 | \$1.7 | \$1.9 | +13.4 |
| Mexico | \$3.2 | \$1.5 | \$1.8 | +24.6 |
| Honduras | \$1.0 | \$0.503 | \$0.677 | +34.6 |
| Dominican Rep. | \$0.556 | \$0.290 | \$0.296 | +2.0 |
| Japan | \$0.447 | \$0.206 | \$0.248 | +20.4 |
| China | \$0.431 | \$0.195 | \$0.265 | +36.0 |
| United Kingdom | \$0.379 | \$0.174 | \$0.223 | +28.4 |
| El Salvador | \$0.368 | \$0.195 | \$0.209 | +7.1 |
| Germany | \$0.291 | \$0.141 | \$0.146 | +3.3 |
| Hong Kong | \$0.230 | \$0.115 | \$0.136 | +18.1 |
| World | \$13.6 | \$6.5 | \$7.8 | +20.2 |

Source: Office of Textiles and Apparel, Major Shippers Report.

U.S. Textile and Apparel Exports to Canada

\$3.53 billion in exports of U.S.-made textiles and apparel to Canada in 2009; \$1.92 billion in the first half of 2010



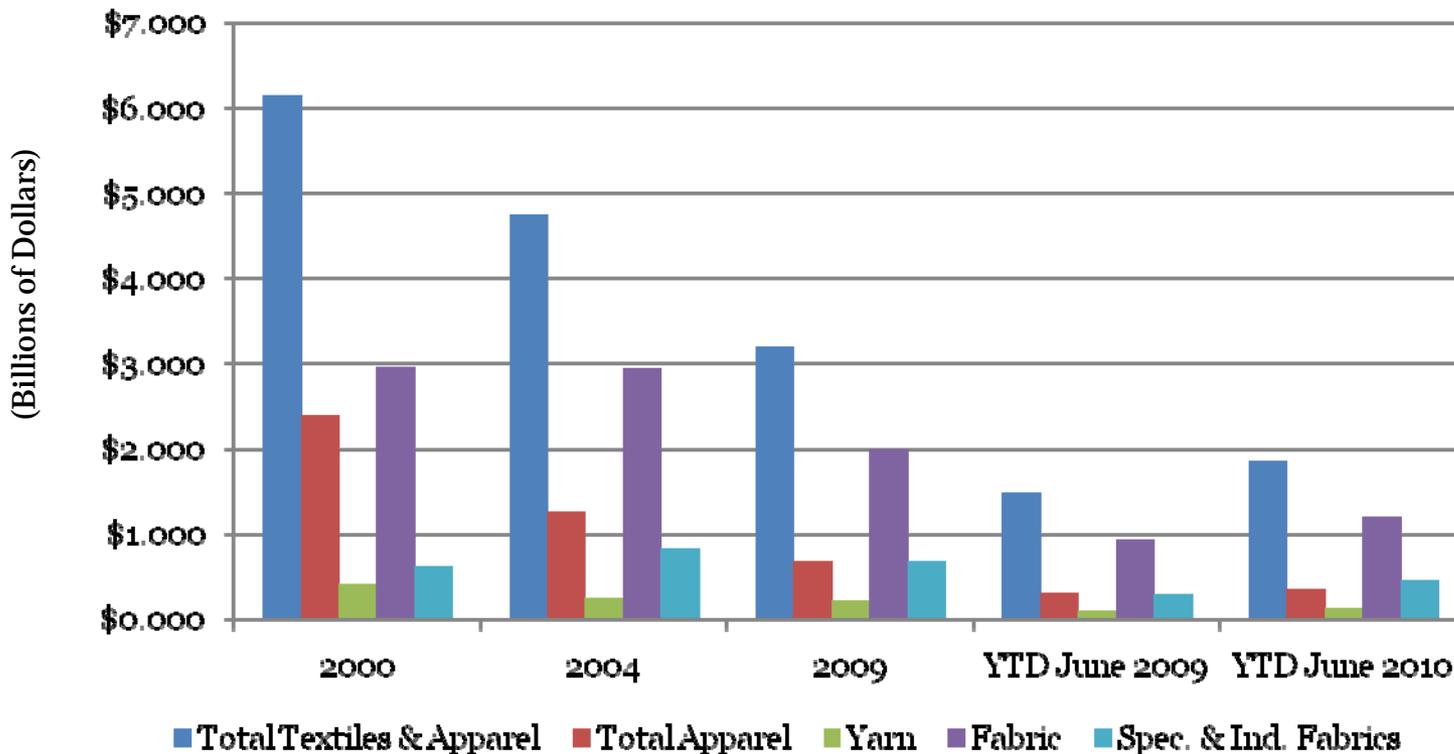
As of June 2010, U.S. exports of textiles and apparel to Canada are up 13.4% over the first half of 2009.



Source: Office of Textiles and Apparel, Export Market Report

U.S. Textile and Apparel Exports to Mexico

\$3.19 billion in exports of U.S.-made textiles and apparel to Mexico in 2009; \$1.85 billion in the first half of 2010



As of June 2010, U.S. exports of textiles and apparel to Mexico are up 24.6% over the first half of 2009.

Source: Office of Textiles and Apparel, Export Market Report

OTEXA Website: Your Textile/Apparel Resource



[Otexa.ita.doc.gov](http://otexa.ita.doc.gov)

- Trade Data Reports
 - Major Shippers (Import Data)
 - Export Market
 - Trade Balance
 - Preliminary Import Data
- Free Trade Agreements
- Trade Preference Programs: AGOA, ATPDEA, CBTPA, Haiti HOPE
- Statutory Programs: Cotton and Wool TRQs, DR 2 for 1, Haiti HOPE 2 for 1
- Upcoming Events: Free Webinars, Trade Shows



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▶ Trade Data

- Textiles and Apparel
- Footwear, Leather & Travel Goods
- The Textile Correlation

▶ Trade Agreements

- Free Trade Agreements
- CAFTA-DR
 - TPLs
 - Cumulation
- Trade Preference Programs
 - AGOA
 - ATPDEA
 - CBTPA
 - Haiti HOPE
 - U.S. Imports/TRQs
- Earned Import Allowance
 - Dom. Rep. 2 x 1
 - Haiti 3 x 1
- Commercial Availability
 - Australia FTA
 - Bahrain FTA
 - CAFTA-DR
 - NAFTA
 - Peru TPA
 - Singapore FTA
 - AGOA/aTPDEA/CBTPA
 - Wool and Cotton TRQ

Trade Links

DISCLAIMER OF ENDORSEMENT -

Please be aware that this is NOT a comprehensive guide of all Internet trade sources relevant for U.S. textile and apparel products. This list does not represent an endorsement of any particular service, product, or information source by the U.S. Department of Commerce or the Office of Textiles and Apparel.

Note: Links in this section may take you off Federal Government websites.

[U.S. Government Websites](#)

[Trade and Statistical Data](#)

[International Organizations/Foreign Governments](#)

[U.S. Textile, Apparel, Footwear, Leather and Travel Goods Trade Associations Research](#)



U.S. Government Websites

[Export.Gov](#) - Export.Gov is comprised of 19 federal agencies involved in opening foreign markets and promoting the export of U.S. products and services.

[International Trade Administration \(ITA\), U.S. Department of Commerce](#) - ITA provides industry and country-specific market information, and offers a wide variety of programs to assist U.S. exporters.

[Bureau of the Census Foreign Trade Statistics, U.S. Department of Commerce](#) - Census provides trade data on exports and imports, and information on the Harmonized Tariff System (Schedule B), a guide to foreign trade statistics, and export documentation.

Contact Information



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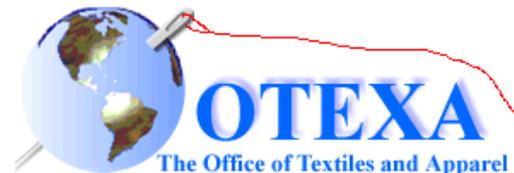
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INTERNATIONAL
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Duty-Free Market Access to Canada and Mexico

North American Free Trade Agreement (NAFTA)

Richard Stetson
Office of Textiles and Apparel (OTEXA)
U.S. Department of Commerce



Top U.S. Textile Export Products/Tariffs

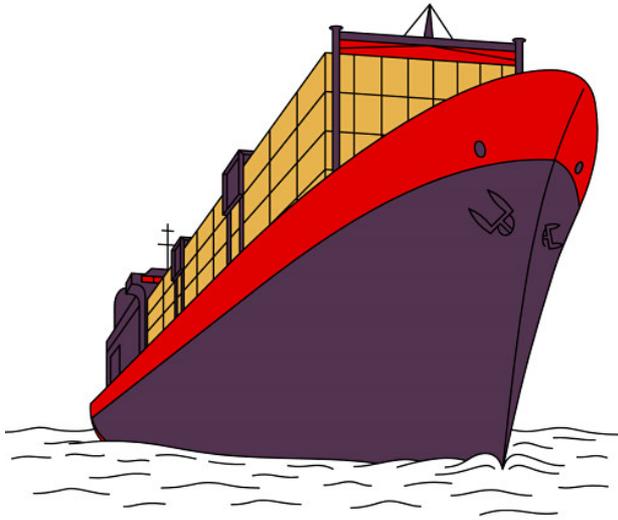
Canada

- Knit fabric/apparel 18%
- Woven apparel 18%
- Textile floor coverings (carpet) 14%
- Felt/Specialty yarns 14%
- Textile home furnishings 18%

Mexico

- Impregnated fabrics (Ch59) 25%
- Knit fabric/apparel 23%
- Cotton yarn 18%
- Specialty yarn 18%
- Manmade filament yarn 25%

Duty-Free Market Access

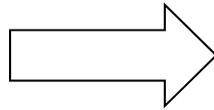


- Comply with the NAFTA textile and apparel Rule of Origin
- “Yarn Forward” Rule of Origin
- Standard in all U.S. free trade agreements

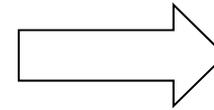
Yarn Forward “Rule” of Origin



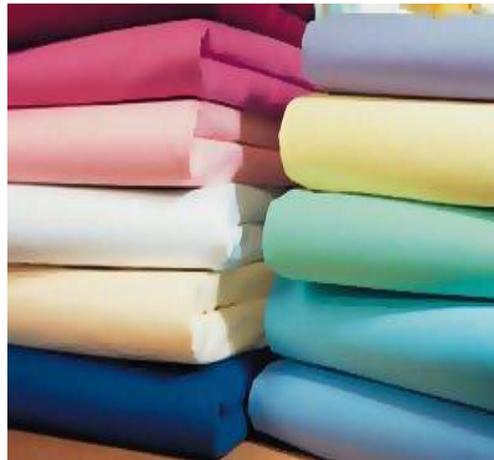
Yarn



Fabrics



Apparel



Exceptions to the Yarn Forward Rule

- **Tariff Preference Levels (TPLs)**
- **Fibers, yarns, fabrics not Commercially Available in NAFTA**





- Annual Quota
- Monitored weekly, monthly, annually by Mexico/Canada Customs

ANNUAL TPL's

Apparel and Made-Up Goods

| Imports into Canada: | From the United States |
|---------------------------------|-------------------------------|
| Cotton or Manmade fiber apparel | 9,000,000 SME |
| Wool apparel | 919,740 SME |
| Imports into Mexico: | |
| Cotton or Manmade fiber apparel | 12,000,000 SME |
| Wool apparel | 1,000,000 SME |

Cotton or Man-made Fiber Fabric

| | |
|-----------------------------|---------------|
| Imports into Canada: | 2,000,000 SME |
| Imports into Mexico: | 2,000,000 SME |

Cotton and Man-made Fiber Spun Yarn

| | |
|-----------------------------|--------------|
| Imports into Canada: | 1,000,000 kg |
| Imports into Mexico: | 1,000,000 kg |



OFFICE OF TEXTILES AND APPAREL (OTEXA)

Trade Data

- Textiles and Apparel
- Footwear, Leather & Travel Goods
- The Textile Correlation

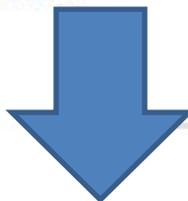
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 - Peru TPA
 - Singapore FTA

Announcements

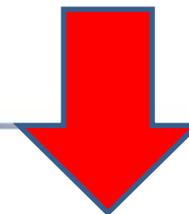
- 8/12/2010 [Determination to Approve Commercial Availability Request under CAFTA-DR: 145.2010.07.08.Fabric.SoriniSameforBWA - Certain Fabrics Containing Lyocell and Cotton \(effective 08/12/2010\)](#)
- 8/06/2010 [FR Announcing Grants to Manufacturers of Certain Worsted Wool Fabrics](#)
- 8/02/2010 [Now available for download: OTEXA webinar—The Retail Apparel Market in Brazil: Trends and Opportunities \(July 29, 2010\)](#)
- 7/15/2010 [See OTEXA's New Miscellaneous Tariff Bill \(MTB\) Database providing information on MTBs related to man-made fibers, textiles, apparel, footwear, and travel goods.](#)
- 7/14/2010 [FR Announcing Determination of Additional Category 9 Benefits to Burkina Faso under the African Growth and Opportunity Act](#)
- 6/01/2010 [Proposed Information Collection; Comment Request; Procedures for Considering Requests and Comments From the Public for Textile and Apparel Safeguard Actions on Imports From Peru](#)
- 5/21/2010 [—Procedures for Considering Requests from the Public for Textile and Apparel Safeguard Actions on Imports from Oman](#)

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Free Trade Agreements

- Summary of the Agreements
- Legal Texts and Documents
- Trade Data
- Safeguards



Export Information

- OTEXA Trade Events
- Market Reports/Tariffs
- Common Trade Problems
- Exporters' Textile Advisory Committee

[Past Announcements](#)



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Market Reports/Tariffs

Canada

- ▶ [Import Tariffs](#)
- ▶ [Documentation/Procedures](#)
- ▶ [Restrictions](#)
- ▶ [Standards](#)
- ▶ [Labeling](#)
- ▶ [Intellectual Property Rights](#)
- ▶ [Market Information](#)

Last updated on 08/06/2010

If you have any questions about the following information, please contact Laurie Mease at the U.S. Department of Commerce Office of Textiles and Apparel at 202-482-4058 or click [here](#) for e-mail access.

****The following information is provided only as a guide and should be confirmed with the proper authorities before embarking on any export activities.****



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▶ Trade Data

- Textiles and Apparel
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 - Haiti 3 x 1
- Commercial Availability
 - Australia ETA

Market Reports/Tariffs

Mexico

- ⌘ [Import Tariffs](#)
- ⌘ [Documentation/Procedures](#)
- ⌘ [Restrictions](#)
- ⌘ [Standards](#)
- ⌘ [Labeling](#)
- ⌘ [Intellectual Property Rights](#)
- ⌘ [Market Information](#)

Last updated on 11/24/2009

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OFFICE OF TEXTILES AND APPAREL (OTEXA)

[FTA Home](#)

[Australia](#)

[Bahrain](#)

[CAFTA-DR](#)

[Chile](#)

[Colombia \(pending\)](#)

[Israel](#)

[Jordan](#)

[Korea \(pending\)](#)

[Morocco](#)

[NAFTA](#)

- [Commercial Availability](#)
- [Safeguards](#)
- [Market Information](#)
- [Trade Data](#)
- [Text and Documentation](#)

[Oman](#)

[Panama \(pending\)](#)

[Peru](#)

[Singapore](#)

Free Trade Agreements

Summary of the North American Free Trade Agreement

****The information presented on this website is meant to serve as a guide.**

Only the agreement text and the customs regulations issued to implement the agreement are definitive. For complex issues or where interpretation is required, U.S. exporters should seek legal assistance or an advanced ruling from the customs administration in the country to which they are exporting.**

If you have any questions about this Agreement, please contact Richard Stetson at the U.S. Department of Commerce Office of Textiles and Apparel at 202-482-3400 or by [email](#).

Status: Implemented January 1, 1994

How U.S. Textile and Apparel Companies Benefit:

The North American Free Trade Agreement (NAFTA) is a trade agreement among the United States, Canada, and Mexico that liberalizes restrictions on trade among the three countries. Under the NAFTA, U.S. textile and apparel exporters benefit from duty-free entry on all qualifying products into Canada and Mexico, the two largest export markets for U.S. textile and apparel products. NAFTA promotes opportunities for U.S. fiber, textile and clothing manufacturers to expand sales and increase production, to make full use of economies of scale and take advantage of complementary resources in the three countries to enhance export potential.

Tariff Elimination:

Under the NAFTA, qualifying U.S. textile, apparel, footwear, leather and travel goods enter into Canada and Mexico duty-free. To qualify for duty-free entry, these products must meet origin criteria as set out in the Agreement (see Qualifying Products/Rules of Origin section below). However, for

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