PRESS RELEASE

U.S. Textile Industry Urges Stronger USMCA Rules to Preserve and Expand Vital Textile and Apparel Co-Production Chain and to Confront Unfair Trade Practices

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WASHINGTON, D.C. – The National Council of Textile Organizations (NCTO), representing the full spectrum of U.S. textiles from fiber, yarn, and fabrics to finished sewn products, welcomes the review of the United States–Mexico–Canada Agreement (USMCA) and calls on the administration to strengthen and to extend the trade deal to preserve a crucial Western Hemisphere co-production chain, enhance customs enforcement, and confront predatory trade practices that threaten domestic jobs and supply chains.

NCTO expressed strong support for preservation of the current exemption of USMCA-qualifying trade from International Emergency Economic Powers Act (IEEPA) tariffs imposed to curb the flow of illicit fentanyl and illegal migration, while also calling for a similar exemption for qualifying trade under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) currently subject to IEEPA reciprocal tariffs, in public comments submitted to the U.S. Trade Representative's office today.

The U.S. textile industry ships $12.3 billion, or 53 percent, of its total global textile exports to Mexico and Canada--by far the largest export markets for American textile producers. Those component materials often come back as finished products to the United States under the USMCA. The $20 billion in two-way trade between the United States and these countries spurs enormous textile investment and employment at home.

NCTO's public comments were submitted as part of a USTR public consultation on the operation of the USCMA in advance of a joint review of the USMCA with Mexico and Canada to take place next year.

See a link to the full testimony here.

"We welcome the Trump administration's efforts to combat the highly aggressive predatory trade practices facing our industry to offset decades-long inequities and to establish a more balanced trade environment for U.S. textile and apparel manufacturers," NCTO stated. "We ask the administration not to lose sight of the valuable trade partnerships we have with countries in the Western Hemisphere, on which the U.S. textile industry depends. We also hope the administration will…address issues of consequence to our industry, including harmful exceptions to yarn forward and increased customs cooperation among the USMCA parties to confront unfair trade practices."

Key areas outlined for improvement of the USMCA include the following:

- **Preserving and strengthening the agreement's yarn-forward rule of origin,** by limiting harmful exceptions to the rule, such as tariff preference levels and single transformation rules that weaken regional supply chains and disadvantage U.S. manufacturers.
- **Strengthening USMCA Customs Enforcement Cooperation** including trade data reviews and public reporting of data, creation of a public blacklist of repeat offenders of trade laws, and intensifying punishment of customs offenders in all three countries.

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NCTO is a Washington, DC-based trade association that represents domestic textile manufacturers.

- U.S. employment in the textile supply chain was 471,046 in 2024.
- The value of shipments for U.S. textiles and apparel was $63.9 billion in 2024.
- U.S. exports of fiber, textiles and apparel were $28 billion in 2024.
- Capital expenditures for textiles and apparel production totaled $2.98 billion in 2022, the last year for which data is available.

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