

The Politics of Trade for Southeast Asia



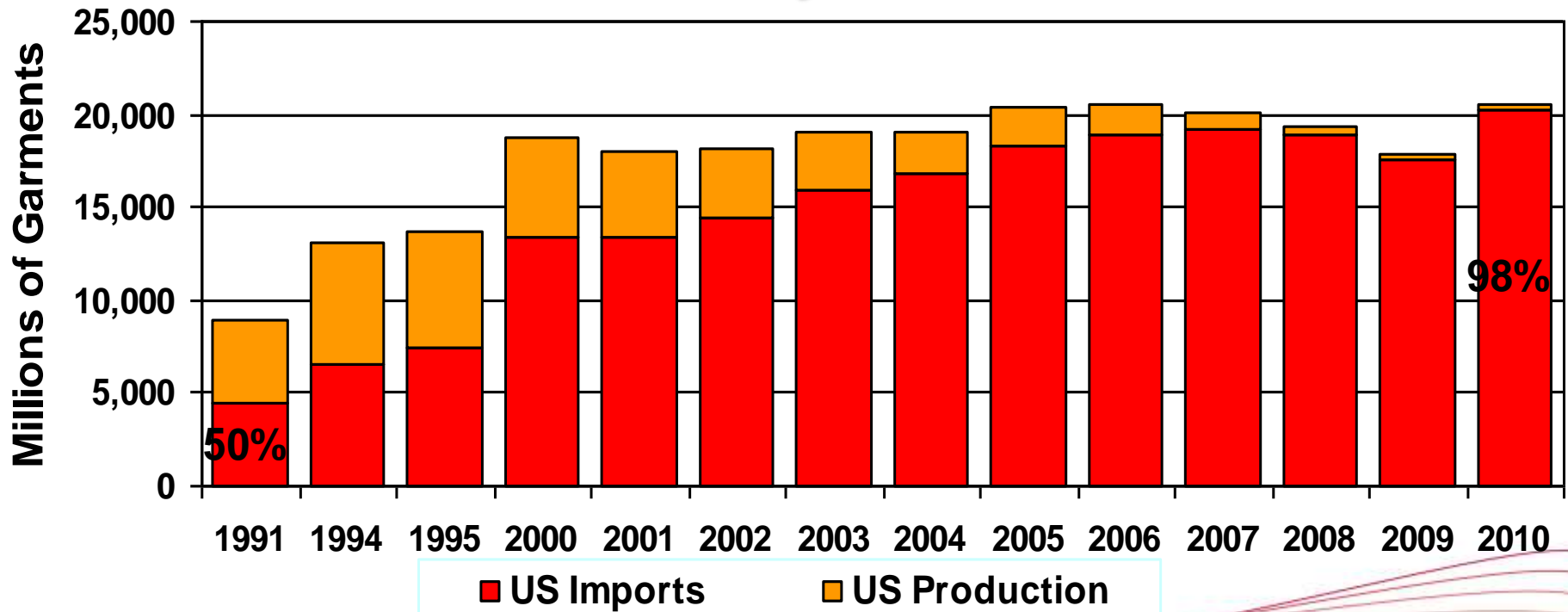
Steve Lamar | **Executive VP**

SAFSA Briefing

July 2011

U.S. Apparel Imports

- 50% of U.S. market in 1991
- 98% of U.S. market today



Top 5 Apparel Suppliers to U.S.

1980

Taiwan

Hong Kong

Korea

China

Philippines

Today

China (42%)

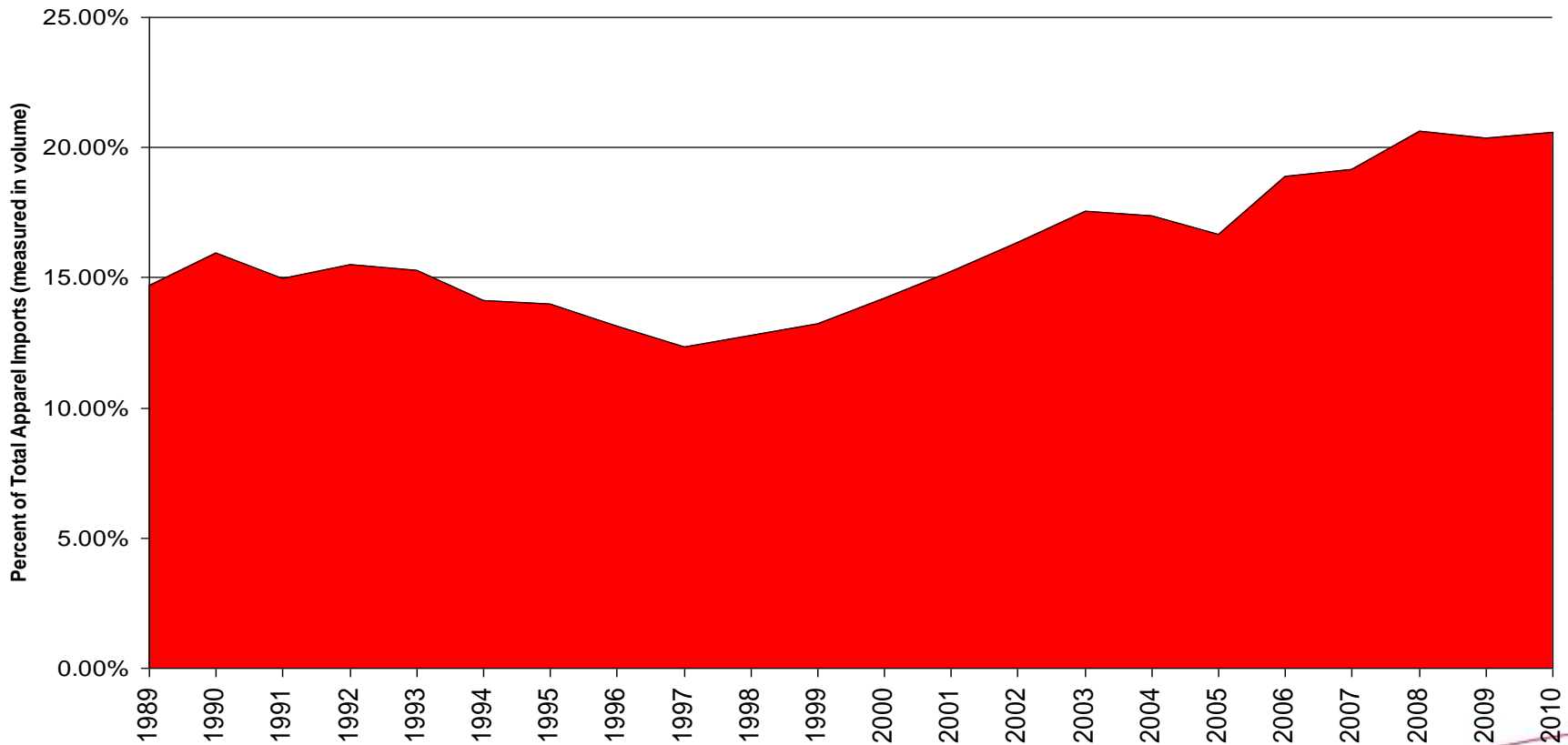
Vietnam (8%)

Bangladesh (6%)

Honduras (5%)

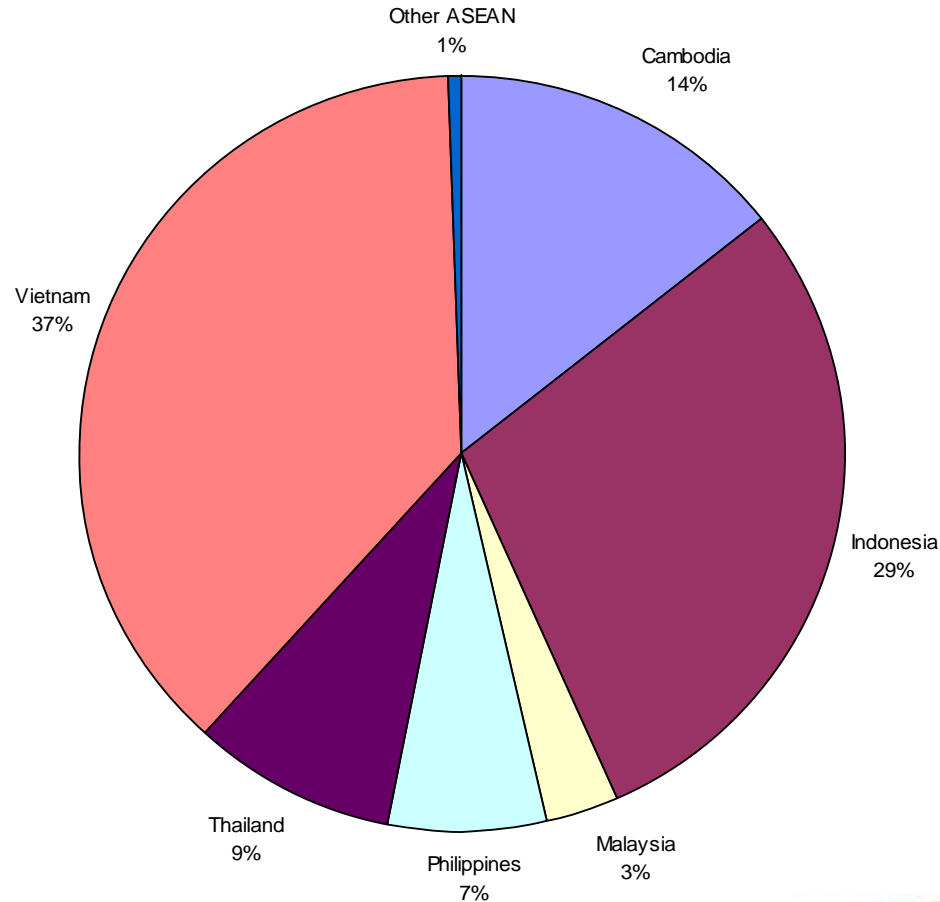
Indonesia (5%)

Percent of US Apparel Imports Originating from ASEAN Countries – 1989 - 2010



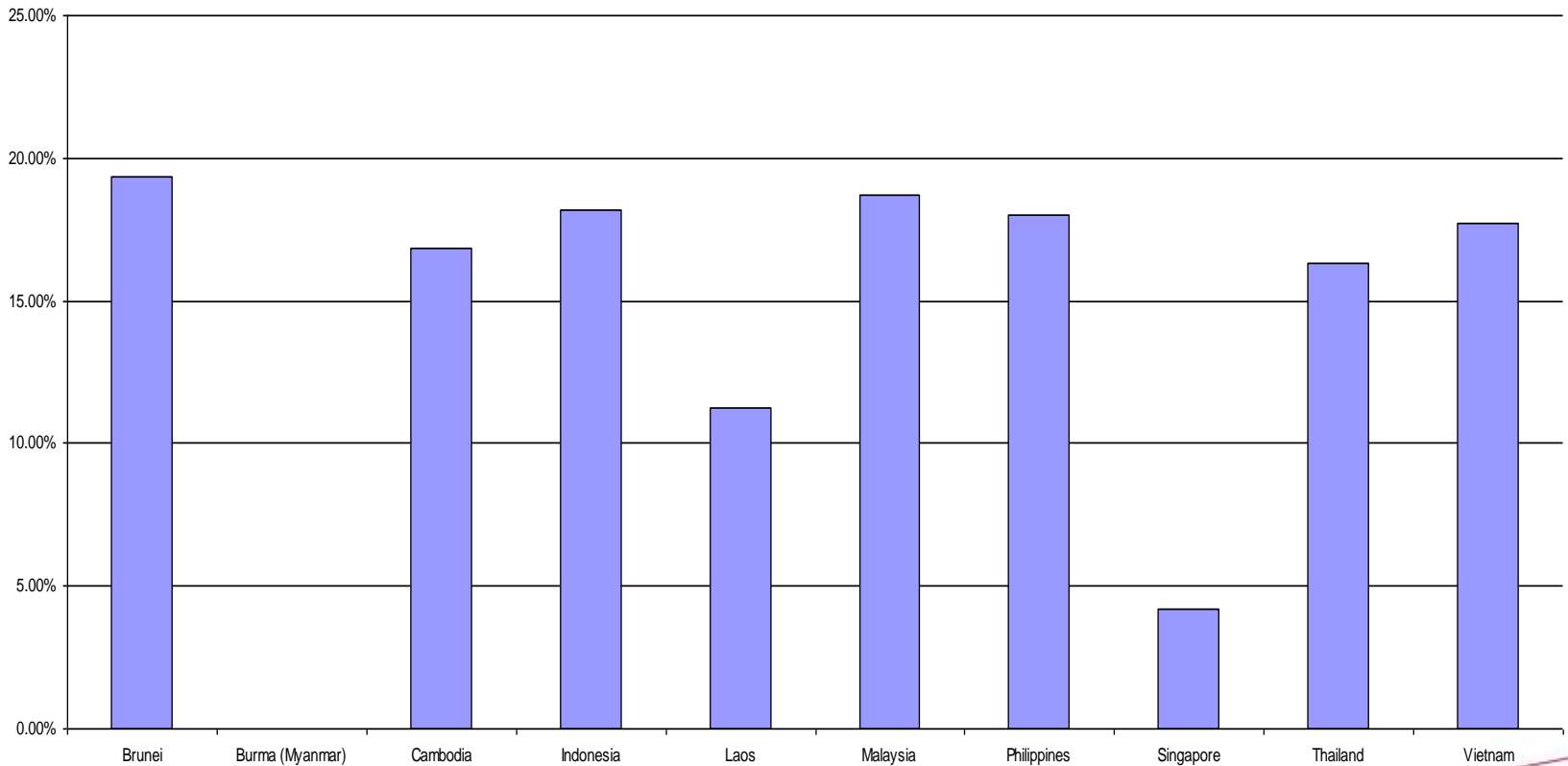
Source: OTEXA

Allocations of US Imports of Apparel Among ASEAN Countries – 2010



Source: USITC

Average Duty Paid on US Imports of Apparel from ASEAN Countries – 2010



Source: USITC

Key Apparel Stats with ASEAN



	ASEAN
Average Duty on ASEAN Apparel	17.59%
Average Duty on Total Apparel	12.89%
Percent of Apparel Duties Generated by Apparel Imports from ASEAN Countries	29%
Apparel Import Market Share	21%

US Trade Agenda



US Trade Agenda – Key Items

- **Free Trade Agreements**
 - KORUS/Panama/Colombia
- **Expired Programs**
 - GSP/Andean
 - TAA
- **Other Preferences**
 - Cambodia/Bangladesh/Philippines/Pakistan
- **Product Specific**
 - Footwear/Outerwear
- **Other Negotiations**
 - TPP/Doha

TPP Apparel Coalition



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

TPP Apparel Coalition 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 U.S. jobs** and to provide **high value add** for the **US and TPP economies**.

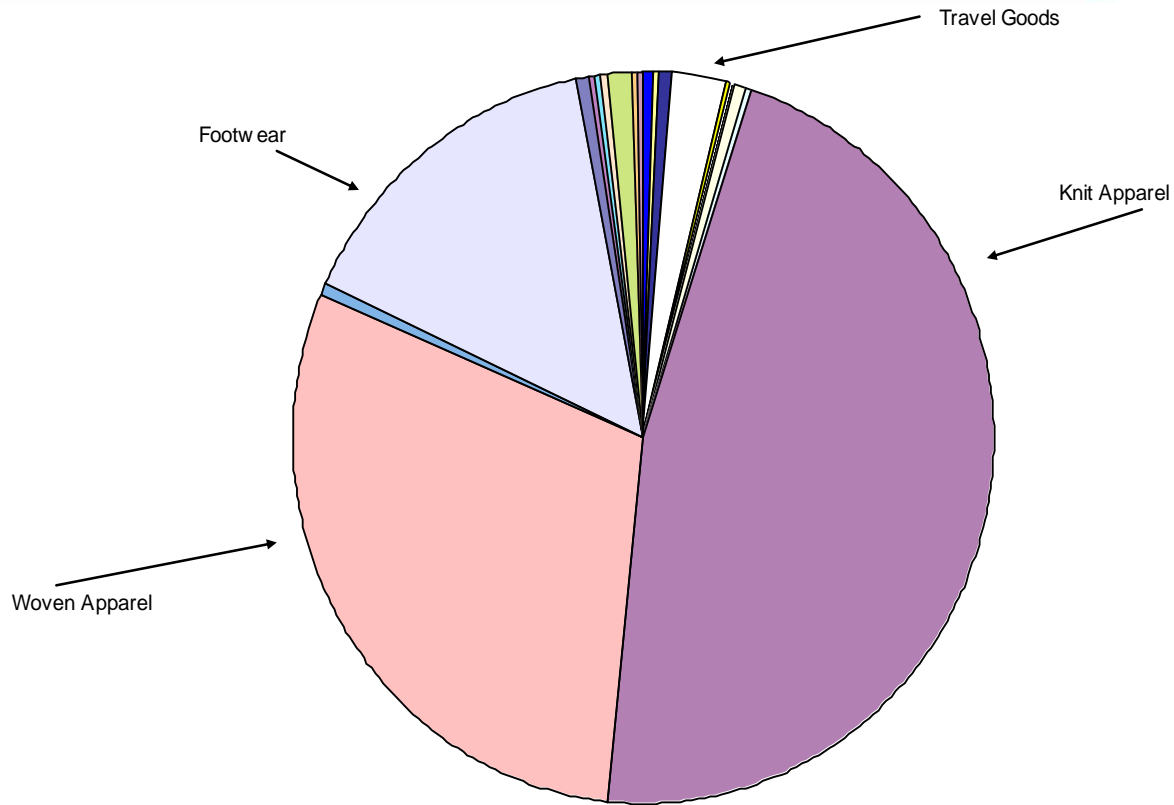
TPP Apparel Coalition Objectives

- **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.

Key Apparel Features in US TPP FTAs

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

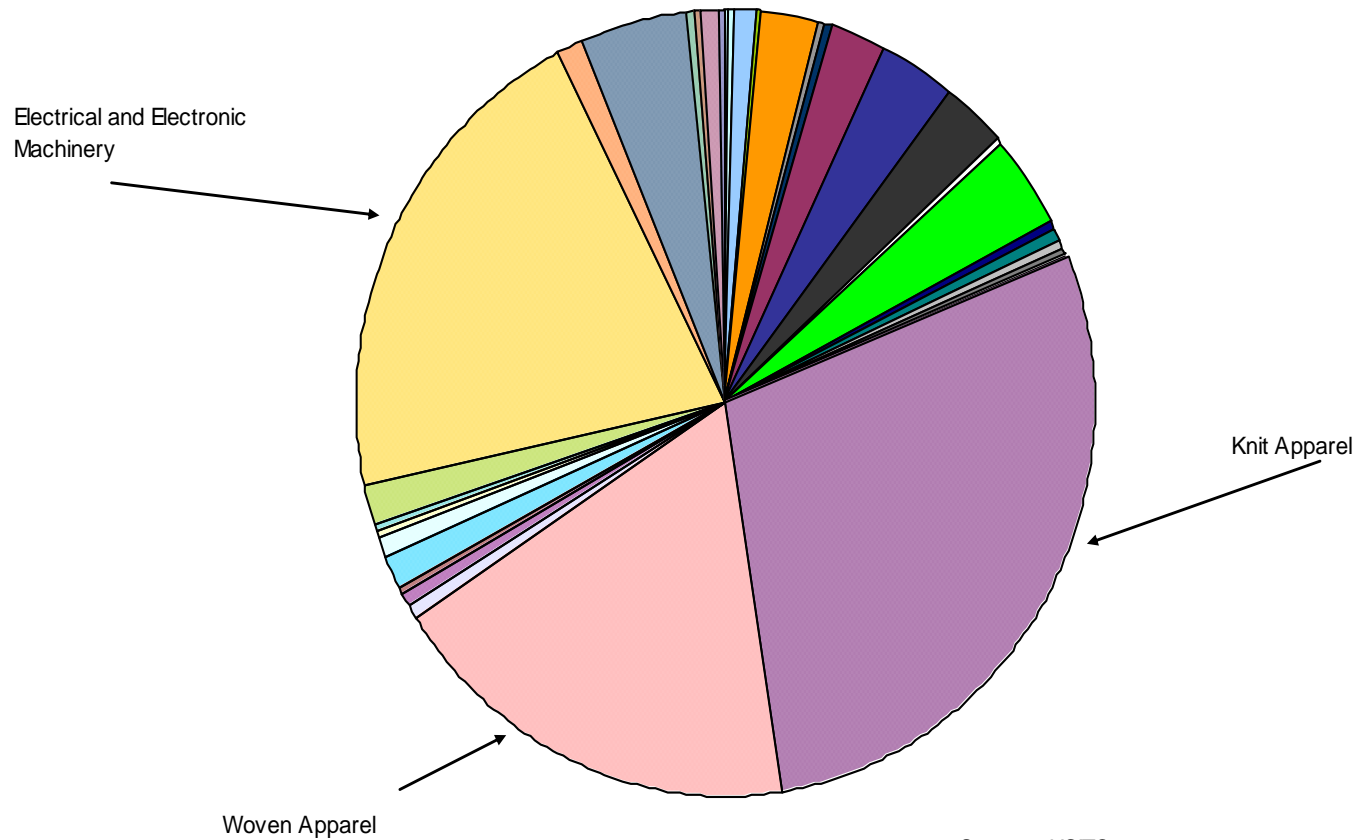
Distribution of Duties Paid by Vietnam During 2010



Source: USITC

Total Duties: \$1.33 billion

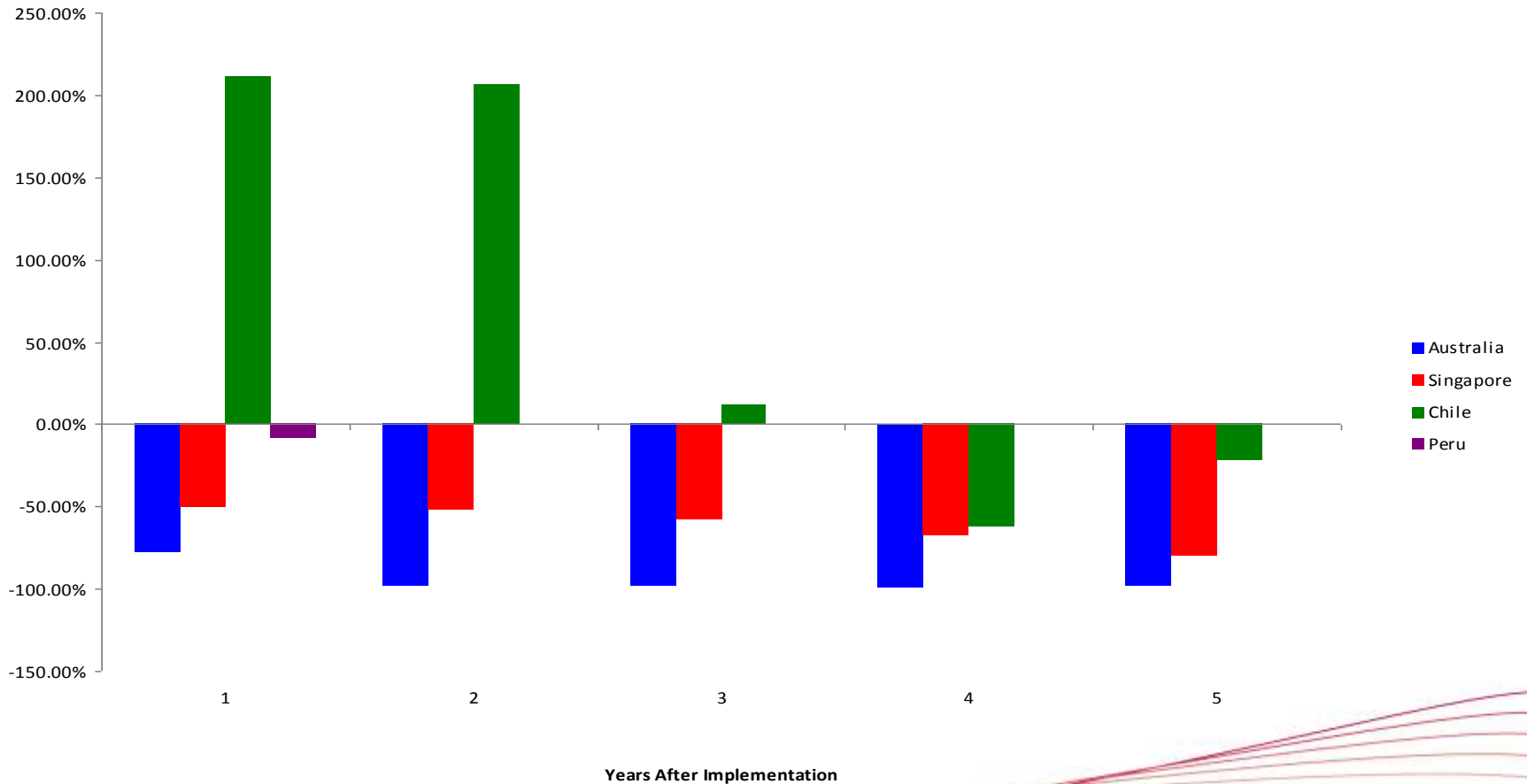
Distribution of Malaysia Duties in 2010



Source: USITC

Total Duties: \$185 million

Percent US Apparel Import Growth of 4 TPP FTAs



Source: US Commerce Dept, data based on SMEs

THANK YOU!



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