

Textiles in the United States

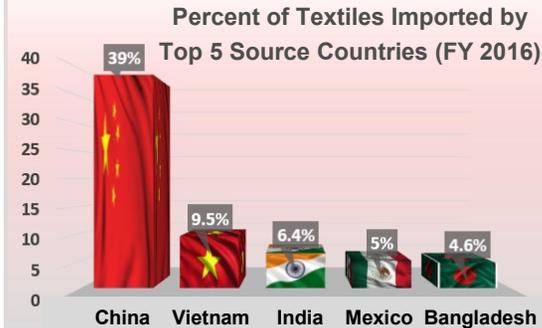
As one of the largest manufacturing employers in the United States, the textile sector is a key component of the U.S. economy. CBP's enforcement of textile tariff and trade law is critical to protecting revenue and ensuring a fair market for the domestic textile industry, which employs approximately **600,000 domestic workers**.

The textile industry (FY 2016):

- Represents more than **\$121.5 billion in annual imports**
- Consists of about **74,600 importers**
- Generates approximately **42 percent of all duties collected by CBP**

Textiles have **high duty rates, averaging 16 percent**, compared to all other imports, which have an average duty rate of 2 percent. CBP collected **\$13.7 billion in textile-related duties in FY 2016**.

The United States is also one of the largest consumers of textiles in the world. Approximately **21 percent of all U.S. importers import textiles and apparel**.



Approximately 65 percent of all textiles imported into the United States are sourced from the top five countries, indicated above.

Reporting Suspicious Trade Activity

If you have any suspicion of or information regarding suspected fraud or illegal trade activity, please contact CBP through the e-Allegations website: <https://eallegations.cbp.gov/Home/Index2>

Centers of Excellence and Expertise transform the way CBP approaches trade operations and work with the international trade community to facilitate the timely resolution of trade compliance issues nationwide. Specifically, CBP's **Apparel, Footwear & Textiles Center** increases uniformity of textile processing procedures and further strengthens agency knowledge on current and emerging industry trends.

For more information, please visit:

<http://www.cbp.gov/trade/centers-excellence-and-expertise-information>

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Automotive & Aerospace	cee-automotive@cbp.dhs.gov
Base Metals	cee-basemetals@cbp.dhs.gov
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<http://www.cbp.gov/trade/priority-issues/textiles>

Textiles and Wearing Apparel

U.S. Customs and Border Protection

Office of Trade

Priority Trade Issue

Reflective of FY 2016



U.S. Customs and Border Protection



Overview

CBP has made **Textiles and Wearing Apparel** a Priority Trade Issue (PTI) because these products are subject to high duty rates and a myriad of intricate laws and regulations, a combination that makes textile imports susceptible to trade fraud.

Due to its high risk for significant revenue loss, CBP focuses on promoting and facilitating the lawful importation of textiles and wearing apparel, and a strong domestic manufacturing base. The goal of the Textiles PTI is to ensure that textile imports fully comply with applicable laws, regulations, trade preference program requirements, and intellectual property provisions.

What is a Priority Trade Issue (PTI)?

PTIs represent high-risk areas that can cause significant revenue loss, harm the U.S. economy, or threaten the health and safety of the American people. CBP focuses its actions and resources around PTIs to better direct an effective trade facilitation and enforcement approach.

Trade Preference Program Usage by Import Value (FY 2016)



Utilizing Trade Agreements

A main focus of CBP textile enforcement is to manage the enforcement of trade agreements and legislated preference programs, which allow eligible textile goods to enter the United States at preferential duty rates.

- 16.9 percent of all textiles and apparel are imported under a relevant trade agreement or preference program
- Over \$20.5 billion of imported textile merchandise claims preferential tariff treatment
- Participating importers save \$3.2 billion in duties and tariffs

Preference programs provide reduced or eliminated duties, but there is a strong incentive to falsify claims under these programs on shipments of textiles imported into the United States.

Countering Threats

CBP focuses on the following potential risks within the textile industry that may negatively impact domestic industry:

- Illegal transshipment/origin fraud
- Invalid Importers of Record
- Inaccurate description, underreporting, and undervaluation of goods
- Smuggling

Our Enforcement Partners

CBP's textile enforcement strategy prioritizes collaboration within the trade community to ensure compliance with trade agreements and fair trade practices.

Some of these key partners include:

- U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI)
- Foreign counterparts
- Domestic industry
- Importing community

Textile Verification

Targeting High-Risk Imports

The National Targeting and Analysis Group located in New York is the center for CBP's textile data and research. It monitors trade from high-risk countries and in high-risk industry areas to support national trade strategy and associated textile action plans.

The group focuses on current and emerging high-risk issues including impact of legislation, trade agreements, and changes in trade patterns and trends. When analyzed, this data can be very impactful. In **Fiscal Year (FY) 2016**, CBP's field offices **collected approximately \$6.7 million in recovered revenue** due to the group's targeting and referrals.

Textile Production Verification Teams

CBP's Textile Production Verification Team program is key to trade preference program enforcement. CBP deploys teams of CBP and HSI personnel to textile factories in foreign countries to **verify compliance of imported shipments** claiming preferential duty treatment.

In FY 2016, trips to **9 countries** resulted in visits to **150 factories** and a **non-compliance rate** of approximately **34 percent**.

Textile Production and Verification Team responsibilities include:

- Determining whether a factory manufactured goods, as claimed
- Determine if the apparel or textile goods meet the requirements under the relevant trade preference program

