

116TH CONGRESS
2D SESSION

H. RES. 1178

Opposing any inclusion of apparel, textile, and footwear products in the Generalized System of Preferences.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2020

Mr. SIRES (for himself, Mr. DIAZ-BALART, Mr. ESPAILLAT, and Ms. BASS) submitted the following resolution; which was referred to the Committee on Ways and Means, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Opposing any inclusion of apparel, textile, and footwear products in the Generalized System of Preferences.

Whereas the Generalized System of Preferences (GSP) was authorized by title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) to promote economic growth in developing countries and, from January 1, 1976, has provided duty-free treatment to goods of designated beneficiary countries;

Whereas the 115th Congress most recently reauthorized the GSP program until December 31, 2020;

Whereas GSP was carefully designed to exclude import-sensitive industries, such as textiles and apparel, to ensure

that domestic producers and component suppliers would not be harmed;

Whereas certain industry groups have proposed expanding GSP-eligible products to include textile, apparel, and footwear products;

Whereas in a joint letter sent to the Committee on Ways and Means of the House of Representatives on November 27, 2019, the governments of Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, and Honduras warned that expanding GSP to include textile, apparel, and footwear products would lead to massive layoffs in these sectors, which provide 2,000,000 direct jobs in Latin America;

Whereas the United States trade in goods and services with the Western Hemisphere totaled \$1,900,000,000,000 in 2018;

Whereas according to the Department of Commerce, United States exports of goods and services to the Western Hemisphere supported an estimated 3,800,000 jobs in 2015;

Whereas according to data from the Office of Textiles and Apparel, the Western Hemisphere trade in textile and apparel products directly supports nearly 70 percent of United States textile and apparel exports and \$35,000,000,000 in two-way trade;

Whereas United States trade relations with other countries in the Western Hemisphere not only advance United States economic interests, but also advance prosperity, security, and economic opportunity in these countries, reducing the root causes of irregular migration and minimizing the

conditions of poverty and unemployment that can enable drug-trafficking and other illegal economic activity;

Whereas United States trade agreements such as the United States-Mexico-Canada Agreement, the Dominican Republic-Central America Free Trade Agreement, and the United States-Colombia Trade Promotion Agreement include clear standards for labor and environmental rights and rules of origin;

Whereas GSP does not include any standards for environmental protection under its eligibility criteria for beneficiary developing countries;

Whereas while Haiti is also a beneficiary under GSP, its textile industry is heavily dependent on exports to the United States under the Caribbean Basin Trade Partnership Act (CBTPA) and the Haitian Hemispheric Opportunity through Partnership Encouragement Act;

Whereas adding textile and apparel to GSP would diminish the preferences Haiti receives under the CBTPA;

Whereas China, while not GSP-eligible, would indirectly benefit from a GSP expansion because it is a major supplier of textile and apparel component parts to numerous beneficiary countries under GSP, with 36 percent of China's global textile exports being shipped currently to GSP nations;

Whereas the United States has a strong interest in supporting trade and investment with sub-Saharan Africa beyond the African Growth and Opportunity Act (AGOA), which is scheduled to terminate in 2025;

Whereas AGOA has provided duty-free treatment for essentially all goods from eligible sub-Saharan African countries with the goal of leveraging expanded trade and in-

vestment to promote economic development and poverty alleviation across the continent while strengthening United States-Africa economic ties;

Whereas AGOA’s apparel imports from sub-Saharan Africa have risen from \$355,000,000 in 2000, to \$1,400,000,000 in 2019, generating an estimated 1,300,000 new garment jobs in Africa, yet still representing less than 2 percent of global United States apparel imports of \$83,800,000,000 in 2019;

Whereas key apparel producers currently receiving GSP benefits already export more apparel to the United States individually than all apparel exporters in the 38 AGOA-eligible countries combined, including—

- (1) \$4,400,000,000 from Indonesia;
- (2) \$2,700,000,000 from Cambodia; and
- (3) \$1,500,000,000 from Pakistan;

Whereas members of the African Diplomatic Corps, on September 9, 2020, requested that the House of Representatives Subcommittee on Trade seriously consider the “devastating impact to Africa” if the GSP program were expanded to include duty-free treatment for apparel; and

Whereas similar concerns about the inclusion of garments and textiles in GSP were registered by the Government of Ghana, the African Cotton and Textile Industry Federation, and members of the United States bipartisan AGOA coalition: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

- 2 (1) reiterates its support for preserving West-
- 3 ern Hemisphere supply chains, recognizing that
- 4 these supply chains have provided economic benefits

1 for the United States and its partners, while fos-
2 tering efforts to improve labor and environmental
3 standards in the hemisphere;

4 (2) recognizes that inclusion of apparel, textiles,
5 and footwear in the Generalized System of Pref-
6 erences program would be detrimental to imports to
7 the United States receiving preferential treatment
8 under the African Growth and Opportunity Act
9 (AGOA) and to jobs that depend on AGOA trade in
10 Africa; and

11 (3) supports a reauthorization of the General-
12 ized System of Preferences, but opposes any inclu-
13 sion of apparel, textile, and footwear products in the
14 Generalized System of Preferences.

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