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Textile industry warns of deal's impact in Upstate

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WASHINGTON -- A new trade agreement between the United States and Vietnam might lead to less expensive clothing in big chain stores, but the textile industry is concerned that another effect might be the loss of more jobs from Upstate mills.

"I honestly think the administration has lost its collective mind," said Richard Dillard, spokesman for Milliken & Co. in Spartanburg.

Calling the agreement "lopsided," Dillard said more jobs would be lost to overseas competitors.

The World Trade Organization agreement will make it easier for Vietnamese imports to come into the United States because of reduced trade tariffs and import quotas.

The trade deal is contingent on Congress granting Vietnam Permanent Normal Trade Relations with the United States.

U.S. Rep. Bob Inglis, R-S.C., said he is concerned the agreement does not include safeguards against potential dumping of low-cost goods in U.S. markets.

But there is still time for Congress to add restrictions to the trade agreement, protecting U.S. companies from unfair competition, he said.

Inglis hopes to meet the U.S. trade representative with lawmakers from other textile manufacturing states.

Clothing giants Wal-Mart and Dillard's import garments from Vietnam, but neither company would disclose the percentage of their total imports that originate there.

Since 2001, South Carolina has lost almost 50 percent of textile manufacturing jobs, exceeding the national average for the textile sector, according to the American Manufacturing Trade Action Coalition.

Companies that "hang on" as imports from Vietnam rise will have to cut their costs or lay off

workers, said Auggie Tantillo, executive director of the trade coalition.

It is inconceivable that a factory in Spartanburg could compete with a similar operation in Vietnam, Tantillo said.

Tantillo said it was "completely unacceptable" for the U.S. to give Vietnam a back door "to flood our market."

In 2005, more than \$68 billion of apparel was imported, of which 4 percent originated in Vietnam. A fivefold increase in imports is expected under the trade agreement, Tantillo said.

"We already have the example of what a state-subsidized country can do in our marketplace -- and that is China," he said. "Vietnam manipulates its currency."

But Erik Autor, vice president of the National Retail Federation, said textile companies are blaming Vietnam for their own problems.

"Vietnam is not China," Autor said. "They are not in a position to be devastating to anybody."

Modern textile mills can operate with fewer people, he said, and companies like to blame international trade instead of industry "restructuring" for the job losses.

More apparel retailers like JC Penney, Limited and Gap are looking at Vietnam as a good supplier of clothing, he said.

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