

U.S. APPAREL AND FOOTWEAR IMPORTS DOWN NOTICEABLY IN 2008

*An Analysis by the American Apparel & Footwear Association (AAFA)
February 13, 2009*

Summary

U.S. apparel imports (actual data -

<http://www.apparelandfootwear.org/statistics/usimportsapparel0812.pdf>) declined 2.7 percent to 22.7 billion square meter equivalents (SME) in quantity terms and 3.2 percent to \$71.6 billion in value terms during 2008, compared to 2007, while U.S. footwear imports (actual data - <http://www.apparelandfootwear.org/statistics/usimportsfootwear0812.pdf>) fell 6.8 percent to 2.2 billion pairs in quantity terms but grew 0.8 percent to \$19.1 billion in terms of value. By comparison, U.S. apparel imports grew 2.4 percent in 2006 and 3.5 percent in 2007, while U.S. footwear imports advanced 5.3 percent in 2006 but slipped 0.4 percent in 2007.

U.S. Apparel Imports

U.S. apparel imports from China declined by 3.1 percent to 7.8 billion SME worth \$22.9 billion during 2008, dragged down by significantly lower demand for infants' apparel, manmade fiber coats and jackets, cotton skirts, and women's and girls' manmade fiber sweaters, knit shirts and blouses. China remains the largest apparel supplier to the United States despite this lackluster performance with a 34.3 percent share of total U.S. apparel imports during 2008, down marginally from a share of 34.4 percent during 2007. U.S. apparel imports from many other countries also declined to varying degrees during 2008, including #6 Mexico (-14.5 percent), #10 Pakistan (-0.4 percent), #11 Thailand (-6.2 percent), #12 the Philippines (-15.6 percent), #13 Sri Lanka (-7.2 percent), #14 Dominican Republic (-5.9 percent), #15 Guatemala (-9.3 percent), #17 Hong Kong (-27.9 percent), #18 Taiwan (-19.3 percent), #20 Jordan (-8.8 percent), #21 Haiti (-10.0 percent), #23 Macau (-22.2 percent), #24 Costa Rica (-31.7 percent), #25 South Korea (-14.8 percent), #26 Lesotho (-8.9 percent), #27 Peru (-14.1 percent), #29 Turkey (-38.4 percent) and #30 Canada (-35.7 percent). U.S. apparel imports from #2 Vietnam, on the other hand, grew by 19.9 percent. U.S. imports from Vietnam slowed during the fourth quarter of 2008, however, increasing by a more restrained 12.3 percent from the fourth quarter of 2007. The antidumping monitoring program on U.S. apparel and textile imports from Vietnam expired as scheduled on January 20, 2009, although the Obama administration could conceivably decide to continue it and perhaps extend it to U.S. imports from China at some point in the future.

At the same time, U.S. apparel imports from Central America and the Dominican Republic rose 1.1 percent during 2008 spurred by substantially higher shipments of cotton hosiery from Honduras, cotton underwear from Honduras and Nicaragua, and men's and boys' manmade fiber knit shirts from El Salvador, Honduras, Nicaragua and the Dominican Republic. The U.S./Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) continues to have a positive impact on U.S. imports from several Central American countries, namely #4 Honduras (+8.9 percent), #9 El Salvador (+3.2 percent) and #16 Nicaragua (+15.8 percent). On the other hand, U.S. apparel imports from #14 Dominican Republic and #15 Guatemala fell further during 2008.

U.S. apparel imports from a number of other suppliers did moderately well during 2008, including #3 Bangladesh (+6.2 percent), #5 Indonesia (+3.3 percent), #7 Cambodia (+2.5 percent), #8 India (+1.7 percent), #19 Malaysia (+1.2 percent), #22 Egypt (+3.2 percent) and #28 Madagascar (+4.3 percent). U.S. apparel imports from sub-Saharan Africa fell noticeably during 2008, declining by 7.9 percent, while U.S. imports from the Andean region slid 15.8 percent.

U.S. Footwear Imports

Reflecting rising costs in China and lower demand in the United States, U.S. footwear imports from China decreased by 7.2 percent to 1.9 billion pairs worth \$14.2 billion during 2008, compared to 2007. Despite this decline, China remains by far the largest footwear supplier to the United States with an 86.8 percent share of total U.S. footwear imports during 2008, down modestly from an 87.2 percent share during 2007.

U.S. footwear imports from a handful of locations rose during 2008 as U.S. brands and retailers searched for alternatives to rising costs in China. U.S. imports increased from suppliers such as #2 Vietnam (+14.2 percent), #4 Indonesia (+6.5 percent), #7 Taiwan (+12.5 percent), #8 India (+3.8 percent), #11 Dominican Republic (+10.0 percent) and #20 Israel (+0.8 percent). U.S. imports from the Dominican Republic registered a double-digit increase in 2008 after suffering as a result of delays in the implementation of CAFTA-DR, which finally went into effect for the country on March 1, 2007.

On the other hand, U.S. imports from #3 Brazil (-25.9 percent), #5 Italy (-14.9 percent), #6 Thailand (-11.8 percent), #9 Mexico (-16.3 percent), #10 Hong Kong (-14.9 percent), #12 Canada (-19.3 percent), #13 Spain (-33.3 percent), #14 Germany (-29.1 percent), #15 South Korea (-20.8 percent), #16 Romania (-32.7 percent), #17 Portugal (-15.4 percent), #18 Philippines (-38.6 percent) and #19 Slovak Republic (-27.5 percent) suffered double-digit declines during 2008. U.S. demand for Western European and Brazilian shoes has been hurt by the rising values of the Euro and the Brazilian Real, although the recent surge in the value of the U.S. dollar could stimulate shipments from these locations going forward.

U.S. Cotton, Yarn & Fabric Exports

U.S. fabric exports (actual data – <http://www.otexa.ita.doc.gov/exports/grp4.htm>) fell 3.1 percent to \$7.2 billion during 2008 versus 2007 primarily as a result of weaker foreign demand for cotton broadwoven fabrics and silk and other vegetable fiber fabrics. U.S. fabric exports to the CAFTA region, the 2nd largest export market after Mexico, declined 9.4 percent during 2008 versus 2007, dragged down by large declines in sales to the Dominican Republic (-26.0 percent) and Costa Rica (-31.5 percent). U.S. fabric exports to #1 Mexico (-7.7 percent) and #3 Canada (-3.5 percent) also fell during the period. On the other hand, U.S. fabric exports to #4 China grew 8.6 percent during 2008 due to higher demand for non-woven, specialty and industrial fabrics. Meanwhile, U.S. yarn exports (actual data – <http://www.otexa.ita.doc.gov/exports/grp3.htm>) grew 10.9 percent to \$2.2 billion during 2008. U.S. yarn exports to the CAFTA region, the #1 market for U.S. yarn, grew 22.9 percent as a result of vigorous demand in Honduras (+34.1 percent), Dominican Republic (+17.0 percent) and El Salvador (+17.8 percent). U.S. yarn exports to #3 Canada, however, fell 17.4 percent during the period but shipments to #2 Mexico and #4 China grew by 7.9 percent and 4.5 percent, respectively. U.S. exports of cotton (actual data – <http://www.fas.usda.gov/scripts/w/bico/bico.asp?Entry=lout&doc=620>) increased 5.5 percent to

\$4.8 billion during 2008. U.S. exports of cotton to China, the #1 market, went up by 12.2 percent to \$1.6 billion during 2008. China accounted for 33.8 percent of all U.S. cotton exports during the period, up from 31.8 percent during 2007. U.S. cotton exports did well in several other markets during 2008, including #3 Mexico (+12.8 percent), #4 Indonesia (+33.5 percent), #5 Thailand (+37.5 percent) and #6 Vietnam (+118.4 percent).

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