FY 2025 FACT SHEET Textile Priority Trade Issue



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U.S. Customs and Border Protection (CBP) recognizes the importance of textile trade and the critical need for enforcement in this sector. The enforcement of trade laws and regulations governing textiles is vital to keeping the U.S. economy strong. The Unites States' domestic textile industry employs more than 500,000 U.S. workers and is the second largest exporter of textiles and apparel goods globally. In FY 2024, U.S. imports of textiles and apparel goods totaled \$124.9 billion. Average duty rate for textile and apparel goods is 16%.

Textile and apparel goods have some of the highest duty rates of all commodities imported into the United States.

- In FY 2024, textile and apparel imports generated \$13.2 billion in duties, or 16.6% of all duties collected by CBP
- Approximately \$2.48 billion in additional duties were collected on textile and apparel goods from section 301 trade remedies
- Higher duty rates make textiles susceptible to fraud and a top priority for CBP enforcement efforts.
- CBP focuses on the following potential risks:
 - o Illegal transshipment/origin fraud
 - o Invalid Importers of Record
 - o Inaccurate description and underreporting of goods
 - Undervaluation
 - o Smuggling / Overstuffing
 - o Trade remedy evasion
 - o E-Commerce
 - o Human rights violations (e.g. Forced labor, child labor)
 - Antidumping and Countervailing duty

Textile Resources:

For assistance regarding Textile policy or enforcement, contact:

OTTextile_Policy_ENF@cbp.dhs.gov.

Contact information for the Centers of Excellence and Expertise may be found at:

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

To send information to CBP's e- Allegations program, please contact: eallegations@cbp.dhs.gov.

For more information regarding Textile PTI, please visit: https://www.cbp.gov/trade/priority-issues/textiles.

CBP maintains a robust and comprehensive enforcement strategy.

- Capacity building with industry partners, development of actionable trade intelligence, and international verifications and enforcement operations.
- Manage the enforcement of trade agreements and legislated preference programs, which allow eligible textile goods to enter the United States free of duty or at preferential duty rates. In FY 2024, \$3.66 billion duty was saved by Importers using Trade agreements and Trade preference programs.
- Collaborate with the trade community, U.S. Immigration and Customs Enforcement Homeland Security Investigations, and other stakeholders to ensure textile imports fully comply with applicable laws.

In FY 2024, CBP's Textile Production Verification Team (TPVT) visited 136 factories in seven countries to verify production and compliance with U.S. trade preference programs.

- CBP's TPVT program is key to trade preference program enforcement and verifying compliance of imported shipments claiming preferential duty treatment.
- In FY 2024, the TPVT program found a non-compliance rate of 38%.
- CBP deploys teams of CBP and ICE HSI personnel to textile factories in foreign countries to verify compliance of imported shipments claiming preferential duty treatment.
- Both textile importers and the U.S. domestic manufacturing industry have a substantial interest in the Textile PTI enforcement result.

