



Successfully Tackling the Challenges of a Complex, Globalized World

Keeping abreast of the latest developments and regulatory requirements affecting global trade in textiles and apparel can be a difficult proposition in an increasingly complex and globalized world. Sandler, Travis & Rosenberg, P.A., is rolling out an enhanced version of its acclaimed ST&R-TAP™ service to help affected companies keep pace with these changes and remain successful in the modern marketplace.

Today, more than ever, U.S. and foreign textile and apparel companies and trade associations must consider a daunting array of tasks and responsibilities as they seek to increase their business.

- determining whether their products need to comply with the testing and certification requirements or the lead and phthalate content limits included in the Consumer Product Safety Improvement Act of 2008
- ensuring that they are sourcing from countries that comply with internationally-recognized standards on child and forced labor
- keeping track of new trade regulations and other trade-related initiatives as they are developed in Washington, as well as participating in this process
- taking an active role in the ongoing effort by Congress to reform U.S. trade preference programs, which could potentially result in reduced duty benefits for apparel from Bangladesh, Cambodia and other least-developed countries not currently receiving duty-free treatment in the United States
- engaging U.S. officials in a range of trade-related areas, including customs and labor issues, product safety requirements, international trade negotiations and intellectual property rights.

Similarly important are trade-related issues in other countries. Companies with global sourcing strategies or first-time exporters need to understand the potential tariff and non-tariff implications of their business decisions. For example, Chinese cotton sweaters are currently subject to a so-called transition duty of 120% in Mexico in addition to the regular most-favored-nation duty rate of 30%. This transition duty will be eliminated Dec. 12, 2011. Likewise, apparel exporters shipping to Argentina should at least be familiar with the comprehensive import licensing requirements that country has developed over recent years, while companies with manufacturing operations in Jordan should know that Canada is moving forward with the implementation of a bilateral free trade agreement that will provide duty-free treatment to Jordanian textiles and apparel as early as 2010.



It is also critical for apparel companies serving the U.S. market to keep track of current trends in consumer demand, retail and wholesale prices, sales, imports, and the overall financial performance of the retail and manufacturing sectors for apparel to enhance their competitiveness and find new customers. This is especially important as the United States emerges from the worst economic downturn since the Great Depression. While U.S. textile and apparel imports have been extremely sluggish, China has continued to increase its share of the market and U.S. importers are now generally favoring larger Asian suppliers to the detriment of Western Hemisphere suppliers and small producers across the globe. U.S. consumer demand for apparel is clearly on the upturn, with total annualized expenditures on apparel and shoes increasing by 1% from the second to third quarters of 2009 and clothing and clothing accessory store sales growing by 0.9% from November 2008 to November 2009.

ST&R-TAP™ provides all textile and apparel industry members with the tools to understand this multi-layered international trade environment and to tackle more successfully the ever-growing challenges of a globalized world. ST&R-TAP™ is an interactive subscription service that timely provides the latest regulatory, legislative and economic intelligence affecting trade in textiles and apparel through regular weekly and monthly newsletters. ST&R-TAP™ maintains all of this information in a single Web-based trade library, allowing subscribers easy, on-demand access. The ST&R-TAP™ Web site also includes a wealth of trade-related statistics, including textile and apparel imports, utilization of U.S. trade preference levels on textiles and apparel, duty rates, fiber prices, and exchange rate information for major textile and apparel exporting countries.

Additionally, ST&R-TAP™'s just-released ACE Summary Profile and Sourcing Benchmark (ACE Profile) allows you to measure the competition by benchmarking your imports against all U.S. imports of similar merchandise. ST&R-TAP™'s ACE Profile examines your ACE account information to provide you with up-to-date, easy-to-read figures on your import statistics, including value and duties broken down by product, manufacturer, country of origin, mode of transportation, filer, entry type, special trade program, port of entry, carrier, and country of export. Among other things, the ACE Profile will enable you to ascertain whether you are paying higher prices than your competitors for similar merchandise, help you consider the possibility of diversifying or consolidating your sourcing countries, assess your opportunity to benefit from implementing a first sale valuation arrangement, and provide you with the necessary tools to gauge the viability of shifting part of your production to countries that benefit from duty-free treatment in the U.S.

For additional information on ST&R-TAP™ and the recently-released ACE Profile service, please contact the ST&R-TAP™ team at strtap@strtrade.com or visit the ST&R-TAP™ Web site at <http://strtap.strtrade.com/>.