



Advancing Innovative Solutions for MMF in the U.S.

CIRFS 70th+2 Anniversary Conference
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National Council of Textile Organizations

MISSION

The National Council of Textile Organizations is a unique association representing the entire spectrum of the textile sector. From fibers to finished products, from machinery manufacturers to power suppliers, NCTO is the voice of the U.S. textile industry.

NCTO's mission is focused on creating powerful national and international alliances to advance the interests of the U.S. textile sector. As an organization, it is unrivaled in its composition which allows each segment of the industry to have a vote in determining NCTO policy.



NCTO 2021 Accomplishments

- Promoted personal protective equipment (PPE) reshoring & policy reform
- Fought efforts to undermine key textile provisions under CAFTA-DR
- Strengthened the Berry Amendment
- Fought expansion of GSP to textiles & apparel
- Supported China & Vietnam 301 enforcement activities
- Expanded industry-wide public relations campaign
- Engaged on PFAS regulatory developments
- Grew NCTO military activities
- Testified on Section 321 tariff waivers
- Relief payments for EAATM and Pima and Wool Trust Fund recipients





STATE OF THE U.S. TEXTILE INDUSTRY



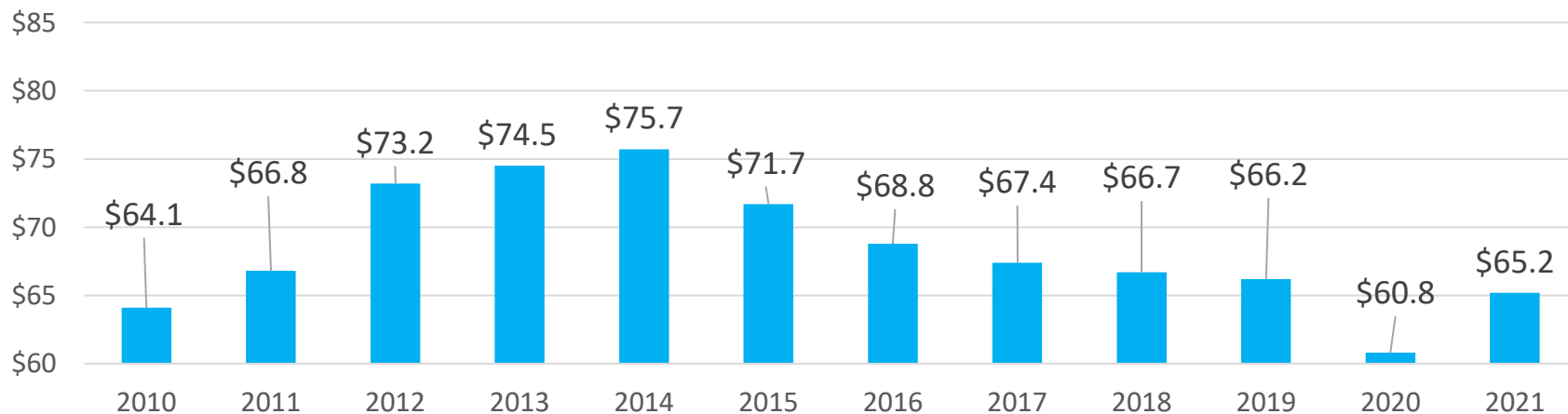
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2021 Value of Shipments in \$ Billions

Man-Made Fiber, Yarn, Fabric, Apparel & Sewn Products Only



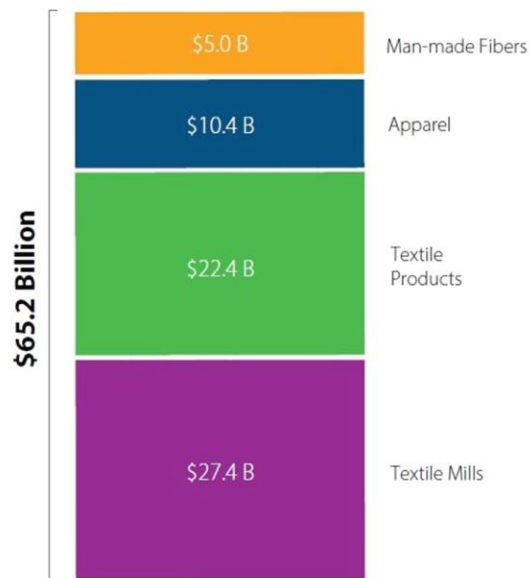
■ Value for 313 Textile Mills, 314 Textile Product Mills, 315 Apparel, and 32522 Artificial & Synthetic Fibers and Filaments

Source: U.S. Census Bureau, Manufacturers' Shipments, Inventories, and Orders (M3) Survey, and Annual Survey of Manufacturers (ASM), value of shipments for NAICS 313, 314, 315 & 32522. 2020 data used to estimate 2021 NAICS 32522 figure.

2021 Output & Capital Investment

VALUE OF SHIPMENTS¹

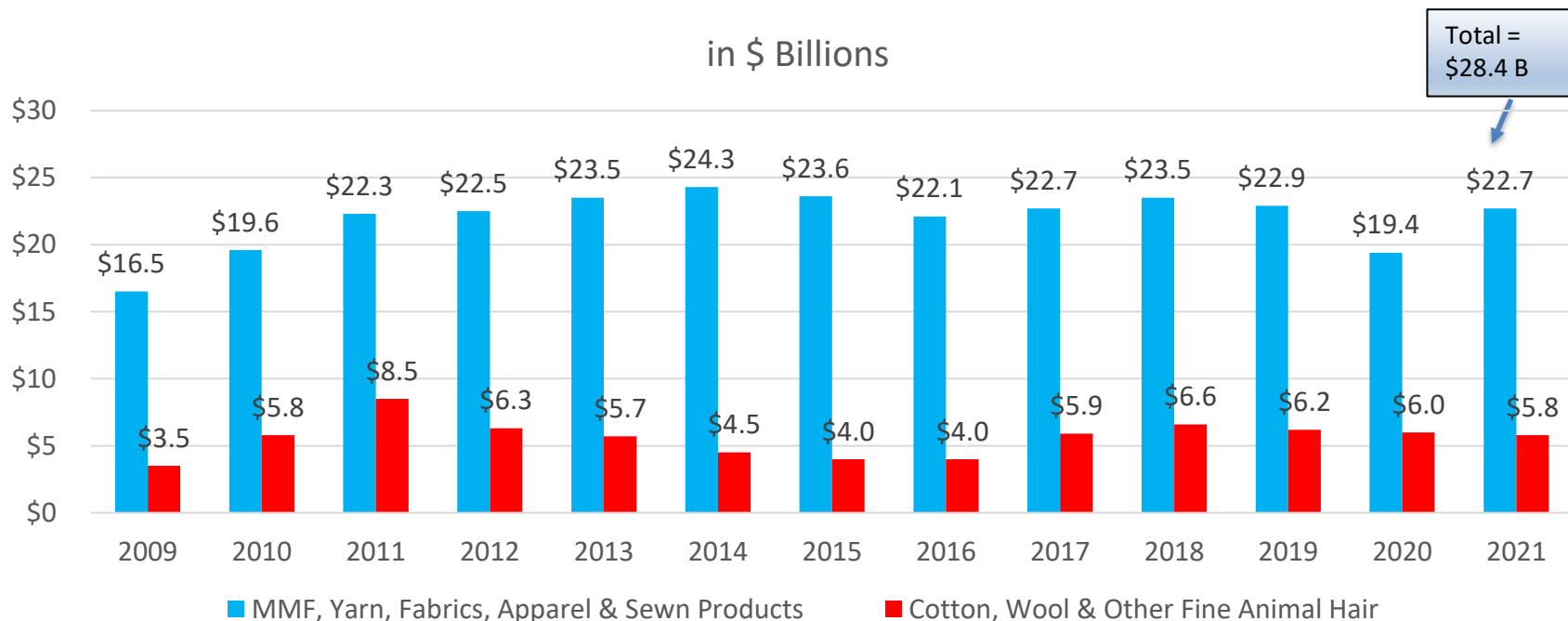
2021 Value of Shipments for Man-Made Fibers, Yarns, Fabrics, Apparel & Sewn Products in \$ Billions



Source:

U.S. Census Bureau, *Manufacturers' Shipments, Inventories, and Orders (M3) Survey*, and *Annual Survey of Manufacturers (ASM)*, value of shipments for NAICS 313, 314, 315 & 32522. 2020 data used to estimate 2021 NAICS 32522 figure.

Exports of Fiber, Textiles & Apparel

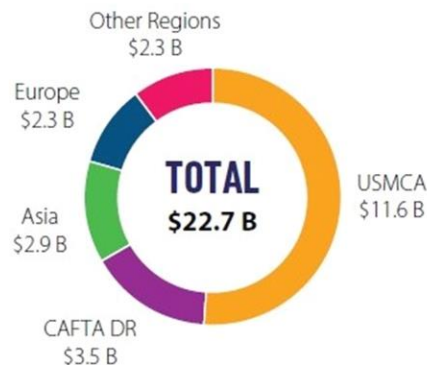


Sources: U.S. Department of Commerce and U.S. International Trade Commission.

2021 Exports to Regions

2021 EXPORT BREAKDOWN BY REGION⁶

In \$ Billions



Exports for U.S. Man-Made Fibers, Yarns, Fabrics, Apparel & Sewn Products only. Raw Cotton & Wool exports excluded.

TOP 5 EXPORT MARKETS BY COUNTRY FOR U.S. FIBERS, YARNS & FABRICS⁷

In \$ Billions

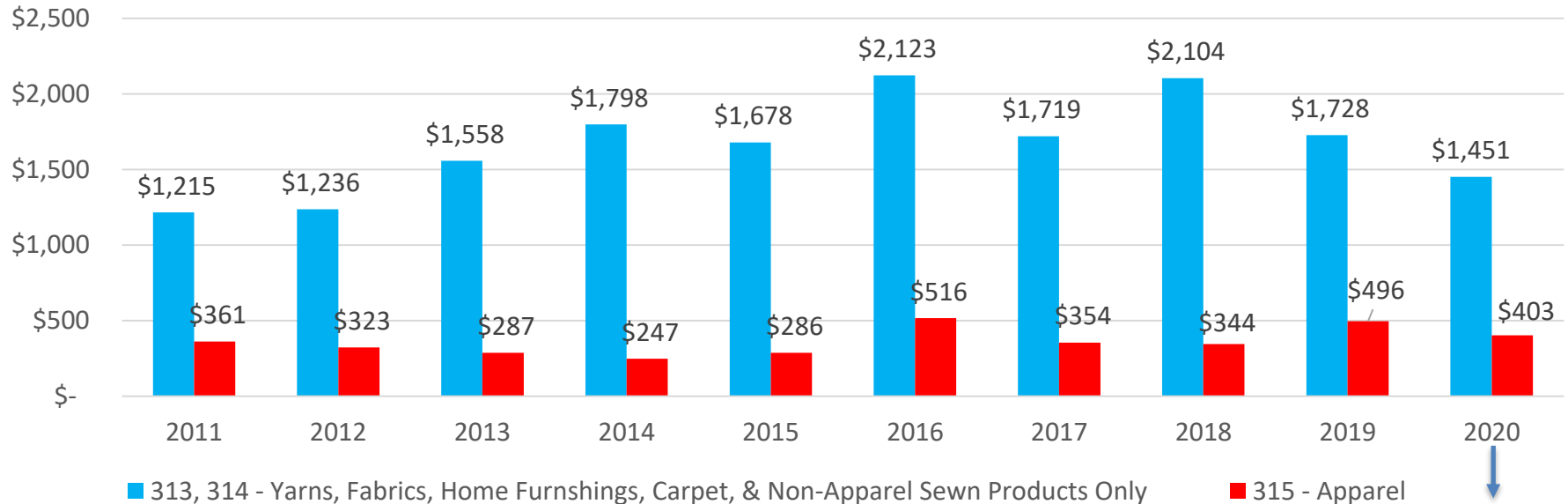
1. Mexico	\$3.9 B
2. Canada.....	\$2.0 B
3. China	\$1.8 B
4. Honduras	\$1.3 B
5. Vietnam	\$1.1 B

Figures exclude apparel & sewn products.
The above totals include cotton fiber exports of \$1.3 B to China and \$1.0 B Vietnam.

Sources: U.S. Department of Commerce data for Export Group 0: Textiles and Apparel.
U.S. International Trade Commission, data HTS chapters 50-60.

Capital Investment – in \$ Millions

Capital Investment has Totaled \$20.2 Billion Since 2011



2020 = \$1.85B
Combined

Source: U.S. Census Bureau, Annual Capital Expenditures Survey (ACES), NAICS 313, 314 & 315.

Western Hemisphere Supply Chain

- An anticipated **\$1 billion in investments in the CAFTA-DR countries in 2022**
 - Result of the ongoing supply chain crisis
 - Other factors: pandemic-caused supply chain disruptions, limited freight capacity, increased shipping costs from Asia, and legislative action in the U.S. essentially banning cotton products from China's Xinjiang Uyghur Autonomous Region (XUAR)
- Key Western Hemisphere suppliers are outpacing even major Asian exporters
- We have **\$35 billion in annual two-way trade with the Western Hemisphere**, which supports **2 million direct jobs in the entire supply chain**

Western Hemisphere Supply Chain

- U.S. textile and apparel exports to the Western Hemisphere rose **6.5 percent to reach \$16.1 billion in 2021**, compared with 5 years ago in 2016
- Imports from the entire region to the U.S. **grew by 6.8 percent to hit \$19.1 billion** over the same time period
- Comparing 2021 to 2020, apparel and textile imports from the Western Hemisphere were **up 26.2%**
- In particular, CAFTA-DR was a big bright spot, posting a **nearly 40 percent increase** in apparel exports to the U.S compared to 2020



MMF



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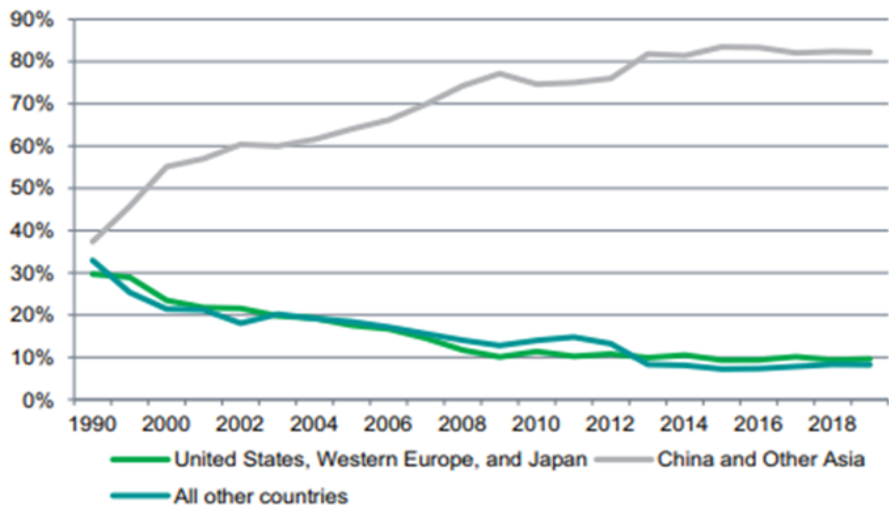
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MMF Outlook

- Global demand for textile fiber consumption has experienced significant growth in the past three decades, especially that of man-made fibers (MMF)
- This growth has intensified since 2020 due to COVID, and is expected to continue growing in the year ahead with increased demand for PPE and other finished goods that rely on MMF
- The spike in MMF demand has led lawmakers to ask key questions regarding:
 - PFAS and its regulation
 - The environmental impact of MMF production on our oceans, landfills, water streams

IHS Report 2019 Statistics

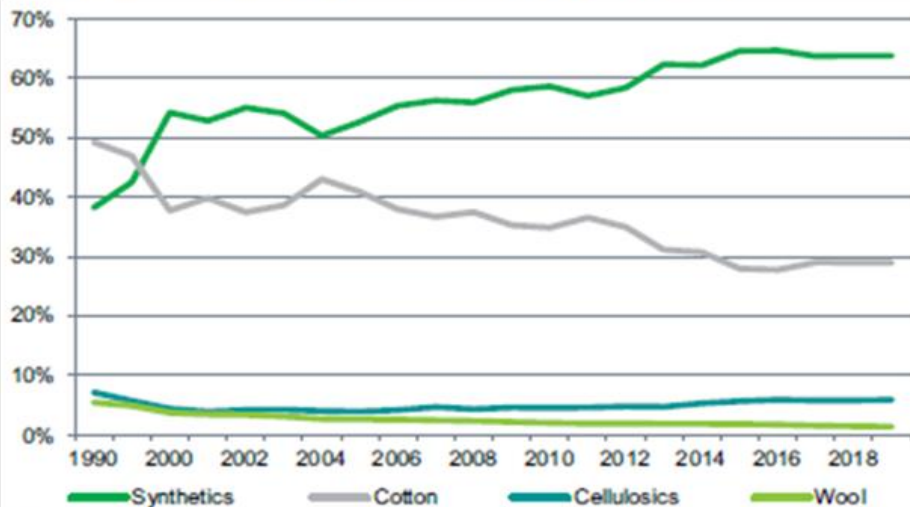
Percent share of world production of natural and man-made fibers



Source: IHS Markit

© 2019 IHS Markit

World production share of natural and man-made fibers



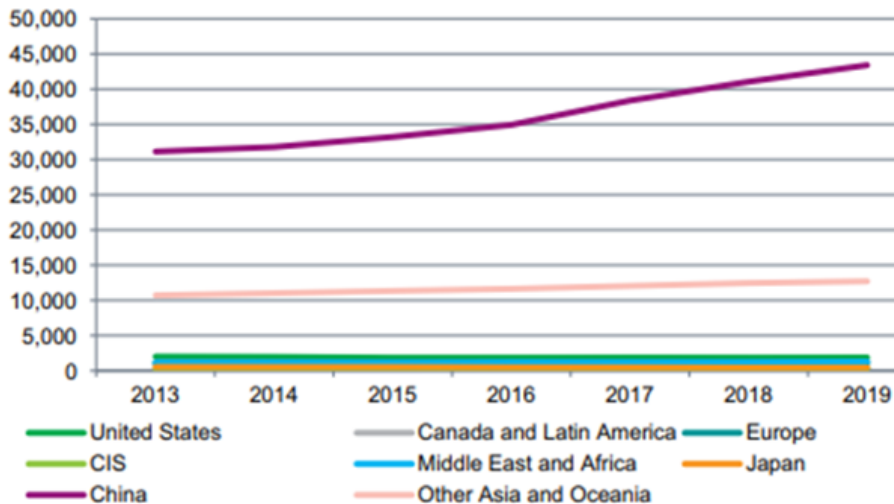
Source: IHS Markit

© 2019 IHS Markit

IHS Report 2019 Statistics

World production of synthetic fibers

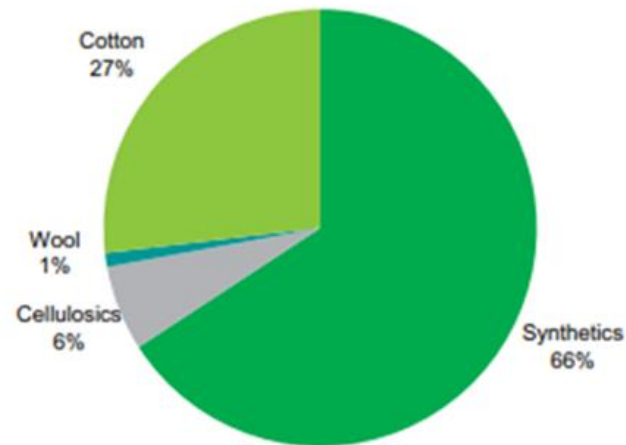
(thousands of metric tons)



Source: IHS Markit

© 2019 IHS Markit

World consumption of natural and man-made fibers by type—2019



Source: IHS Markit

© 2019 IHS Markit

PFAS

- PFAS are organic, fluorinated chemicals
 - Nearly 5,000 types of PFAS
- PFAS are used by virtually all manufacturing sectors including textiles
- Some PFAS have been linked to serious environmental issues
- Growing calls to ban all PFAS treatments in products procured by the federal government, including DOD

MMF and the Environment

- There is a global environmental crisis due to the increased consumption and disposal of synthetic-based apparel and PPE
- Global apparel (>60%) and single-use PPE (>95%) are made with man-made fibers like polyester and nylon
- These synthetic materials shed microfibers into our water streams and can take up to 120 years to biodegrade
 - More than 8 million tons of pandemic-associated plastic waste have been generated globally, with more than 25,000 tons entering the global ocean
 - 44 million pounds of synthetic textiles go into U.S. landfills each day

Leaders in U.S. Industry

Unifi and Parkdale are two American leaders in MMF research and development, innovation, and manufacturing

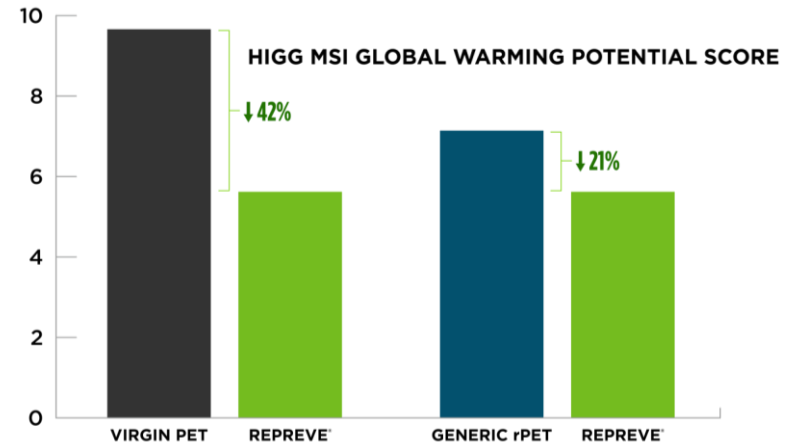
Unifi

- REPREEVE
- Global supply chain
- Investment in Central America

Parkdale

- Innovations in sustainability and biodegradability
- Multimillion dollar investment in Central America & Hillsville, Virginia

REPREEVE's Higg Materials Sustainability Index (MSI) Scores



Advancing Innovative Solutions in MMF

NCTO and domestic MMF producers are working with both U.S. industry and academic partners to invest in R&D needed to create innovative solutions for:

- Biodegradability
- Recycled fibers
- Fibers that use less water
- The development of future MMF products and solutions

Partners:

- Gaston College - Fiber Innovation Center, a world-class facility to develop and test fibers
- AFFOA – funded by USG for MMF advancement

In Summary

- COVID has forced U.S. industry and the USG to face the issue of how to deal with MMF production
- NCTO has lots on the docket, but strengthening and expanding environmentally-friendly MMF production in the U.S. and Western Hemisphere remains a top priority
- With increased awareness for global health threats and steady demand for synthetic-based apparel, producing raw materials that can meet health care and performance requirements for the needs of both today and tomorrow will be key



QUESTIONS



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THANK YOU



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