



# Clock Ticking As Quota-Free World Emerges At End Of '04

Twelve months and counting.

Over the next 365 days of 2004, hosiery manufacturers will be preparing for the day when all trade quotas disappear among nations under the World Trade Organization.

Tariffs do not go away and that may be the rub.

Nevertheless, the floodgates are open for the U.S. marketplace. A new era begins for domestic manufacturers. 364... 363... 362... the days tick away.

Also expiring at the end of 2004 is the Multifiber Arrangement which was adopted in 1974. Without the MFA, many less-developed countries, like Bangladesh, will have to compete with more efficient producers elsewhere. The MFA guaranteed "poor" countries access to markets in the U.S. and Europe with quotas that limited exports from more efficient countries, including China.

In 1995, members of the WTO voted to do away with the MFA started in 2005.

The WTO will allow nations to continue to use duties to protect their local textile and apparel industries.

Free trade proponents argue the end of the MFA will mean cheaper clothes everywhere. Giant retailers will be able to buy as much as they like wherever they like, especially China, the country which stands to gain the most in a quota-free world. (The World Bank says that by 2010, China will control 50 per cent of the world's clothing exports, compared to 20 per cent today).

In October, China became the leading supplier of textiles and apparel to the U.S., the Department of Commerce acknowledged. In November, the Department of Commerce imposed temporary quota on bras, bathrobes and some knitwear coming from China, based on claims of marketplace disruption. Socks were not included.

(Darrell Frye, chairman of the CHA Governmental Affairs

Committee, and B.J. Frye, CHA president, sent a letter to the N.C. congressional delegation urging them to push forward with quotas on socks from China to save the domestic hosiery industry.)

The THA Domestic Manufacturers Committee, working with Dan St. Louis of the Hosiery Technology Center, continues to press forward with a petition to impose restraints on Chinese imports. Darrell Frye, a top executive with Harriss and Covington Hosiery, and a well-connected Republican leader in North Carolina, says he is ready to lead a delegation to Washington.

## WANTED HOSIERY SALES MANAGER

Family Owned  
Niche Manufacturer

Outdoor, Performance, Sports Specific  
Ski, Medical, Health, Diabetic  
Specialty and Department Stores

Immediate Opening  
Requires Travel

- Extensive Sales Background
- Proven Sales Ability
- Reputable Team Player
- Career Oriented

Send resume with salary history to:  
Sales Manager  
PO Box 1708  
Hickory, NC 28603  
FAX: (828) 322-4868