



SANDLER, TRAVIS & ROSENBERG, P.A.  
International Trade, Customs & Export Law

# Strategic Sourcing for Duty-Free Textiles, Apparel, Bags & Footwear into the US

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# Our Speaker

ELISE SHIBLES is a Member of Sandler, Travis & Rosenberg, P.A., resident in the San Francisco office. She advises and counsels clients on trade agreement and preference program requirements for a variety of different types of goods under U.S. and non-U.S. trade programs. She also has extensive expertise in all aspects of textile and apparel trade and policy.



# Agenda

- Countries with comprehensive flexible rules
  - Israel, Jordan, Egypt, GSP
- Countries with tariff preference levels – flexible for certain annual quantity
  - Mexico, Canada, Chile, Haiti, AGOA
- Specific product/country combinations
- Fixed short supply
  - USMCA, Chile, Singapore, Australia, Morocco, Bahrain, Oman, Korea
- Flexible short supply
  - CAFTA-DR, Peru, Colombia, Panama

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# Countries with Comprehensive Flexible Rules

# Israel, Jordan, Egypt

- Comprehensive product coverage
- Product of country;
- 35% regional value content (RVC)
  - Double substantial transformation (cutting or knitting to shape + assembly)
- Direct shipment



Fabric/ Yarn/ Leather  
India



Components Israel



Finished Good Israel



# GSP Product List Limited

- Textile & leather bags, wallets, etc.
- Leather gloves, belts
- Sports gloves
- Silk handkerchiefs and scarves
- Pillows/comforters not cotton
- Other limited apparel, bags, footwear and textile articles
- Issue of periodic lapse / untimely Congressional renewal



A light gray world map is centered in the background of the slide. The map shows the outlines of the continents. A dark blue vertical bar is on the left side of the slide.

# Countries with Tariff Preference Levels

# Tariff Preference Level

- Same as tariff rate quota (TRQ)
- A certain quantity of goods can enter during an annual period and receive a reduced rate or duty free treatment even though they don't meet the tariff shift rules
- Foreign fiber, yarn or fabric, NOT components (except AGOA)
- No foreign cutting or knitting to shape



# Mexico

- TPL 1: Cotton or Man-Made Fiber Apparel (exceptions)
- TPL 2: Wool Apparel (exceptions)
- Cotton or Man-Made Fiber Fabric, Made-up Textile Articles, Stuffed Articles
  - TPL 5: sublimit for knit fabric & certain made-ups
  - TPL 6: sublimit for woven fabric & certain made-ups
- TPL 7: Cotton or Man-Made Fiber Staple Yarn



# Canada

- TPL 1: Cotton or Man-Made Fiber Apparel
  - TPL 2: sublimit for foreign fabric
- TPL 3: Wool Apparel
  - TPL 4: sublimit for men's/ boys' suits
- TPL 5: Cotton or Man-Made Fiber Fabric, Made-up Textile Articles, Stuffed Articles
  - TPL 6: sublimit for woven fabric & certain made-ups,
  - TPL 7: sublimit for knit fabric & certain made-ups
- TPL 8: Cotton or Man-Made Fiber Staple Yarn



# Chile

- Cotton or Man-Made Fiber Fabric (ch 52, 54, 55, 58, 60)
- Cotton or Man-Made Fiber Apparel



# Haiti

- All Woven Apparel
  - Expires 9/30/2025
- Knit Apparel other than certain men's and boys' upper body knits
  - Expires 9/30/2025



# African Growth & Opportunity Act

- All apparel from lesser developed countries
  - Designated AGOA textile beneficiary countries other than South Africa
  - <https://agoa.info/about-agoa/country-eligibility.html>
- 7% of SME of all apparel imported into the US the prior year
- Expires 9/30/2025



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# Specific Product / Country Combinations



# Haiti

- CAFTA-DR single transformation garments (see later slides)
- Certain woven sleepwear bottoms
- Certain knit apparel (not men's/ boys' tops excluded from TPL)
- Textile or plastic outer surface bags
- Certain hats
- Certain made-up textile articles
- No limits
- Expires 9/30/2025

# USMCA

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Men's cotton woven boxer shorts of certain listed fabrics
- Brassieres
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats
- Stuffed articles of subheading 9404.90 from shells



# Chile

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# Singapore

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# Australia

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats



# Morocco

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# CAFTA-DR

- All bags of 4202
- Leather apparel and accessories of heading 4203
- Garments of heading 5903 coated fabric
- Certain girls' woven dresses
- Certain woven boxer shorts
- Certain woven sleepwear
- Babies' cotton woven dresses
- Brassieres
- Certain women's woven wool anoraks
- Certain men's and boys' suit type jackets
- Certain women's and girls' water resistant anoraks

# CAFTA-DR

- Certain women's and girls' woven wool jackets
- Certain women's and girls' woven suit type jackets
- Certain men's dress shirts
- Women's and girls' cotton coats cat 335
- Women's and girls' man-made fiber suits cat 644
- Certain footwear permits foreign uppers and assembly only, without a regional value content
- Hats
- Flexible short supply materials for textile and apparel articles





# Bahrain

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# Oman

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Certain men's sleepwear of circular knit fabric
- Certain women's briefs and panties of circular knit fabric
- Certain women's sleepwear of circular knit fabric
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# Peru

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Brassieres
- Garments of heading 5903 coated fabric
- Hats other than of toquilla straw
- Flexible short supply materials for textile and apparel articles



# Korea

- All bags of 4202
- Leather apparel and accessories of heading 4203
- Garments of heading 5903 coated fabric
- Apparel out of enumerated short supply fabrics
- Hats

# Colombia

- Cotton & Leather bags of 4202
- Bags of plastic sheeting without textile backing (4202)
- Leather apparel and accessories of heading 4203
- Brassieres
- Garments of heading 5903 coated fabric
- Hats other than of toquilla straw
- Flexible short supply materials for textile and apparel articles

# Panama

- All bags of 4202
- Leather apparel and accessories of heading 4203
- Brassieres
- Garments of heading 5903 coated fabric
- Hats
- Flexible short supply materials for textile and apparel articles

# Best Place to Make...

- Textile Bags of 4202 (17.6%) – CAFTA-DR, Korea, Panama
- Brassieres (16.9%) – USMCA, CAFTA-DR, Peru, Colombia, Panama
- Footwear (up to 37%) – CAFTA-DR



# Items with most flexibility in multiple FTAs

- Cotton bags of 4202 (up to 17.6%)
- Leather bags of 4202 (up to 10%)
- Bags of plastic sheeting without textile backing of 4202 (20%)
- Leather apparel & accessories of 4203 (up to 14%)
- Garments of heading 5903 coated fabric (7.1%)
- Hats (up to 10%)



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# Short Supply

# Short Supply

Certain fiber/yarn/fabric determined to NOT be available in commercial quantities in a timely manner and can therefore come from outside the Parties

# Countries with fixed list

- Mexico
- Canada
- Chile
- Singapore
- Australia
- Morocco
- Bahrain
- Oman
- Korea



# Fixed List of Materials for Apparel

- Woven Silk
- Woven Linen
- Cotton Velveteen
- Fine Wale Corduroy
- Harris Tweed
- Certain Woven Fabrics of Fine Animal Hair
- Certain Lightweight, High Thread Count Polyester/Cotton Woven Fabrics
- Certain Lightweight, High Thread Count Broadwoven Fabrics Used in the Production of Men's or Boys' Shirts
- Certain coated fabrics of chapter 59

# Countries & Goods with Flexible List

- CAFTA-DR (ch 50-63 and 9404.90)
- Peru (4202 textile, 50-63 and 9404.90)
- Colombia (4202 textile, 50-63 and 9404.90)
- Panama (ch 50-63 and 9404.90)
- OTEXA website link for commercial availability: [OTEXA FTA COMMERCIAL AVAILABILITY \(trade.gov\)](#)
- Process to add / remove items



# Questions?

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# *Thank you!*

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