



## Coalition for Economic Partnerships in the Americas Flags Key CAFTA-DR Trade Myths

WASHINGTON, D.C. – March 30, 2023 - The **Coalition for Economic Partnerships in the Americas** (CEPA), a group of major American companies and manufacturers dedicated to promoting regional trade and job growth, released a paper addressing misconceptions about the impact of CAFTA-DR apparel sourcing on U.S. textile exports to the region and related trade policy issues.

The paper, "**U.S. Apparel Sourcing from CAFTA-DR and U.S. Textile Exports: Myth vs. Reality**," recognizes the shift in apparel sourcing from Asia currently taking place and the opportunities that exist in Central America to attract that long-term investment.

The paper busts four myths with facts and recommendations for policymakers to leverage existing mechanisms, such as the short-supply list, and provide more opportunities for U.S. fashion brands and retailers to take advantage of CAFTA-DR for apparel sourcing from the region. Specifically, it calls on policymakers to "improve CAFTA-DR members' access to new and varied fibers, yarns, and fabrics and support the efforts to make CAFTA-DR's apparel exports more competitive in the global marketplace."

"Utilizing the flexibilities already embedded within CAFTA-DR will allow for a greater diversity of U.S. apparel imports from CAFTA-DR and will be a more effective way to support U.S. textile exports to the region, grow jobs and increase investment" said **CEPA spokesperson Beth Hughes**. "We're encouraged to see all facets of the industry meeting to discuss the real needs and challenges so we can take advantage of this opportunity in front of us. We have the same goal in the end.

"By focusing on maximizing the opportunities that already exist in CAFTA-DR, not only can we grow U.S. apparel sourcing from the region, which, in turn grows the market for U.S. textiles, but it also fulfills the Vice President's **Call to Action** to bring more economic opportunity to the region and to help stem the flow of migration.

"Special thank you to Dr. Sheng Lu - Associate Professor and Director of Graduate Studies in the Department of Fashion and Apparel Studies at the University of Delaware - for his expertise on this study, and for his commitment to the fashion industry."

"Despite the interesting findings, we need further studies to understand better the key factors driving U.S. textile exports to CAFTA-DR and the region's evolving textile and apparel supply chains. Further examination of the effectiveness of the existing CAFTA-DR apparel rules of origin may also be warranted," said **Dr. Sheng Lu**.

**Download the technical paper.**

Learn more about the Coalition: [cepacoalition.com](https://cepacoalition.com)

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**CEPA Media Contact:**  
[cepapartners@aafaglobal.org](mailto:cepapartners@aafaglobal.org)

#### About CEPA

The Coalition for Economic Partnerships in the Americas (CEPA) was founded in November 2021 by a group of major American companies and manufacturers dedicated to promoting regional trade and job growth. CEPA's mission is to advocate for a whole of government approach to include the Dominican Republic-Central America free trade agreement (CAFTA-DR) and regional infrastructure and customs operations in the policy toolbox to address the root causes of migration.

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