



The Geneva Dialogue on Trade Policy
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Textiles and Clothing: Challenges in the New Phase

Reflections by
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As the debate over textiles and clothing continues unabated, these are yet again testing times for the sector. The good news, however, is that it is hardly new. If anything, this renewed debate in fact serves to bring the spotlight on a host of issues that had otherwise remained hidden behind the convenience of quota regime for many. I propose to bring to your consideration some of the fundamental issues underlying this debate because it is important to identify these issues to be able to chart the way forward, whether for businesses or governments. I believe that the search for policy options to meet the challenges in the post-ATC environment also demands an analysis of these issues.

Let me begin by recalling the context of the present debate on textile and clothing. The conclusion of the Agreement on Textiles and Clothing (ATC) was hailed as a major achievement of the Uruguay Round. Developing countries had to fight long and hard for it, accepting substantial new obligations in such new areas as intellectual property rights, services, etc., in return for a promise by the developed world to wind down the discriminatory regime of quota restrictions over a long transitional period of ten years, even though these restrictions were never justified under normal rules of the multilateral trading system and were meant to provide only a temporary breathing space for their textile industries. Developing countries also kept pressing the restraining countries about the necessity of phasing out the quotas gradually, to avoid exposing industries and other businesses to a sudden shock at the end. These pleas, made at the WTO year after year in the context of so-called implementation-related issues and concerns, met a constant refrain by the restraining countries that their industries had been promised a full ten year period to adjust to the quota-free environment and that, therefore, there was no scope whatsoever for any room to depart from that position. As recently as 2004, developing countries' request for the use of so-called "carry forward" in the last year of the quota regime received a similar negative response.

I recall this short account only to underscore that the flawed implementation of the quota phase-out plan, by which the developed countries kept the bulk of quota restrictions in place until the end of the 10-year period, i.e., 31

December 2004, was always expected to result in a spurt in imports and a fall in prices at the start of 2005, the first year of the quota-free world.

There have been few surprises, however. If anything, the surprise is that overall textile and clothing imports into the European Union in January-May 2005, relative to the same period in 2004, have in fact declined. Taking the product coverage as Section XI of the Harmonized System classification which the European Commission uses to define textiles and clothing – although certain agricultural raw materials such as raw silk, cotton, wool and some other vegetable fibres also fall under this Section XI of the HS and are not commonly deemed as textiles and clothing –, total EU textiles and clothing imports in this period decreased by 9.7% in Euro terms, and 3.63% in terms of volume. Even for products freed of quota restrictions at the start of this year, there has been a reduction of some 8% in these five months compared to the same period last year. Lest there be any doubt, these data are from the European Commission's own website.

Turning to the United States, and taking the product coverage as that of the MFA – i.e., the same as the US Office of Textile and Apparel (OTEXA) always takes in defining textiles and clothing – the overall increase in January- June 2005 relative to the same period in 2004 has been 11% in dollar terms and 9% in volume terms. The import increase during the 12-month period ending June 2005 has also been 10.8% in dollar terms, but 9.9% in volume terms.

This magnitude of import increase in the case of the US is hardly unusual. During five of the last ten years, US experienced import increases of 10% or more even under the quota regime. I should also perhaps add in passing that from individual suppliers, too, imports in some years in the past also increased by large percentages. Thus, for example, US imports from Mexico in 1995 increased by 60% compared to 1994. In 1996 they further increased by 39% compared to 1995; and by 40% in 1997 compared to 1996.

What is not surprising however, at least to this observer of the textile scene, is that some of the individual developing country exporters, who were otherwise predicted by pundits to be major casualties of the end of quotas, have not only been holding their own but also logging substantial increases in their exports. Equally un-surprising to this observer is the phenomenon that some others, especially those who have been hamstrung by US/EU textile policy, have not been doing so well.

Thus, besides China, some other countries that were previously restrained by quotas have also notched impressive export growth on the US market. In the period January–June 2005, compared to the same period in 2004, Bangladesh increased its exports by 21.5%, India by 29.6%, Indonesia by 13.8%, Pakistan by 10.9%, Sri Lanka by 16.3%, and Cambodia by 15.3%.

Indeed, the President of Bangladesh Knitwear Manufacturers and Exporters Association is reported to have said that “the end to the quota regime had resulted in member businesses setting up 92 new factories, creating 100,000 new jobs” and that “we have now targeted one billion dollars in knitwear exports to the United States in 2006”.

Contrarily, however, Mexico and several CBI countries have either seen their exports decline or stagnate, although the famous WTO study of August 2004 had predicted that these countries will be likely to maintain their market share given their preferential access and shorter distance to the US market. (I shall return to their predicament – as also of some others --when I take up the policy challenges in textiles and clothing in a short while.)

This is not however to ignore that some small exporting countries have also been experiencing declines in their exports. Among the most prominent in the list of such countries from Asia are Fiji, Mongolia, Nepal, the Maldives, etc. In addition, Hong Kong, China; Korea; Macao, China; and Chinese Taipei have also seen large reduction in their exports.

In so far as the EU market is concerned, there has been a similar pattern, although with significant differences. As may be noted from the tables attached as accompaniment to these remarks, EU imports from Bangladesh, Sri Lanka, Pakistan and several others have declined in the first five months of 2005.

Overall, therefore, the post-quota scene has thrown up a mixed picture so far. Whether it proves to be a temporary reshuffling of trade patterns in the sector or a lasting change would remain to be seen.

Allow me now to return to my basic purpose, i.e., to try and analyze the factors that lie at the centre of the problems in textiles and clothing. Therein also lay the main trade policy challenges in the sector – the subject of discussion at today’s dialogue.

After years of debate, it is now widely recognized, including by the OECD and others, that the US and EU trade policy has long exerted a predominant influence on trade flows and investments in textiles and clothing. First it was the quota restrictions. The Uruguay Round Agreement on Textiles and Clothing was finally expected to bring an end to this system. In the meantime, however, regional preferential schemes and free trade agreements were coming into vogue. These arrangements and agreements came in handy for US/EU textile industries in their attempt to secure a share of the market both at home and abroad through the mechanism of rules of origin typified in the so-called ‘yarn forward’. Simply put, this mechanism makes it compulsory for developing country clothing exporters that, in order to be eligible for duty-free treatment to US/EU markets, they use yarn and fabric made within the boundaries of the free trade area -- which in practice means

US and EU producers. This same overall model has also been used by the majors as the main template when it comes to providing duty concessions under various autonomous preferential schemes. Such rules are in effect aimed at maintaining a share of production for their domestic textile industries.

A vivid illustration of this paradigm to preserve a corner of production for US/EU domestic producers was manifested in recent European Commission guidelines for consideration of safeguard actions against China. These guidelines provide that, among other factors, the Commission will also consider the impact of imports from China in particular on Southern and East-Mediterranean countries “as they are part of the natural zone of competitiveness of the EU textile and clothing industry and are important destinations of both exports and investments of EU industry”.

This policy by these majors has thus resulted in the creation of large captive markets for their textile makers. Thus, for example, between 1989 and 2004, US yarn exports to the countries of the Caribbean increased by a massive 1718%, and to NAFTA countries by 274%. By contrast, during the same period, US yarn exports to the rest of the world decreased by 31%. Similarly, its fabric exports to the CBI countries leaped by 814% and to NAFTA by 539%. But to the rest of the world, they advanced by just 45%. EU exports to Romania, Bulgaria, etc., have grown likewise.

This then is the first, and major, policy challenge for developing exporting countries. I do not wish to dwell at any great length at its implications. Suffice it to say that it places the concerned developing economies in a great competitive bind. Those dependent on US/EU raw materials, especially yarns and fabrics, for their duty-free export access to these markets find themselves obliged to import these materials from sources that are not the most competitive suppliers of these products. This requirement also increases the cost of doing business for enterprises in these countries, not the least due to the necessity of a plethora of paper work needed for benefiting from the duty advantage. And, by implication, it constrains the possibilities for development of South-South trade, too.

Among the significant exporters on the US market under this policy compulsion are Mexico, the CBI countries, the Sub-Saharan African countries, the countries of the Andean and Jordan (although Jordan is not similarly locked into using US yarns and fabrics and the Sub-Saharan African countries have had a temporary waiver from this requirement). Between them, such preferential suppliers accounted for some 33% of total US clothing imports in 2004. On the EU scene, the more significant are Turkey, Romania, Tunisia, Morocco, Bulgaria, Poland, Hungary, the Czech Republic, etc. Ten such countries accounted for over 40% of EU clothing

imports in 2003 (although some of these ten have since joined the European Union).

For least-developed exporting countries, too, it is the stringent origin rules that are a major constraining factor in the development of their exports. The US does not include textile and clothing products in its GSP Scheme. The only least-developed countries that are entitled to duty-concession in this important market are Haiti in the Western Hemisphere and the Sub-Saharan African countries. The main requirement for duty-free access to the US is therefore through the use of US yarns and fabrics under its NAFTA, CBI and AGOA legislations, although for AGOA countries, as I said, there is a temporary exception.

The EU does allow duty-free access to least-developed countries under its GSP scheme but only on the basis of rather stringent origin rules – requiring at least two processing operations in the least-developed exporting country concerned, a requirement which a majority of these countries are however unable to fulfill. A number of studies, most recently by the WTO, have demonstrated this problem.

And this brings me to the second policy challenge in the current phase of trade in textiles and clothing. This US/EU policy paradigm has effectively led to a virtual divide among exporting developing economies: into preference-receiving countries, and the others most of whom happen to be in Asia. If I can be excused the candour of my remark, this policy framework has also come to test the resolve that existed among developing countries in favour of freer trade in the sector.

This disparity among developing countries has been manifesting itself in their respective approaches to tariff negotiations in the on-going Doha Round, with a large number of them worrying about the prospect of erosion in their tariff preferences while some others are concerned about the carving out of a chunk of the market away from them and, thereby, an effective reduction in the size of the market for their competitive exports.

The third policy challenge for developing countries derives from the ever-present spectre of trade-remedy actions such as anti-dumping and countervailing duties down the road. Although not all developing countries have as yet experienced being subjected to the vagaries of these actions, it cannot be taken for granted that they will continue to be spared of these actions. To underscore the devastating effect that antidumping actions can have for developing countries, let me note that one of the main reasons in the decline in Pakistan's exports to the EU during the first half of this year is the anti-dumping duty imposed by the Union on its bed linen, the single largest item of its exports to the EU. Taking the data on EU imports from Pakistan in January – May 2005, it is noticeable that Pakistan's exports covered by

HS Chapter 63 to the EU declined by 22%. On the other hand, however, Pakistani exports of these same products to the US (i.e., under HS Chapter 63) increased by 34%. (Incidentally, another reason for decline in Pakistani exports to the EU during this period is the abrupt withdrawal of duty-free access that its exports had otherwise enjoyed for the last three years or so.)

The fourth challenge does not necessarily fall under the rubric of international trade policy, yet it is an important one and assumes even greater significance in the current policy environment affecting trade in the sector. This involves the logistics problems for many developing exporting countries, especially those that are reliant on the US and EU markets for bulk of their exports and, worse still, on imports of their raw material requirements such as yarn and fabrics from these countries. These difficulties translate into longer delivery times for their exports, higher transportation costs, and more paper work requirements – all a drag on their competitiveness.

Fifth, let me also mention that the recent re-imposition of quotas on China is a cause for worry for some in terms of its long-term implications. History tells us that quotas on one successful country today can mean quotas on the other next year and on still others in the years hence. And if past experience were any guide, some more could expect to be brought into the net via administrative procedures under the pretext of concerns about circumvention of Chinese quotas or trans-shipment through non-restrained countries. If nothing else, new demands under this pretext can mean a requirement for additional paper work and the related increase in cost of doing business.

Let me conclude by saying that the overarching challenge for developing countries in the post-ATC environment, then, is the need to find common ground in the face of the working of the trade policy of the majors. To find resolution to these problems requires a concerted effort by developing countries. Experience shows that, individually or divided, they stand little chance at the negotiating table. Collectively, they can make a difference. The shift in policy intervention by developed countries from quotas to the use of restrictive origin rules with the help of high tariffs on imports of clothing in their markets, and the ever-present spectre of trade remedy actions such as anti-dumping, etc., requires a collaborative response based on mutual understanding and cooperation among developing countries.

In closing, let me extend my deep gratitude to the UNDP and the South Centre for inviting me to this dialogue and letting me share some perspectives as to the challenges facing developing countries in textiles and clothing. I am delighted to be here and am looking forward to learning from the wisdom and experience of so many eminent personalities gathered here.

TABLE 1A

US Textiles and Clothing Imports, January - June 2005

Exporter	Million US dollars				Million Square Metre Equivalents			
	Year	January - June			Year	January - June		
	2004	2004	2005	Change 2005/04	2004	2004	2005	Change 2005/04
WORLD	83,310.4	38,174.1	42,365.9	11.0%	46,936.1	22,557.1	24,617.3	9.1%
ITCB MEMBERS								
Of which:								
ARGENTINA	24.5	10.1	12.9	27.1%	30.7	19.2	8.4	-56.0%
BANGLADESH	2,065.5	911.5	1,107.2	21.5%	1,108.5	532.1	635.3	19.4%
BRAZIL	407.8	227.3	228.8	0.7%	497.3	267.2	228.2	-14.6%
CHINA	14,558.1	6,432.9	10,750.3	67.1%	11,662.3	5,375.2	7,882.2	46.6%
COLOMBIA	636.3	287.5	311.2	8.2%	166.9	80.2	79.8	-0.5%
COSTA RICA	524.0	253.5	242.1	-4.5%	333.7	160.8	150.3	-6.5%
EGYPT	564.3	274.8	279.0	1.5%	288.1	151.1	141.9	-6.1%
EI SALVADOR	1,756.9	822.0	832.8	1.3%	894.8	430.3	460.2	7.0%
GUATEMALA	1,959.5	917.3	960.0	4.7%	550.3	271.6	284.2	4.6%
HONG KONG, CHINA	3,959.1	1,583.5	1,172.7	-25.9%	862.0	375.7	284.7	-24.2%
HONDURAS	2,677.5	1,272.7	1,327.6	4.3%	1,208.9	572.1	631.1	10.3%
INDIA	3,633.3	1,797.1	2,328.7	29.6%	1,914.8	941.5	1,169.3	24.2%
INDONESIA	2,620.2	1,257.7	1,430.9	13.8%	1,274.8	653.5	644.2	-1.4%
KOR REP	2,579.7	1,186.4	903.2	-23.9%	2,301.4	1,096.0	949.2	-13.4%
MACAO, CHINA	1,437.0	606.4	437.3	-27.9%	448.2	190.8	107.0	-43.9%
MALDIVES	81.1	41.7	4.7	-88.7%	37.9	19.7	2.4	-88.0%
PAKISTAN	2,546.1	1,191.5	1,321.6	10.9%	2,970.2	1,472.5	1,559.4	5.9%
PERU	691.6	331.0	397.5	20.1%	94.3	47.7	51.6	8.2%
SRI LANKA	1,585.2	698.7	812.3	16.3%	487.7	236.2	267.4	13.2%
THAILAND	2,198.2	950.3	1,004.6	5.7%	1,113.9	523.1	499.2	-4.6%
VIETNAM	2,719.6	1,233.4	1,261.8	2.3%	905.4	401.5	420.5	4.7%
OTHERS								
MEXICO	7,793.3	3,803.9	3,642.5	-4.2%	4,100.6	2,055.5	1,964.9	-4.4%
CANADA	3,085.5	1,582.5	1,469.0	-7.2%	3,271.9	1,680.3	1,564.0	-6.9%
TURKEY	1,763.9	835.9	813.4	-2.7%	982.0	486.1	443.2	-8.8%
JORDAN	956.4	392.9	486.4	23.8%	227.6	97.1	123.8	27.5%
CAMBODIA	1,441.7	640.7	738.9	15.3%	672.8	284.0	306.1	7.8%
CHINESE TAIPEI	2,103.9	936.6	742.7	-20.7%	1,302.0	615.7	491.3	-20.2%
MALAYSIA	764.3	352.5	319.4	-9.4%	363.6	190.8	156.2	-18.2%
MONGOLIA	229.1	71.3	52.4	-26.5%	64.4	27.4	17.3	-37.0%
NEPAL	130.6	74.5	54.1	-27.4%	42.5	24.4	14.1	-42.3%
PHILIPPINES	1,938.1	896.8	857.8	-4.4%	711.0	343.6	294.2	-14.4%
DOMINICAN REP	2,065.6	938.5	938.3	0.0%	772.4	358.4	371.8	3.8%
NICARAGUA	595.0	263.3	344.1	30.7%	177.2	79.7	98.0	23.0%
JAMAICA	85.6	44.4	30.2	-31.9%	53.2	28.3	17.7	-37.3%
EU15	4,530.0	2,117.6	2,139.8	1.0%	2,062.7	1,055.6	1,015.1	-3.8%
Of which ITALY	2,260.7	1,059.4	1,042.0	-1.6%	461.5	237.6	217.8	-8.3%

TABLE 1A

US Textiles and Clothing Imports, January - June 2005

Exporter	Million US dollars				Million Square Metre Equivalents			
	Year	January - June			Year	January - June		
	2004	2004	2005	Change 2005/04	2004	2004	2005	Change 2005/04
SUB-SAHARA	1,782.7	780.3	727.1	-6.8%	462.3	217.0	197.4	-9.0%
Of which								
BOTSWANA	20.2	8.0	9.0	11.7%	5.8	2.2	2.4	8.8%
KENYA	277.3	129.2	134.5	4.1%	73.4	35.8	38.1	6.3%
LESOTHO	455.8	203.8	193.0	-5.3%	111.2	54.0	49.5	-8.5%
MADAGASCAR	323.1	122.5	124.1	1.3%	69.4	30.3	30.6	1.2%
MALAWI	26.8	14.6	11.9	-18.9%	7.8	4.5	3.5	-22.4%
MAURITIUS	227.5	112.1	86.6	-22.8%	37.5	19.3	15.3	-20.8%
NAMIBIA	78.9	26.7	23.3	-12.6%	18.9	7.4	7.5	1.1%
SOUTH AFRICA	163.9	74.5	48.2	-35.3%	57.4	26.8	14.6	-45.8%
SWAZILAND	178.7	74.3	81.6	9.9%	61.5	27.1	27.8	2.8%

Source: US Department of Commerce, OTEXA; Product coverage: MFA

TABLE 1B

US Clothing Imports, January - June 2005

Exporter	Million US dollars				Million Square Metre Equivalents			
	Year	January - June			Year	January - June		
	2004	2004	2005	Change 2005/04	2004	2004	2005	Change 2005/04
WORLD	64,767.7	29,071.4	32,358.7	11.3%	19,951.0	9,128.0	10,451.7	14.5%
ITCB MEMBERS								
BANGLADESH	1,977.6	858.8	1,054.0	22.7%	941.7	425.1	512.9	20.7%
BRAZIL	134.5	65.4	64.3	-1.7%	37.3	19.3	15.6	-19.1%
CHINA	8,927.9	3,755.5	7,404.0	97.2%	2,972.5	1,229.7	2,769.1	125.2%
COLOMBIA	589.2	264.8	292.0	10.3%	138.5	66.4	65.7	-1.0%
COSTA RICA	515.6	249.4	237.4	-4.8%	303.7	143.8	140.1	-2.6%
EGYPT	422.3	201.0	188.5	-6.2%	156.0	79.2	73.5	-7.1%
EI SALVADOR	1,720.3	800.0	817.6	2.2%	852.6	406.2	442.3	8.9%
GUATEMALA	1,946.7	911.0	952.3	4.5%	499.4	249.0	255.5	2.6%
HONG KONG, CHINA	3,849.0	1,525.2	1,116.0	-26.8%	739.0	317.8	198.9	-37.4%
HONDURAS	2,673.4	1,270.5	1,325.2	4.3%	1,198.5	566.6	623.4	10.0%
INDIA	2,217.1	1,117.4	1,537.5	37.6%	609.3	312.7	413.8	32.3%
INDONESIA	2,402.8	1,143.1	1,330.3	16.4%	703.4	348.0	397.6	14.3%
KOR REP	1,808.8	788.8	522.4	-33.8%	624.4	251.2	150.5	-40.1%
MACAO, CHINA	1,436.4	606.3	436.8	-28.0%	447.1	190.7	106.1	-44.3%
MALDIVES	81.1	41.7	4.7	-88.7%	37.9	19.7	2.4	-88.0%
PAKISTAN	1,137.7	497.0	551.7	11.0%	519.3	237.4	265.2	11.7%
PERU	676.7	324.7	389.4	19.9%	88.2	44.8	48.3	7.6%
SRI LANKA	1,549.4	678.4	796.0	17.3%	415.0	190.4	225.5	18.4%
THAILAND	1,799.4	763.0	840.5	10.1%	533.1	235.2	249.3	6.0%
VIETNAM	2,562.5	1,156.5	1,182.1	2.2%	777.1	340.6	354.7	4.2%
OTHERS								
MEXICO	6,684.8	3,248.7	3,066.1	-5.6%	1,896.2	950.7	876.2	-7.8%
CANADA	1,504.4	767.8	656.0	-14.6%	244.6	128.6	100.9	-21.5%
TURKEY	1,168.6	536.0	475.5	-11.3%	307.4	151.0	123.7	-18.1%
JORDAN	956.2	392.7	486.3	23.8%	227.4	96.9	123.7	27.6%
CAMBODIA	1,429.0	635.2	731.2	15.1%	634.7	264.0	289.3	9.6%
CHINESE TAIPEI	1,548.9	667.9	497.8	-25.5%	572.0	244.6	163.9	-33.0%
MALAYSIA	712.0	322.0	294.0	-8.7%	210.6	92.8	93.4	0.7%
MONGOLIA	227.0	69.8	52.2	-25.2%	61.5	25.1	17.1	-32.0%
NEPAL	98.0	59.9	37.3	-37.7%	34.8	20.3	11.7	-42.3%
PHILIPPINES	1,785.6	815.4	812.6	-0.4%	513.6	237.8	231.4	-2.7%
DOMINICAN REP	2,058.8	936.0	935.4	-0.1%	761.4	353.5	367.2	3.9%
NICARAGUA	594.7	263.2	344.1	30.7%	175.2	79.4	98.0	23.5%
JAMAICA	85.3	44.2	30.1	-31.9%	52.5	27.8	17.5	-37.2%
EU15	2,067.6	911.7	882.4	-3.2%	137.8	62.3	54.5	-12.5%
Of which ITALY	1,426.6	646.4	624.8	-3.3%	84.0	39.8	32.2	-19.2%
SUB-SAHARA	1,757.5	770.7	717.3	-6.9%	440.3	207.4	191.0	-7.9%
Of which								
BOTSWANA	20.2	8.0	9.0	11.7%	5.8	2.2	2.4	8.7%
KENYA	277.2	129.1	134.2	4.0%	73.3	35.8	38.0	6.2%
LESOTHO	455.8	203.8	193.0	-5.3%	111.2	54.0	49.5	-8.5%
MADAGASCAR	323.1	122.5	124.1	1.3%	69.4	30.3	30.6	1.2%
MALAWI	26.8	14.6	11.9	-18.9%	7.8	4.5	3.5	-22.4%
MAURITIUS	227.3	112.0	86.5	-22.8%	37.3	19.1	15.2	-20.4%
NAMIBIA	78.7	26.5	23.3	-12.3%	18.3	7.0	7.5	7.3%
SOUTH AFRICA	141.5	66.0	39.7	-39.9%	38.9	18.8	9.0	-51.9%
SWAZILAND	178.7	74.3	81.5	9.8%	61.5	27.1	27.8	2.7%

Source: US Department of Commerce, OTEXA; Product coverage: MFA

TABLE 1C

US Textiles Imports, January - June 2005

Exporter	Million US dollars				Million Square Metre Equivalents			
	Year	January - June			Year	January - June		
	2004	2004	2005	Change 2005/04	2004	2004	2005	Change 2005/04
WORLD	18,542.8	9,102.6	10,007.2	9.9%	26,985.1	13,429.1	14,165.6	5.5%
ITCB MEMBERS								
ARGENTINA	19.6	7.5	10.9	44.5%	29.4	18.4	8.0	-56.8%
BANGLADESH	88.0	52.7	53.2	1.0%	166.9	107.0	122.4	14.4%
BRAZIL	273.2	161.8	164.5	1.7%	460.0	248.0	212.6	-14.3%
CHINA	5,630.2	2,677.4	3,346.3	25.0%	8,689.8	4,145.5	5,113.1	23.3%
COLOMBIA	47.1	22.8	19.3	-15.2%	28.4	13.8	14.1	1.6%
COSTA RICA	8.4	4.1	4.7	14.5%	30.0	17.0	10.2	-39.7%
EGYPT	142.0	73.8	90.5	22.6%	132.1	71.9	68.4	-4.9%
EI SALVADOR	36.7	22.0	15.2	-31.1%	42.2	24.0	17.9	-25.5%
GUATEMALA	12.8	6.2	7.8	24.2%	51.0	22.6	28.8	27.1%
HONG KONG, CHINA	110.2	58.3	56.7	-2.8%	123.0	57.9	85.8	48.1%
HONDURAS	4.2	2.2	2.5	12.9%	10.3	5.5	7.7	41.0%
INDIA	1,416.2	679.7	791.2	16.4%	1,305.4	628.8	755.5	20.1%
INDONESIA	217.4	114.6	100.6	-12.2%	571.4	305.5	246.6	-19.3%
KOR REP	770.9	397.6	380.8	-4.2%	1,677.0	844.8	798.7	-5.5%
PAKISTAN	1,408.4	694.5	770.0	10.9%	2,450.9	1,235.0	1,294.2	4.8%
PERU	14.8	6.2	8.1	30.1%	6.1	2.8	3.3	17.5%
SRI LANKA	35.8	20.2	16.3	-19.4%	72.7	45.7	42.0	-8.2%
THAILAND	398.8	187.2	164.1	-12.3%	580.8	287.9	249.9	-13.2%
VIETNAM	157.2	77.0	79.8	3.7%	128.4	60.9	65.7	8.0%
OTHERS								
MEXICO	1,108.5	555.2	576.5	3.8%	2,204.4	1,104.8	1,088.7	-1.5%
CANADA	1,581.1	814.7	813.0	-0.2%	3,027.3	1,551.7	1,463.1	-5.7%
TURKEY	595.2	299.9	337.9	12.7%	674.6	335.1	319.5	-4.7%
CAMBODIA	12.7	5.5	7.7	38.8%	38.1	19.9	16.8	-15.9%
CHINESE TAIPEI	555.0	268.7	244.9	-8.8%	730.1	371.0	327.5	-11.7%
MALAYSIA	52.3	30.5	25.4	-16.6%	153.0	98.0	62.7	-36.0%
MONGOLIA	2.1	1.6	0.2	-87.8%	2.9	2.3	0.2	-91.9%
NEPAL	32.6	14.6	16.7	14.7%	7.7	4.2	2.4	-42.5%
PHILIPPINES	152.5	81.4	45.2	-44.4%	197.4	105.8	62.9	-40.6%
DOMINICAN REP	6.8	2.5	2.9	15.9%	11.0	4.9	4.6	-5.5%
EU15	2,462.4	1,206.0	1,257.4	4.3%	1,924.8	993.4	960.6	-3.3%
Of which ITALY	834.1	413.0	417.2	1.0%	377.5	197.8	185.6	-6.1%
SUB-SAHARA	25.2	9.6	9.8	1.8%	22.0	9.6	6.3	-34.1%
SOUTH AFRICA	22.4	8.5	8.5	0.1%	18.5	8.0	5.5	-31.5%

Source: US Department of Commerce, OTEXA; Product coverage: MFA

TABLE 2A

EU15 Textiles and Clothing Imports, January - May 2005

Exporter	Value in Million Euros				Quantity in Tons				
	Year 2004	January - May			Year 2004	January - May			
	2004	2005	2005/04	%	2004	2005	2005/04	%	
Intra-EU15	59,593.0	24,853.9	20,321.0	-18.2%	7,701,712	3,393,452	2,305,888	-32.0%	
Extra-EU15	71,487.9	28,655.1	28,278.4	-1.3%	8,761,031	3,515,660	3,727,617	6.0%	
ITCB Members:									
Argentina	55.5	23.4	19.9	-14.7%	9,235	3,865	3,420	-11.5%	
Bangladesh	3,853.4	1,447.3	1,353.4	-6.5%	556,551	215,899	228,083	5.6%	
Brazil	217.7	104.0	89.3	-14.1%	56,760	27,540	18,523	-32.7%	
China	13,981.2	4,951.0	6,997.8	41.3%	1,739,632	649,153	962,022	48.2%	
Colombia	42.6	19.6	16.5	-15.9%	3,913	1,979	1,666	-15.8%	
Costa Rica	1.9	1.0	0.9	-16.8%	173	109	84	-23.3%	
DPR Korea	9.8	2.1	2.4	10.2%	1,038	214	216	0.6%	
Egypt	600.8	261.2	245.4	-6.1%	94,392	42,264	40,546	-4.1%	
El Salvador	9.4	3.9	4.5	16.0%	2,137	920	940	2.2%	
Guatemala	5.7	2.4	1.8	-24.4%	2,684	447	1,126	151.9%	
Honduras	28.5	14.3	9.8	-31.5%	15,372	7,578	5,681	-25.0%	
Hong Kong China	1,988.6	745.7	365.7	-51.0%	107,875	42,765	24,816	-42.0%	
India	4,281.0	1,902.8	2,150.3	13.0%	713,535	305,630	331,405	8.4%	
Indonesia	1,705.8	629.2	528.9	-15.9%	255,772	106,243	92,699	-12.7%	
Korea Rep	1,331.6	495.5	401.6	-19.0%	288,398	120,351	107,216	-10.9%	
Macao China	427.4	168.4	91.5	-45.6%	23,724	10,233	6,594	-35.6%	
Maldives	0.2	0.1	0.0	-77.0%	24	14	4	-71.7%	
Pakistan	2,243.3	896.4	753.8	-15.9%	471,831	193,424	176,962	-8.5%	
Paraguay	3.1	1.5	0.5	-65.7%	205	92	39	-57.8%	
Peru	93.6	35.7	46.3	29.8%	7,304	3,094	4,069	31.5%	
Sri Lanka	831.8	341.4	305.3	-10.6%	93,979	37,692	38,242	1.5%	
Thailand	1,128.3	450.5	398.8	-11.5%	130,807	56,053	66,287	18.3%	
Uruguay	49.5	23.6	19.8	-16.4%	10,457	5,010	4,686	-6.5%	
Vietnam	702.1	272.5	234.3	-14.0%	75,891	31,773	26,911	-15.3%	
Preferential:									
Bulgaria	1,211.0	473.7	488.0	3.0%	84,640	33,399	34,878	4.4%	
Morocco	2,533.3	1,091.6	964.9	-11.6%	154,014	64,970	58,626	-9.8%	
Romania	4,010.9	1,594.6	1,463.0	-8.3%	237,565	95,304	85,713	-10.1%	
Tunisia	2,815.9	1,217.8	1,178.5	-3.2%	163,812	71,917	68,307	-5.0%	
Turkey	9,984.4	4,098.2	4,232.1	3.3%	970,863	393,946	409,699	4.0%	
Others:									
Chinese Taipei	691.3	278.6	218.2	-21.7%	167,893	71,686	94,597	32.0%	
Lesotho	0.8	0.5	0.3	-50.1%	64	38	30	-22.5%	
Madagascar	168.4	49.7	49.7	0.0%	13,205	3,791	4,105	8.3%	
Malaysia	368.6	144.3	138.2	-4.3%	68,957	28,657	30,671	7.0%	
Mauritius	517.8	224.3	186.8	-16.7%	31,620	14,263	11,230	-21.3%	
Norway	95.6	36.3	41.2	13.5%	12,045	4,941	4,998	1.2%	
Philippines	363.0	143.9	94.9	-34.0%	44,174	19,042	12,675	-33.4%	
South Africa	195.0	89.2	72.5	-18.8%	35,872	16,181	13,051	-19.3%	
United States	1,094.1	456.2	468.5	2.7%	355,505	77,704	193,627	149.2%	
Cambodia	517.3	153.4	151.8	-1.0%	1,571	456	523	14.7%	
Laos	117.2	46.4	42.2	-9.1%	396	153	136	-10.9%	
Nepal	77.2	31.8	25.3	-20.5%	289	123	96	-21.6%	

TABLE 2B

EU15 Clothing Imports, January - May 2005

Exporter	Value in Million Euros				Quantity in Tons				
	Year 2004	January - May			Year 2004	January - May			
	2004	2005	2005/04	%	2004	2005	2005/04	%	
Intra-EU15	31,571.93	12,773.02	11,066.85	-13.4%	1,265,341	591,624	388,041	-34.4%	
Extra-EU15	52,585.95	20,569.65	20,518.35	-0.2%	3,675,350	1,370,315	1,469,012	7.2%	
ITCB Members:									
Argentina	12.55	5.45	4.86	-10.8%	480	193	153	-21.0%	
Bangladesh	3,681.72	1,376.58	1,283.25	-6.8%	451,208	171,219	184,438	7.7%	
Brazil	74.31	35.46	35.99	1.5%	4,409	1,974	1,935	-2.0%	
China	11,022.36	3,734.90	5,498.11	47.2%	1,002,470	330,138	504,514	52.8%	
Colombia	27.29	11.62	9.60	-17.4%	1,328	550	410	-25.5%	
Costa Rica	1.77	0.96	0.80	-16.6%	81	47	42	-11.2%	
DPR Korea	9.29	1.84	2.22	20.5%	979	182	195	7.5%	
Egypt	337.98	142.97	134.98	-5.6%	21,253	9,312	8,797	-5.5%	
El Salvador	6.28	2.13	2.88	35.3%	408	141	271	91.9%	
Guatemala	4.71	2.10	1.48	-29.8%	334	161	114	-29.3%	
Honduras	24.65	12.47	8.49	-31.9%	4,407	2,276	1,556	-31.7%	
Hong Kong China	1,925.01	716.89	344.33	-52.0%	98,876	38,529	21,927	-43.1%	
India	2,428.37	1,142.98	1,381.48	20.9%	172,651	77,928	94,417	21.2%	
Indonesia	1,318.51	457.59	374.66	-18.1%	94,260	33,035	26,344	-20.3%	
Korea Rep	592.50	192.95	99.02	-48.7%	43,745	14,071	6,653	-52.7%	
Macao China	427.20	168.30	91.42	-45.7%	23,715	10,230	6,590	-35.6%	
Maldives	0.23	0.12	0.02	-80.7%	21	14	3	-79.3%	
Pakistan	903.26	352.80	302.47	-14.3%	114,619	43,948	39,979	-9.0%	
Paraguay	1.74	1.04	0.26	-74.6%	90	49	19	-62.1%	
Peru	63.08	22.05	31.58	43.2%	2,294	791	1,089	37.6%	
Sri Lanka	807.27	332.59	292.85	-11.9%	58,616	23,866	19,731	-17.3%	
Thailand	865.91	340.26	282.45	-17.0%	55,566	23,389	20,980	-10.3%	
Uruguay	1.29	0.32	0.14	-57.5%	35	4	4	5.0%	
Vietnam	608.14	231.58	197.54	-14.7%	42,967	17,452	15,212	-12.8%	
Preferential:									
Bulgaria	1,039.27	402.82	409.10	1.6%	51,604	19,791	19,365	-2.2%	
Morocco	2,411.90	1,037.93	911.13	-12.2%	134,284	56,533	49,435	-12.6%	
Romania	3,670.50	1,461.18	1,324.72	-9.3%	175,709	70,921	60,956	-14.1%	
Tunisia	2,585.24	1,114.84	1,077.82	-3.3%	112,021	48,481	44,514	-8.2%	
Turkey	7,522.02	3,071.54	3,184.87	3.7%	411,657	162,135	173,429	7.0%	
Others:									
Chinese Taipei	325.23	121.78	56.88	-53.3%	17,446	6,516	3,158	-51.5%	
Lesotho	0.84	0.50	0.25	-50.4%	64	38	30	-22.5%	
Madagascar	157.81	46.59	46.10	-1.0%	5,669	1,804	1,797	-0.3%	
Malaysia	266.44	101.33	91.20	-10.0%	20,565	8,395	6,705	-20.1%	
Mauritius	512.19	222.18	184.82	-16.8%	27,380	12,331	10,063	-18.4%	
Norway	31.55	11.14	11.03	-1.0%	804	310	350	13.1%	
Philippines	323.12	122.68	83.19	-32.2%	24,976	9,792	6,747	-31.1%	
South Africa	55.91	27.22	17.54	-35.6%	2,896	1,309	802	-38.7%	
United States	270.21	109.83	120.61	9.8%	8,141	3,186	6,133	92.5%	
Cambodia	516.76	153.19	151.51	-1.1%	1,560	452	518	14.6%	
Laos	117.13	46.36	42.17	-9.1%	395	152	136	-10.9%	
Nepal	29.28	12.43	9.03	-27.3%	69	32	20	-35.5%	

TABLE 2C

EU15 Textiles Imports, January - May 2005

Exporter	Value in Million Euros				Quantity in Tons			
	Year 2004	January - May			Year 2004	January - May		
	2004	2005	2005/04		2004	2005	2005/04	
Intra-EU15	28,021.10	12,080.89	9,254.13	-23.4%	6,436,371	2,801,828	1,917,848	-31.6%
Extra-EU15	18,901.92	8,085.42	7,760.01	-4.0%	5,085,682	2,145,346	2,258,605	5.3%
ITCB Members:								
Argentina	42.93	17.90	15.07	-15.9%	8,754	3,672	3,267	-11.0%
Bangladesh	171.65	70.72	70.11	-0.9%	105,343	44,681	43,644	-2.3%
Brazil	143.36	68.52	53.36	-22.1%	52,351	25,566	16,588	-35.1%
China	2,958.82	1,216.08	1,499.72	23.3%	737,162	319,015	457,508	43.4%
Colombia	15.30	8.01	6.90	-13.8%	2,585	1,429	1,257	-12.1%
Costa Rica	0.13	0.08	0.06	-19.1%	92	62	42	-32.5%
DPR Korea	0.56	0.31	0.15	-51.9%	59	33	20	-37.7%
Egypt	262.87	118.25	110.39	-6.6%	73,139	32,952	31,749	-3.7%
El Salvador	3.10	1.73	1.60	-7.8%	1,729	779	669	-14.0%
Guatemala	1.02	0.31	0.35	11.4%	2,351	286	1,012	253.9%
Honduras	3.84	1.83	1.31	-28.3%	10,965	5,302	4,125	-22.2%
Hong Kong China	63.64	28.84	21.35	-26.0%	8,999	4,236	2,889	-31.8%
India	1,852.61	759.79	768.86	1.2%	540,883	227,702	236,987	4.1%
Indonesia	387.25	171.64	154.28	-10.1%	161,512	73,208	66,355	-9.4%
Korea Rep	739.13	302.58	302.60	0.0%	244,653	106,280	100,563	-5.4%
Macao China	0.16	0.06	0.10	64.5%	10	2	4	66.7%
Maldives	0.02	0.00	0.00	280.6%	4	0	1	266.7%
Pakistan	1,340.02	543.61	451.33	-17.0%	357,212	149,475	136,983	-8.4%
Paraguay	1.38	0.46	0.25	-45.6%	115	43	20	-52.7%
Peru	30.50	13.63	14.72	8.0%	5,010	2,303	2,980	29.4%
Sri Lanka	24.52	8.77	12.44	41.8%	35,364	13,826	18,512	33.9%
Thailand	262.41	110.29	116.31	5.5%	75,240	32,664	45,307	38.7%
Uruguay	48.17	23.31	19.63	-15.8%	10,422	5,006	4,682	-6.5%
Vietnam	93.98	40.93	36.80	-10.1%	32,924	14,322	11,699	-18.3%
Preferential:								
Bulgaria	171.69	70.90	78.88	11.3%	33,036	13,608	15,513	14.0%
Morocco	121.42	53.63	53.77	0.3%	19,730	8,437	9,191	8.9%
Romania	340.39	133.44	138.28	3.6%	61,856	24,384	24,757	1.5%
Tunisia	230.70	102.98	100.64	-2.3%	51,790	23,437	23,793	1.5%
Turkey	2,462.33	1,026.69	1,047.20	2.0%	559,206	231,811	236,270	1.9%
Others:								
Chinese Taipei	366.08	156.82	161.31	2.9%	150,446	65,170	91,439	40.3%
Lesotho	-	-	0.00		-	-	-	
Madagascar	10.58	3.13	3.59	14.9%	7,536	1,987	2,308	16.1%
Malaysia	102.18	42.96	46.96	9.3%	48,392	20,262	23,966	18.3%
Mauritius	5.59	2.08	1.96	-5.9%	4,241	1,932	1,168	-39.6%
Norway	64.09	25.14	30.16	20.0%	11,242	4,631	4,648	0.4%
Philippines	39.90	21.23	11.72	-44.8%	19,198	9,251	5,927	-35.9%
South Africa	139.09	62.01	54.93	-11.4%	32,975	14,872	12,249	-17.6%
United States	823.88	346.41	347.91	0.4%	347,364	74,518	187,495	151.6%
Cambodia	0.57	0.17	0.31	84.8%	5	2	2	42.4%
Laos	0.06	0.05	0.02	-69.9%	0	0	0	-25.9%
Nepal	47.96	19.38	16.25	-16.1%	218	90	75	-16.8%

Notes to tables: EU15 textiles and clothing imports

On product coverage:

- 1 Textiles and clothing refer to products covered by HS Section XI (HS Chapters 50 through 63) excluding agricultural textile raw materials classified under HS 5001 - 03, 5101 - 03, 5201 - 03 and 5301 - 02.
- 2 Clothing are those covered by HS Chapters 61 and 62.
- 3 Textiles refer to products covered by HS Chapters 50 through 60 plus 63, but excluding agricultural textile raw materials under HS 5001 - 03, 5101 - 03, 5201 - 03 and 5301 - 02.

Notes:

- 4 Data for 2004 here are updated though these may not yet be final.

Source: Eurostat Online.