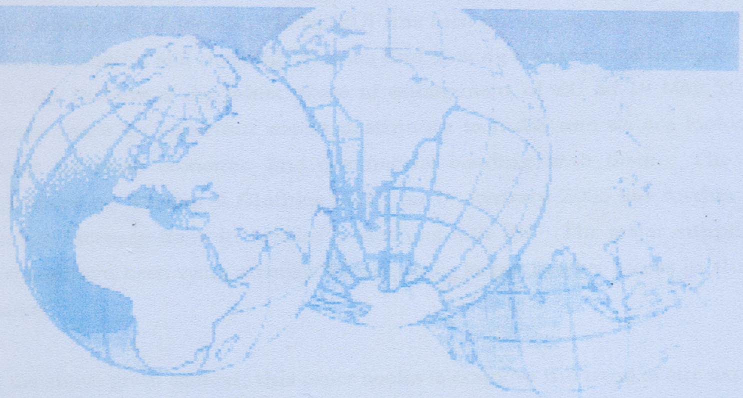
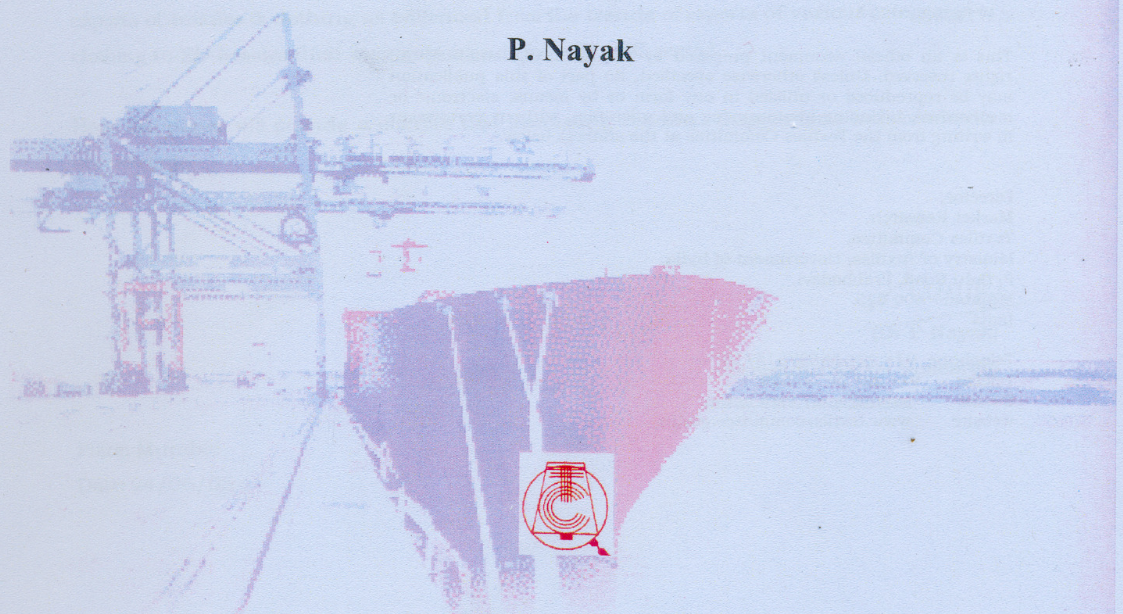
Occasional Paper No-3

Does India gain from the enlarged EU market?

Evidences from post MFA/ATC clothing market performances





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Preface

Traditionally, the European Union (EU) has been an export destination for India and more so for the textiles and clothing. Textiles and clothing has featured in top ten export items to EU. On the eve of the latest phase of enlargement of EU on 1st May 2004, it has since become more an important export destination to India and we are looking forward for a deeper political, economic and commercial bonding with them. The phasing out of Agreement on Textiles & Clothing (ATC) on 1st January 2005 has further emphasized the need to increase trade in textiles & clothing with EU. The major suppliers of textiles & clothing have been vying strongly for acquiring larger market access in the EU's combined market.

In the above given context, this paper seeks to examine the trend of our exports of textiles & clothing in the post MFA/ATC period. While doing so, a brief trade relationship analysis of EU with other countries with the world and the EU's response to ATC have been briefly evaluated. It also attempts to examine the effects of phasing out of MFA/ATC on Indian exports of textiles & clothing as evidenced from the trends of exports of various categories of clothing to EU besides their aggregate trends in post ATC period.

Hope the paper will provide a discrete but interesting reading. Suggestions and comments are welcome.

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Date: 24/06/05 Director (Market Research)

Does India gain from the enlarged EU market? Evidences from post MFA/ATC clothing market performances

Trade in Textiles has been regulated since 1960 and since January 1, 1974 through the multi fibre agreement (MFA). A short-term arrangement (STA) in cotton textile trade was reached in 1961 under General Agreement on Tariffs & Trade (GATT). Subsequent to this, a long-term arrangement (LTA) in international trade in cotton textiles was concluded in 1963 by imposing 5 percent limit on imports of cotton products from the developing countries. The MFA exempted textiles and clothing from GATT disciplines, allowing industrial countries to place bilateral quotas and import of various textiles and garment product categories. This quota system was directed to protect the market of the industrial countries so as to allow them to restructure and adapt to competition from cheaper imports from developing countries. During the Uruguay round of trade negotiations, it was agreed that MFA would be phased out through the implementation of the agreement of textiles and clothing (ATC). On January 1, 2005, the market opened up fully through complete integration process of ATC, paving the way to unrestricted global trade in textiles and clothing.

World's export – import trends:

The world trade in textiles and clothing amounted to US $385 billion in 2003 of which textiles accounted for US $166 billion (43%) and remaining US $219 billion (57%) for clothing. Developed countries accounted for little over of 1/3rd of world exports in textiles and clothing. The shares of developed countries in textiles and clothing have been estimated at US $79 billion and US $61 billion respectively. During the ATC transition period, the share of global textile exports increased whereas the share in global exports of clothing remained stagnant. The leading exporters of textiles during 2003 are the European union (EU), China, United States, Republic of Korea, India, and Japan etc., while the leading exporters of clothing are European Union, China, Turkey, Mexico India, United States, Bangladesh and Indonesia (Table 1 & Table 2).

Table No.1

Leading Exporters of Textiles 2003

Sr. No	Exporters	Value 2003 US $bn	Share in World Exports			
			1980	1990	2000	2003
1	European Union	58.94	49.4	48.7	34.3	34.8
2	China	26.90	4.6	6.9	10.5	15.9
3	United States	10.92	6.8	4.8	7.1	6.4
4	Republic of Korea	10.12	4.0	5.8	8.2	6.0
5	Taipei, Chinese	9.32	3.2	5.9	7.7	5.5
6	India	6.51	2.4	2.1	3.9	3.8
7	Japan	6.43	9.3	5.6	4.5	3.8
8	Pakistan	5.81	1.6	2.6	2.9	3.4
9	Turkey	5.24	0.6	1.4	2.4	3.1
10	Indonesia	2.92	0.1	1.2	2.3	1.7

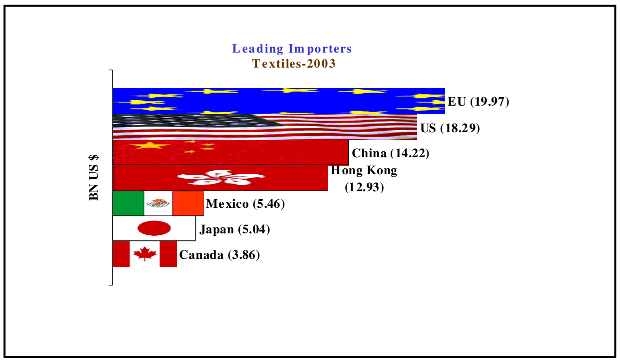
Source: WTO

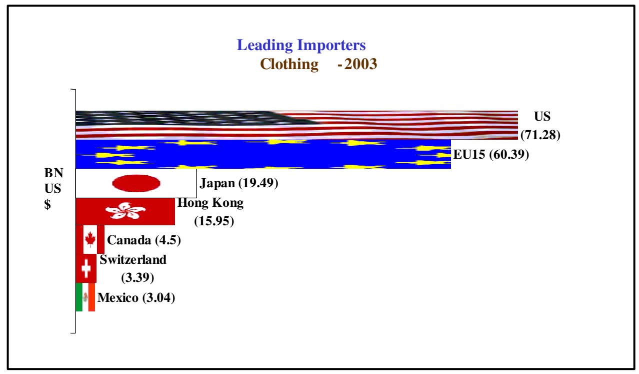
Table No.2
Leading Exporters of Clothing 2003

Sr. No	Exporters	Value 2003 US $ bn	Share in World Exports			
			1980	1990	2000	2003
1	European Union	59.95	42.0	37.7	24.1	26.5
2	China	52.06	4.0	8.9	18.3	23.0
3	Turkey	9.94	0.3	3.1	3.3	4.4
4	Mexico	7.34	0.0	0.5	4.4	3.2
5	India	6.46	1.7	2.3	3.1	2.9
6	United States	5.54	3.1	2.4	4.4	2.5
7	Bangladesh	4.36	0.0	0.6	2.1	1.9
8	Indonesia	4.11	0.2	1.5	2.4	1.8
9	Romania	4.07	--	0.3	1.2	1.8
10	Thailand	3.62	0.7	2.6	1.9	1.6

Source: WTO

The leading importers of textiles in 2003 are





EU (US $19.97 bn), US (US $18.29bn), China (US $14.22bn), Hong Kong (US $12.93bn), Mexico (US $5.46bn), Japan (US $5.04bn) and Canada (US $3.86bn) while the major clothing markets are US (US $71.28bn), EU (15) (US $60.39bn), Japan (US $19.49bn), Hong Kong (US $15.95bn), Canada (US $4.5bn), Switzerland (US $3.39bn) and Mexico (US $3.04bn).

Western Europe has registered a decline in shares of both textiles and clothing exports during the ATC transition period and the Asia's share of exports to the world in textiles has seen an increase rather than clothing. The decline in the share of developed countries was mainly attributed to the sharp decline in the share of EU in both textiles and clothing exports. The share of Asia's in the world textile exports grows from 42 percent in 1995 to 44.3 percent during 2003, while its share in clothing exports remained stagnant around 44 percent. On the other hand, North American textile exports have risen from 5.7 percent in 1995 to 7.8 percent in 2003, while clothing exports declined to 3.3 percent from the level of 4.8 percent. Developing countries share in textile exports has increased from 17.3 percent in 1980 to 41.9 percent in 2003, while in clothing; it has increased from 16.4 percent to almost 46.1 percent during the same

Table No.3
Textiles & Clothing Exports by Region

Sr. No	Region	Textiles		Clothing	
		1995	2003	1995	2003
1	Asia	42.6	44.3	44.4	44.7
2	Western Europe	44.5	39.3	36.0	32.1
3	North America	5.7	7.8	4.8	3.3

Source: International Trade Statistics, 2004 WTO period. China has significantly increased its share of textile exports from 4.6 percent in1980 to 15.9 percent in 2003 and clothing from 4 percent to 23 percent during the same period.

Export Trends of Indian Textiles & Clothing:

So far as Indian exports of textiles and clothing are concerned, the share of textiles trade has increased to 3.8 percent in 2003 from a level of 2.4 percent in 1980. While in case of clothing, the share of 1.7 percent has gone up to around 2.9 percent during 2003. The India's traditional markets are US, EU, Canada and Japan. So far as the textile export is concerned, India ranks 3rd in EU market taking share of 9.45 percent while ranks 5th in US market with a share of 8.35 percent. India also ranks 4th in market of Canada with a share 8.35 percent while its strength in Japan is at 7th with a market share of 3.49 percent. In case of clothing trade, India ranks 7th in US market with a market share of 3.24 percent while it ranks at 6th position in EU market with a share of 4.99 percent, The Canada market gives India 3rd rank with a share of 6.75 percent.

Table – 4
Indian textile and clothing exports – 2003-04

Country	Million US$	% Share
EU (15)	3857.6	28.5
US	2931.8	21.7
UAE	1121.1	8.3
Canada	350.5	2.6
Saudi Arabia	320.7	2.4
Rest	4934.0	36.5

Source: Foreign Trade Statistics of India

The total exports of textiles and clothing from India during 2003-04 shows erstwhile EU (15) is the top ally in textiles and clothing, and has a trade size of US $3.86 billion (28.5%) while the trade with US is estimated at US $2.93 billion (21.7%). The trade with UAE is US $1.12billion (8.3%), Canada US $0.35 billion (2.6%); Saudi Arabia US $0.32 billion (2.4%) and rest trade of around 36.5 percent is carried out with the rest of the world.

So far as the clothing export is concerned, EU (15) remained the largest market for India having an export share of over 38 per cent while more than 26 per cent of exports was directed to US. The UAE, Canada and Russia are the other clothing export destinations with export shares of 9.8 percent, 3.9 percent and 3.3 percent respectively. Only 19 percent of the trade is carried out with the rest of the world.

Enlargement of EU:

The European Union (EU) has undergone a historic enlargement on 1st May 2004 with inclusion of 10 new member countries from central Europe i.e. Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary and Slovenia, and the Mediterranean island states of Cyprus and Malta. The history of the European integration came way back in 1951 with the creation of the European Coal and Steel community consisting of Germany, France, Italy, the Netherlands, Belgium and Luxembourg. The next expansion happened in 1973 when Britain, Ireland and Denmark joined the community. Greece, Spain and Portugal followed in the 1980s. In 1995, Sweden, Austria and Finland joined what came to be called the EU. EU has presently emerged as the largest regional trading block in the world with strong economic and political powers. Bulgaria, Romania and Turkey are expected to join EU in this decade [1]. The entry of acceding countries into

EU is subject to their satisfying the Copenhagen criteria [2] as agreed upon by the countries in 1993 Copenhagen summit, which calls for fulfilling the political, economic and legal accession criteria into the EU.

The present enlarged EU has increased its size of population from 379 million to over 455 million. In terms of population, the EU is the third largest consumer markets after China and India. The Maastricht treaty [3] of 1992 brought out uniform European currency (Euro) that replaced all the separate currencies in January 2002. As per the new currency system, the enlarged EU during 2002 will have a GDP of around 9,712 billion euros, which will account for some 18 per cent of the world trade becoming the largest economies in the world, after United States, which has a GDP of 11,003 billion euros. Further EU has 26 per cent of inbound foreign direct investment (FDI) and 46 per cent of the total outbound investments. Therefore, EU represents a unique single market in Europe and the related opportunities for exporting companies in developing countries.

The accession principle in EU provides a single set of trade rules including Common Customs Tariff (CCT) and single administrative procedures. The average weighted industrial tariffs of the acceding countries in general are higher than EU (15) average of 3.6 percent. In view of the enlarged market in terms of the population, common currency, a uniform trade rules and administrative procedures etc. makes the EU an attractive export destination by the developing countries. Since, the Asian countries like India, China, Pakistan, Indonesia, Thailand, Korea, etc are the major suppliers of textiles and clothing to the EU market and the textile industry of these countries are well grown besides contributing largely to the share in their manufacturing, each one of them will be vying strongly to achieve a larger market access of EU.

Objectives:

Clothing offers a more value added market and the competition in the world market is becoming intense in the sector. Since more than 38 percent of the clothing trade of India is carried out with EU, it is important to study how India will perform in the quota free enlarged EU market. The paper therefore, seeks to reason out the post quota performance of India from an imagery of post MFA/ATC performance of clothing exports.

The paper has been discussed in six sections. The following section brings out the EU action in response to ATC. Section-III examines trade relations of EU and regional trade blocks and Section-IV deals with the position of competing countries in EU while Section –V discusses the performance of India in EU market and finally; Section –VI concludes the likely performance of India in the enlarged and globalised EU market.

Section II
EU response to ATC

For many years' quota restrictions were the most important form of Non-Tariff Barriers (NTBs) on textiles and clothing. Since 1995, the Multi-Fibre Agreement (MFA) has been superseded by the Agreement on Textiles and Clothing (ATC). The ATC called for import restrictions on textile and clothing to be lifted in four distinct phases spanning over a period of 10 years. The first phase of integration of 16 percent of developed countries market was carried out on 1.1.1995 as per the import volume of their market (developed countries) existed during 1990. The second phase of integration was carried out in 1.1.1998 by opening up 17 percent of the developed countries market as per the same base year of 1990. The developed countries further opened up the market to an extent of 18 percent to the import volume of 1990 to the developing countries on 1.1.2002 as a third phase of integration. The remaining 49 percent of the market integrated fully on dawn of 2005.

The ATC has not resulted in significant liberalisation for developing countries' exports until 2005, as integration was heavily back-loaded [4]. Since importing countries have discretion over the product mix of each tranche, items of greater commercial significance were subjected to higher protection such as clothing; which are delayed as long as possible (cotton apparels for instance). Out of the total number of quotas as on 1st January 1995, EU eliminated none (zero) during the first stage. During the first three stages together, EU removed only 52 out of 219 quotas respectively, which constitutes about 24 percent of EU market share of textiles and clothing. None of the ten products [5] selected by the EU in the first stage of integration had previously been subject to EU quantitative restrictions, and a number of the product groups listed as fully integrated were in fact only partially derestricted. As a result, although the tranche fulfilled the ATC target (set at 16% of the volume of imports of 1990), its share by value of EU imports was only half this level (8.7% of total and 7.8% of developing countries' originating imports). The EU made more progress in the second stage, when clothing items such as work wear, skirts, suits and woven gloves were re-integrated. On one estimate, 67% of the EU's ATC imports from developing countries remain to be re-integrated [Baughman et al, 1997]. The way in which integration targets have been met thus runs contrary to the letter and spirit of ATC. The EU and the USA included in their integration schedules a large number of non-textile and non-clothing products that happened to contain textile components, such as umbrellas, car seat belts and parachutes. Such items accounted for a full 58% of the EU's first-stage integration schedule, but were less in evidence in the second and third stage.

The World Trade Organisation (WTO) has contained provisions for bilateral, regional and preferential trading arrangements for the countries. The EU has preferential trading arrangements with many countries as per the provisions contained in Article XXIV of General Agreement on

Tariffs and Trade (GATT). Further, many of the countries within EU manufacture textiles and clothing. Therefore, the EU applied extra precaution while phasing out of quotas so as to protect their domestic industry and the market, while importing from extra EU countries. As a support to the EU weaving industry, EU extended duty-free garment import to a country, if the garments are manufactured from the fabrics produced in EU. This treatment has been granted to Turkey, several Central and East European Countries (CEECs), North African countries (like Morocco and Tunisia), least-developed African Caribbean and Pacific (ACP) countries (signatories to the Cotonou agreement) [6], Bangladesh and several Latin American countries. Since1998, quotas have been phased out for CEECs. In spite of the differential situations prevalent in the EU market, some of the countries (Brazil, for example) who have been provided quota are not able to supply to the level fixed for them and therefore even if the quotas were phased out, the countries in this category are unlikely to benefit from the globalised market. Some authors have established that an unutilised quota has little effect on countries' ability to export because it would have continued to export to the quota limit in any case (Nathan Associates, 2002). On the other hand, the Asian suppliers like India and China has shown excellent performances in their quota utilisation, in many cases exceeded 100 percent [7].

The EU differentiated the restrained countries into two categories as preferred group of restrained countries i.e. Least Developed Countries (LDCs), New Industrialising Countries (NICs) and Small Suppliers [8] and non-preferred [9] group of restrained countries i.e. India, China, Pakistan, Sri Lanka and others. The restraint was applied through differential export tax equivalent (ETE) [10]. On the basis of application of restraint, the countries were grouped as follows.

Group –I: Countries seriously held back, almost across the board, by quota today	China, Hong Kong, India, Indonesia, North Korea, Pakistan, Vietnam
Group –II: Countries held back in a few categories	Belarus, Macao, Malaysia, Philippines, Serbia, South Korea, Thailand

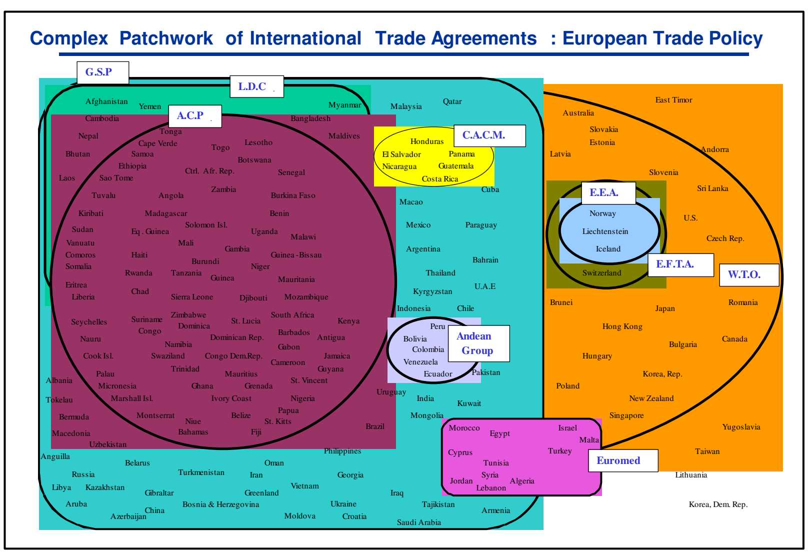
Since quota has been completely phased out now, the effect of the open market on these groups of countries needs examination.

Section III
EU trade relations

Regional integration has been an essential component of EU's trade, economic and political policies. The number of Regional Trade Agreements (RTAs), in which EU as a party has risen considerably in the past decade. EU has been extending tariff concessions to the manufactured items of developing countries under the GSP [11] since 1971. The GSP is a key instrument to help developing countries to reduce poverty by generating revenue through international trade. In 2002, the volume of trade from developing countries covered by the EU-administered GSP amounted to 53 billion euros, accounting for 5.6 per cent of the community imports, representing more than all other developed countries' share taken together. India's GSP utilization rate, among beneficiary countries is 11.5 percent of the total volume of EU GSP imports, second only to China (33.1 per cent) and Indonesia in third (4.8 per cent), which were the main exporters to the EU in 2002. Bangladesh (3.6 per cent) ranked eighth as the first representative of the beneficiaries of the Everything But Arms (EBA) [12] initiative.

The recent EU-Free Trade Agreement demonstrates a steady transformation of their scope and level of ambition of trade and investment liberalisation. From the EU viewpoint, Free Trade Areas are instruments of developments. In Europe, trade agreements are part of broader political agenda, which aims at creating a large prosperous and stable democratic area. Co-operation is not limited to trade but a political and economic stability of EU with their partner countries.

The EU entered into association/ co-operation agreements in 1995 with 12 Mediterranean countries which provides duty free access to EU markets for the industrial products and tariff concession for certain agricultural products. Turkey and Cyprus has formed customs union with EU, the objective is to establish a free trade area between the EU and the Mediterranean countries by 2010. Under Lome convention in 1999, EU provides free entry to 99.5 percent of items originating in 70 countries of the African, Caribbean and Pacific (ACP) countries in its markets. 14 Latin American countries have specific regional and trade co-operation agreements with the EU.



Though the EU market has increased on account of accession, the extent of market access available for the third country exporters needs to be examined. Information suggests during 2002 61 percent of EU trade was in the form of intra-regional trade (Nataraj and Sahoo, 2004) and has increased further on account of accession of the ten new countries who have comparative advantage of textiles and clothing manufacturing as compared to the old EU members besides being the low labour cost economies [13]. The main concern of garment industry is that of the low cost producers in Central and Eastern Europe (CEECs) will increasingly service the big markets of Germany, France, Italy and the UK, under the Outward Processing Trade (OPT) programme [14] while Indian suppliers will have to grapple with the custom duties and procedures. In 1996, 68 per cent of EU exports to the candidate countries of CEECs were OPT, as well as 71 per cent of EU import from the CEECs. Clothing manufacturers in the high-cost "old" Europe have been taking advantage of this situation through outward processing, for example, supplying fabrics to these countries (like Tunisia & Morocco) to be made up into garments.

The textile and clothing have traditionally been a major sector in the manufacturing industry of the ten acceding countries to EU. The relative importance of the sector in total manufacturing, in some cases like Poland is 4.4 per cent, Slovakia 5.5 per cent, Slovenia 9 per cent, Estonia & Latvia 11 per cent and Lithuania 14 per cent are well above the EU average of 4.2 per cent. All the 10 new members of EU are members to the WTO abide by this ATC and adopted the EU's trade policy for textiles and clothing. The share of exports in the total merchandise of the countries is also high, for example, Poland is over 9 percent, all other countries expect Estonia have more than 3 percent against world average of 3.1 percent.(Table C-14). The candidate countries as a part of EU now have access to the modern production techniques available in the EU. Besides accepting the EU accession criteria, as far as the textiles and clothing industry is concerned, there are two more priorities in the preparation for accession: capacity to cope with competitive pressure and market forces; and approximation of legislation with the acquis communautaire [15]. These factors provide a better and much wider scope for the acceded countries to manufacture and market their products in the global as well as EU market.

The Indian exporters may face strict NTBs, from the 10 new members as applied by the EU15 members, which include azo dyes certification and quality standards for textiles and leather industry. This means that the EU is now open only to a few certified exporters, who are said to have reached the required standards. Indian companies should re-position themselves, especially in CEECs, keeping in mind that EU standards are often higher than the global standards and the EU (25) will also have the same standards.

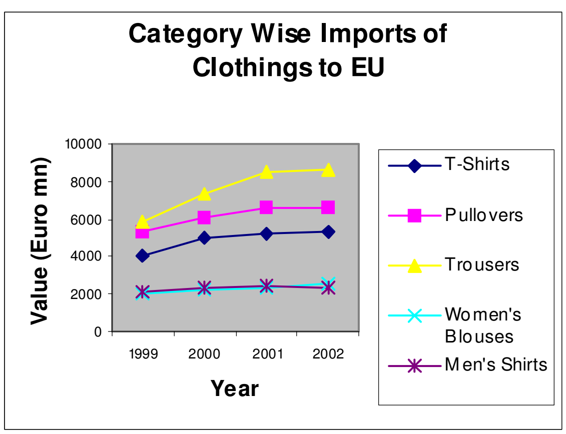
Over the past few years, India's textile exports to the European Union have been facing anti-dumping investigations from the European Commission (EC). Eleven anti-dumping cases in textiles and clothing initiated against Indian export to EU include the famous anti-dumping action against cotton fabrics (cat. 2), synthetic fabrics (cat.3) and bed linen (cat.20) [16]. In recent times, 3 textile product categories, i.e. (i) Unbleached Cotton Fabrics (UCF) (ii) Cotton Type Bed-linen and (iii) Polyester Texturised Filament Yarn (PTFY) originating from India have been subjected to anti-dumping action by the EC in spite of the fact that the European Union had imposed quantitative restrictions on many textile and clothing products under the Indo-EU bilateral textile agreement. The globalised EU market may be tendentiously protected to a certain extent through application of anti-dumping duty effectively besides invocation of new NTBs; the later could be a stricter barrier to the exporting countries.

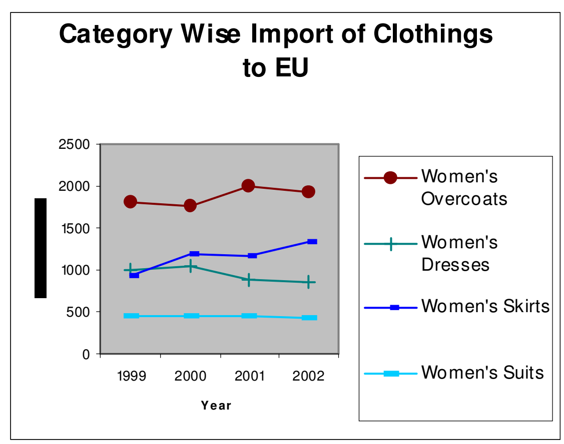
Section IV
Competing Countries in Clothing Trade with EU

EU overtook US the world's largest market for textiles and clothing in 2003. The share of textiles and clothing in EU's total textile and clothing imports stood at 34 percent and 36 percent respectively. The intra-EU trade accounted for about 40 percent of the total clothing imports and 62 percent of the EU total textile imports in 2003.

The home market demands of EU (15) for various items have been observed to be highly differential. However, the top ten products control a market share of 48.12 percent of the total market. As seen in the figures, the top demanded products are T-shirts, Pullovers, Trousers, women's blouses, men's shirts, women's overcoats, women's dresses, women's skirts and women's suits. Trousers, pullovers and T-shirts are the hottest items of the EU market. Women's blouses, Men's shirts and women's overcoats are the next demanded category.

Textile & Clothing Imports of EU





Top 10 Clothing Suppliers to EU

The total clothing import (in nominal dollar terms) from external suppliers grew by about 2.5 percent annually during 1995-2002. Also there reflects a shift from intra-EU trade to lower cost external suppliers and the intra-EU trade declined from about 36 percent of the total in the same period. (Norad,H.K; 2004). China has been the largest supplier and its market share has been steadily increasing. Turkey has advanced to the second position following the custom union between EU and Turkey, but its market share has increased slowly from 11.05 in 1995 to 13.79 in 2003.

Table 5. EU Market Share of Various Countries

Sr. No	Countries	EU clothing share (%)	
		1995	2003
1	China	13.77	20.47
2	Turkey	11.05	13.79
3	Hong Kong	8.34	3.88
4	India	6.40	4.99
5	Tunisia	5.60	5.11
6	Poland	5.23	2.79
7	Morocco	5.30	4.66
8	Romania	3.16	6.89
9	Indonesia	3.02	2.52
10	Bangladesh	3.13	5.72
11	Others	35.00	29.18
		100.00	100.00

Source: Norad, H.K, 2004; Comtrade database

The countries and territories in the 10 largest exporters have not changed much but the rankings according to the market share has changed, notably, Romania has been able to increase the market share to more than double the size of 1995. China has been able to acquire a larger market access from a share of 13.77 percent in 1995 to 20.47 percent in 2003. It is also noticeable that countries and territories located close to the EU have high share of total imports being sourced from these major markets. This is not a case for the Asian exporters on the list, who mostly source their inputs from within Asia.

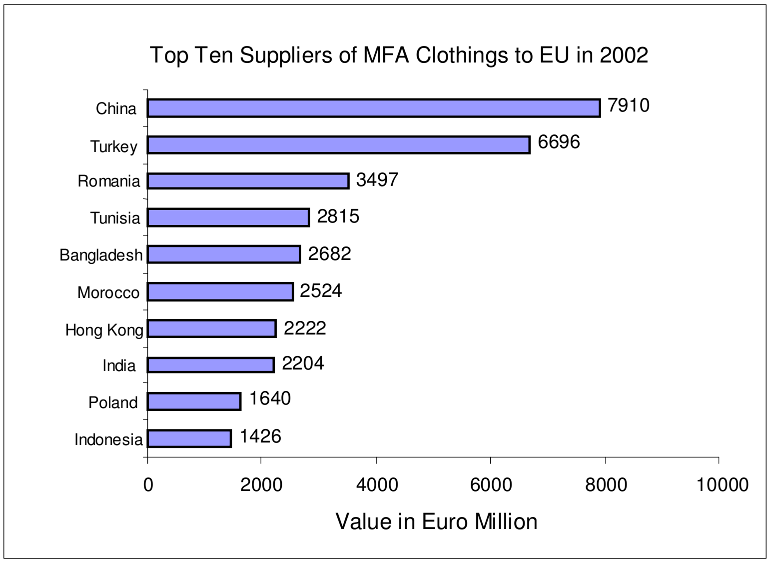
Table 6. Ranks and RCAs of countries in EU Market – 2003

Sr. No	Country	Textiles		Clothing	
		Rank	RCA	Rank	RCA
1	India	6	4.52	34	3.39
2	Bangladesh	11	2.56	4	22.95
3	China	12	2.43	31	3.65
4	Honduras	72	0.49	57	1.53
5	Cambodia	NA	NA	2	25.6
6	Hong Kong	13	2.38	36	3.23
7	Indonesia	19	1.97	48	2.01
8	Korea	18	1.97	33	3.46
9	Malaysia	80	0.41	80	0.62
10	Morocco	NA	NA	15	9.82
11	Pakistan	1	19.17	20	7.80
12	Poland	44	0.85	47	0.74
13	Romania	43	0.85	22	6.77
14	Tunisia	30	1.34	11	13.59
15	Turkey	5	4.62	24	6.58

Source: ITC 2002; calculation based on Comtrade of UNSD

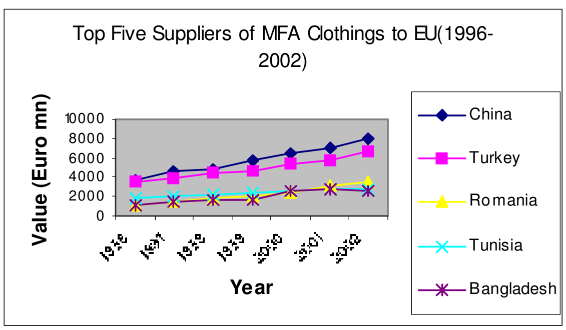
The top ten suppliers of clothing together accounted for 70.82 percent of the total value of EU clothing imports in 2003. Countries dominating in MFA supplies of clothing to the EU market are from three major regions i.e., Asian (China, Bangladesh, Hong Kong, India & Indonesia), Mediterranean (Turkey, Tunisia and Morocco) and East European (Romania and Poland). The performance of the top 10 suppliers over the period has also undergone changes. The top five suppliers' performance in value of imports has been significantly remarkable (see fig.). China, Turkey, Romania, Tunisia, Bangladesh are fastest growing suppliers. The performances of countries like Morocco, India are moderate, while Hong Kong, Poland and Indonesia are loosing their holds in the EU market.

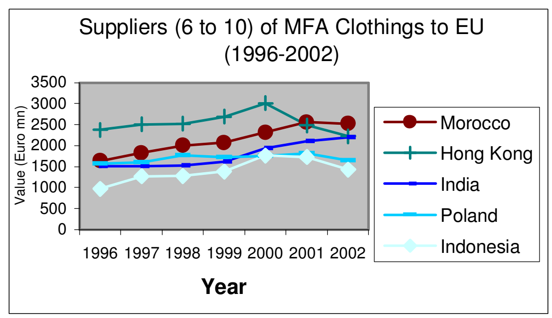
The EU clothing market is largely restricted by quota from the major suppliers. EU applied import quotas against (one or more) products from 23 suppliers either under ATC (against 14 countries), or under bilateral agreements with non-WTO members (9 countries including Vietnam, China and Taiwan). Nevertheless, in spite of quota regime, about 70 percent of the total EU imports (in value terms) were imported without any quantitative restrictions. Moreover, many third



world countries enjoy tariff free access to the EU market (or access at reduced tariff rates), either under various preferential trade arrangements/ agreements (e.g. with CEECs, the Mediterranean countries, the countries belonging to European Economic Area, the ACP countries etc), or under the GSP, (which provides zero tariff for least developed countries, and 20 percent tariff concessions for the remaining countries covered by that regime). As a result, in 1999 almost 50% of EU imports were exempted from uniform duties compared to 28 percent in 1995 [Stengg, 2001].

Trend of Top Ten Suppliers of MFA clothing's to EU (1996-2002)





China today is the largest manufacturer and supplier of textiles and clothing in the world and though restricted by quota was able to supply the most of clothing to EU along-with Turkey. China's rapid economic development in the past twenty years has had a significant impact upon EU-China trade and economic relations. Total trade (two-way) has increased more than forty fold since reforms began in China in 1978 and was worth Euro135 billion in 2003. China is now the EUs second largest non-European trading partner after US and EU is China's second largest export markets, a substantial export composition consists of textiles and clothing.

Results suggest that Turkey compared to China, has a comparative advantage in textiles and clothing in both EU and USA markets (Altay and Gacaner, 2003). Besides, there exist two basic dimensions of the European Union and Turkey relationships (Utkulu and Seymen, 2004; Utkulu et al. 2004). Turkey is a member of EU's current Customs Union which has a great deal of trade acceleration and diversification especially after 1956 and have strong economic relations between the parties since 1950's, but were intensified over recent decades. Utkulu and Seymen 2004 reports that the long-standing preferences between Turkey and EU have resulted in the EU being not only the most important market for Turkey (51.7 percent of Turkey's exports in 2003) but also one of the main sources for imported goods (45.7 percent of Turkey's imports in 2003). The customs Union (CU) between Turkey and the EU went far beyond a basic custom union with free international trade and common external tariffs, and also has given rise to a new liberalization process in Turkey.

Like Turkey, Romania is a candidate country for accession to EU in 2007 and has an industry structure that of Turkey. Utkulu and Seymen (2004) hold that Romania shows a differentiated trade structure from the EU, rather chances a similar trade structure to Turkey and Poland. The EU manufacturers prefer outsourcing from their own members or the accession candidate countries (in particular Romania and Poland, Poland since been acceded) and countries in the Mediterranean Rim such as Tunisia or Morocco over some Asian countries (for example Vietnam and China, who have lower wage rates) with even high wage rates due to their geographical proximity and better quality standards. The medium cost, medium distance countries, which have strong trade relations with EU, are Turkey, Romania and Bulgaria. The geographical proximity and better quality standards of the above trading partners eventually provide a better scope to the EU companies to respond quickly to the changing market demand and they can more easily control over the management and quality of outsourced operation.

The EU-Tunisia and EU-Morocco import and export trade data 1988-2002 indicate exactly similar trade patterns. EU exports of textiles to Tunisia are about 1600 million euros and to Morocco about 1400 million euro. These countries have negligible exports of textiles to EU. But the import of clothing by EU from these countries is to the tune of 3000 million euros and 2700 million euros respectively. The reason of such a trend is obviously for the reason of OPT of the EU. Tunisia and Morocco imports textiles, mostly fibre, yarn and fabrics from EU as raw material, convert the yarn into fabric and fabric into apparels and export to EU. Similar is the case with Poland, which has since been acceded to EU during May 2004 (see Annex 2).

Besides the above countries, the countries that compete strongly in the EU market are India, Bangladesh, Indonesia, and Pakistan. All these countries specialize in low priced, high volume, fashionable and standard type of products of fair quality; mostly manufactured according to the buyers' specifications. The strength of the countries depends on small supplies of designed products as per the customers' choice and therefore they have been able to position themselves among the high rankers.

Section-V
India's Clothing performance in EU

India has been a substantial producer of textiles and clothing; and contributes about 14 percent to the manufacturing, 4 percent to GDP and 20 percent to the export earnings. Abundance of raw materials and low wage manpower, design capability are some key competitive factors in favour of the industry and garment production is dominated in the textile and clothing sectors though silk, man-made fibre textiles and clothing are also well grown in the country. Though apparel sector was reserved under the small-scale sector till recently, the sector has been vibrant and capable to produce almost all types of products in the value chain. Currently, apparel exports constitute about 45 percent of total exports, followed by cotton textiles (30%), textiles from man-made fibres (10%) and textiles handicrafts (10%).

India has significant presence in EU market and is one among the top ten suppliers and ranks 8th in the total MFA clothing export to EU. Table C-1 details top 10 clothing imports to EU market during 1999-2002. The top 10 items take a market share of 48.12 percent and trousers (cat-6); pullovers (cat-5) and T-shirts (cat-4) are the top scorers in the clothing import. These three product categories together contribute to about a third of the clothing import. Besides the above three, the other categories which are significant to the MFA exporters to EU are women's blouse (cat-7), men's shirts (cat-8) and other woven clothing such as women's over coat (cat-15), girls and ladies' night dresses (cat-24), women skirts (cat-27) and women's dresses (cat-26)

Though the total import of textiles and clothing is increasing over the years, some of the product categories are showing declining trends while some are indicating steep upward increase. The import of some of the items in clothing sector, on the other hand, are increasing steadily; i.e. the trousers, pullovers, T-shirts, women's skirts, men's shirts. The women's overcoats etc show significant decline in import shares of women's dresses over the five-year period.

We considered the most sensitive categories, which were restrained by quota. Out of top ten categories of import to EU market which took a share of more than 48 percent of EU clothing market, India has been able to remain in the top ten suppliers only for seven categories i.e. position 2 (Cat-8, Cat-26 and Cat-29), Position 3 (Cat – 7, Cat- 24), position 4 (cat-4) and position 6 (cat 27). India has not been able to figure in top ten in cat-5, cat-6 and cat-15.

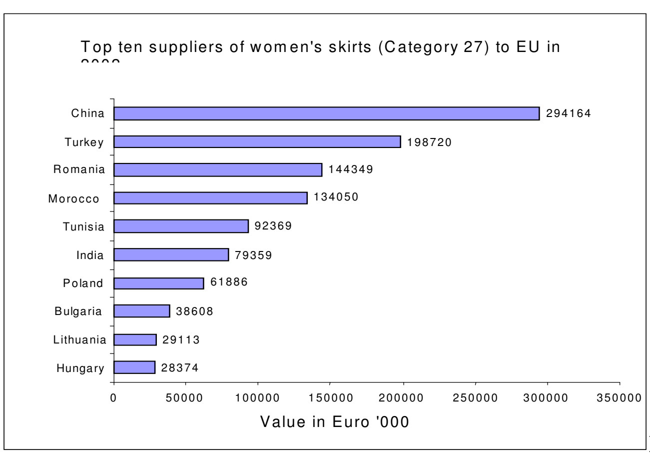
Interestingly the categories in which India did not find a place in the league of top ten suppliers are high value added items such as Jerseys and pullovers, trousers including sports wear and women's and girls over coats. These categories are highly demanded items and control a major market of clothing (at least 55% of top ten products; in value terms). However, the seven categories, where India has significant presence, have been able to consolidate its position in all categories except women's dresses (cat-26).

(i) Items not in top ten MFA imports of EU [Jerseys and Pullovers (cat-5), Trousers (cat-6) and Ladies Jackets and overcoats (cat-15)]

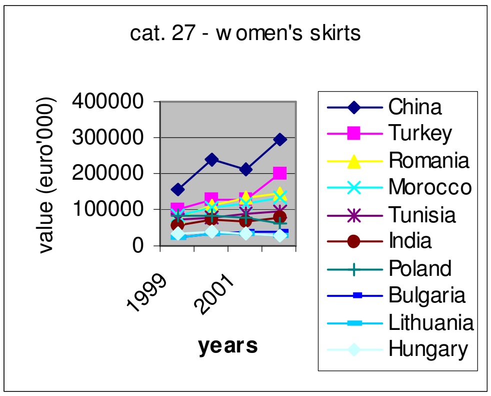
The Indian export basket shows insignificant shares of ladies Jackets and overcoats (Cat-15), but has good shares in Jerseys and Pullovers (cat-5) (10.81%) and trousers (cat-6) (6.86%). Given India's insignificant position in the supply of the above items with total MFA imports of EU but a good share in the export basket of India, (coupled with more than cent percent quota utilisation over the years) indicate that India has larger potential to export to a much larger market of these value added products whose average UVR is estimated at 11.28 euros, the highest being the women's over coats and jackets (Cat-15) – 17.90 euros. The Revealed Comparative Advantage (RCA) [17] of India against the Extra-EU suppliers for the categories end up with Revealed Comparative Disadvantages (RCDs) during 2002 i.e. 0.5 for cat-5, 0.27 for cat-6 and 0.15 for cat-15. The question is then why does not India improve the position? Are we not able to produce the desired quality or are we constrained by raw material supplies or lack of appropriate technology? These questions therefore, require a further probing. The data on the quota utilisation of category-15 (Ladies Jackets and overcoats) does not fare well with an utilisation of 16 to 20 percent. Since quota did not restrain exports, the market share in post quota regime is unlikely to increase and rather possible to shrink.

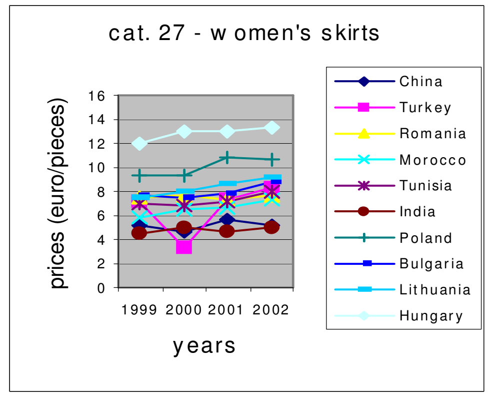
As regards to jerseys and pullovers (cat-5) and trousers and shorts (cat-6), these are severely constrained by quota. But these categories have over utilized the available quota during the last 8 years since 1996. (See table C– 4). Studies reveal that if some categories are constrained by quota and the exporting country is able to achieve the quota levels, their performance will improve in the quota free markets (Nathan Associates, 2002). Given India's design capabilities and availability of raw materials for the above categories, the export share in these two categories will fare well in the post quota regime. Jerseys and pullovers as well as the trousers and shorts have been the most important MFA imports to EU and their import shares during 2002 are 10.1 and 13.2 percent respectively. The average UVR of Jerseys and Pullovers is estimated at 7.62 euros and trousers and shorts around 8.33 euros. The unit values incase of India for cat-5 during 2003 is US $ 3.96 and cat-6 is US $8.9; and India has been in an improving UVR track.

(ii) Low performing categories [Girls and ladies night dresses (cat-24), skirts (cat-27), ladies suits (cat-29)]

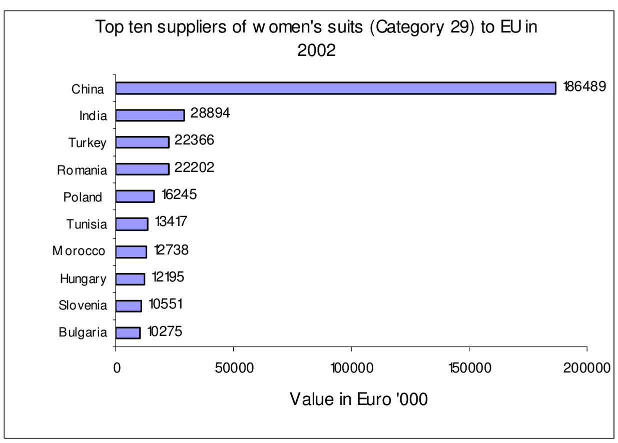


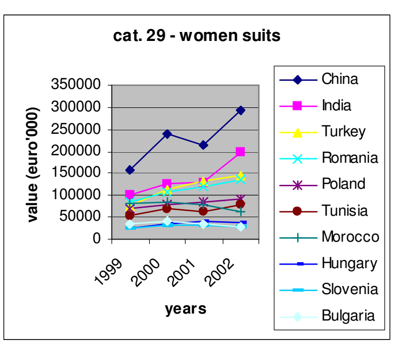
Two categories, which have been integrated in 2002 by EU, are girls and ladies night-dresses (cat-24) and skirts (cat-27). The share of EU MFA imports of these categories is around 4 percent. India's position in these two categories is 3 and 6 respectively. But, India has never been able to reach the quota levels in the past. Further, India has been receiving low unit values of 5.03 euros for cat-27 and is the lowest in the top ten suppliers for this category. Interestingly, the Balassa indices for both the categories are above one implying the competitive advantage is revealed against other extra EU exporters. The countries that have been significant suppliers and ahead of India in cat-24 are China, Turkey, while for cat-27 it is China, Turkey, Romania, Morocco and Tunisia. In terms of UVR, all these countries reap smaller UVR as compared to Hungary, Poland, Lithuania, and Bulgaria etc. In absence of quota, the growth trend of the countries in terms of value and volume show China and Turkey are the most aggressive countries in the market and will benefit from a quota free market.

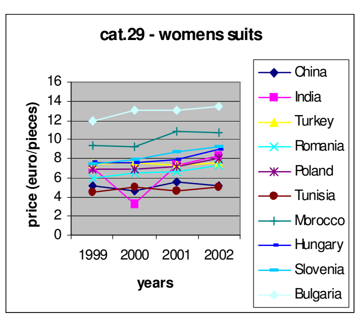


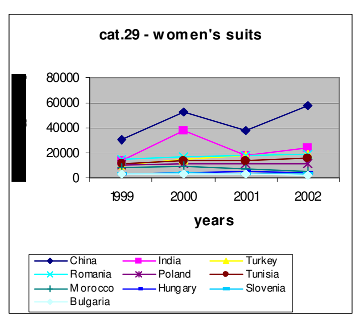


Though India has not been able to fully utilise the quota of cat-29 (ladies suit) (52%), there has been remarkable improvement in its position in the EU market. India's rank of 6th during 1996 has gone upto 2nd during 2002. China is ahead of India in its market share and does a business of 6.5 fold that of India. The product category has a high Balassa index implying quite competitive in the EU market. India has been able to supply cat-29 at a much lower cost (6.15 euros) as compared to the competing countries i.e. China (13.71 euros), Turkey (13.31 euros) and Romania (17.22 euros). The country receiving the highest UVR is Slovenia (99.54 Euros). A low unit value supply does not necessarily indicate our competi







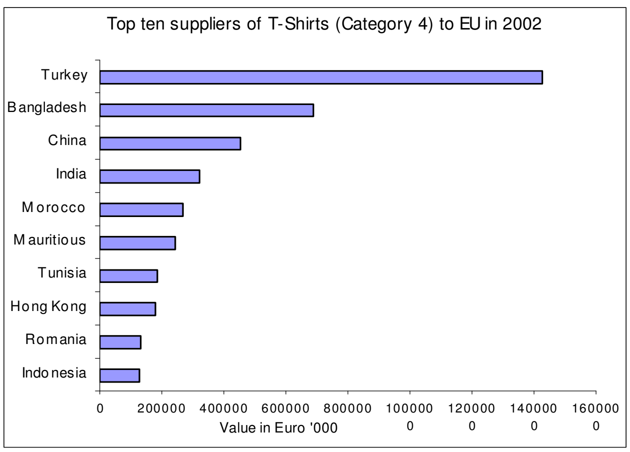


tiveness in the category and, therefore, one needs to examine the consumer segment, which demands Indian product and the quality of product supplied to the market. Studies indicate, Turkey is not able to produce high value added research oriented products (Utkulu and Seymen, 2004), but Turkey has been able to out perform India in UVR needs further investigation.

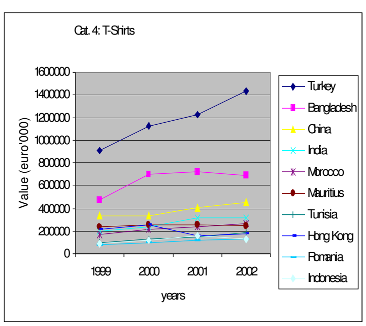
(iii) **<u>High performing categories</u>** [T-shirts, (Cat-4), Men's shirts (Cat-8), Women's blouses (Cat-7) and Women's dresses (Cat-26)]

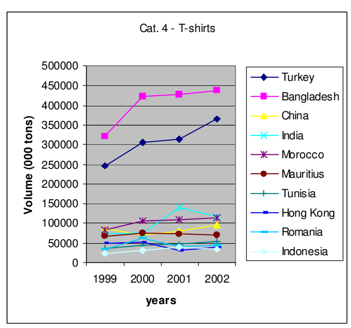
India's' performance has been remarkable in four categories which had been restricted by quota and India has been able to optimize the use of quota levels (see annexure 1).
These four categories are T-Shirts (Cat-4), Ladies blouse (cat-7), Gents shirts (cat-8) and Ladies dresses (cat-26).

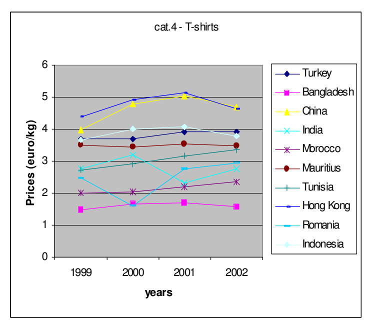
T-shirts



Among the above categories, T-shirts has a larger share in the top 10 categories cornering around 8.2 percent of the total MFA imports of EU. India has a 17.71 percent share in the total exports of India to EU. The category obviously has high RCAs (Table C-6) and has been able to improve the position from six to four between 1999 and 2002. The countries ahead of India are Turkey (35.6%), Bangladesh (17.2%) and China (11.2%). Turkey's business size is as large as 4.5 times of India. The countries that are following closely are Morocco, Mauritius, Tunisia and Hong Kong. But among these countries, Morocco and Tunisia show improvements in their position between 1999 and 2002. Morocco, Tunisia along with Romania



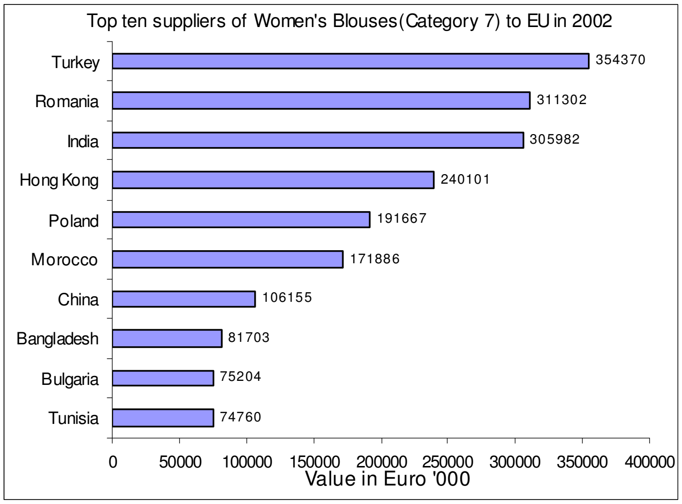


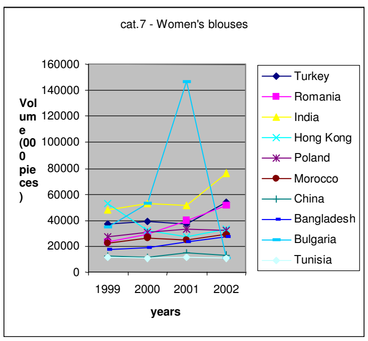


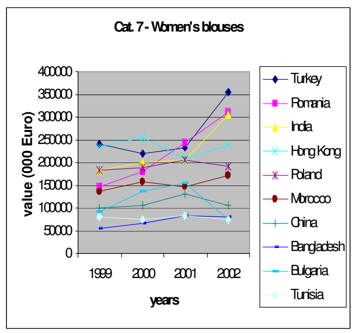
could be the strong contenders to India in this category besides Turkey, Bangladesh and China. The average UVR of the Extra EU imports is estimated at 2.91Euros and the largest UVR is commanded by China, followed by Hong Kong, Turkey and Indonesia. India and Romania are in the range of 2.75 euro to 2.93 euros. The countries that have been able to grow in the UVR are Turkey, Bangladesh, Morocco and Tunisia.

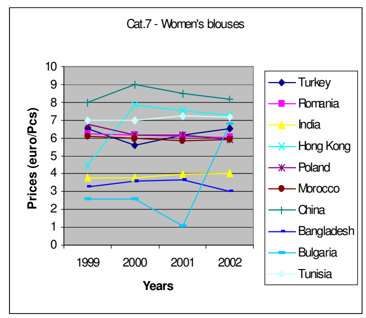
Women blouses

As regard to cat-7, India acquired the position 3 during 2003 from a position of 4 in 1999 and the category indicates over two RCA value during last few years (Table C-6) and therefore, highly competitive and has high comparative advantage. The countries ahead of India are Turkey and Romania. The countries that are closely following are Hong Kong, Poland and Morocco but all of them are loosing their positions. The quota free market therefore will be fiercely fought between India, Turkey, Romania and Bangladesh. Turkey and Romania being in the Customs Union of EU will have advantages to perform better in the EU market as compared to India and others. The average UVR in this category is estimated are 5.67 euros and China's UVR is the highest and Bangladesh's the lowest. The top suppliers Turkey and Romania's UVR range between 6-7 euros and are in the medium categories. India's UVR is one of the lowest (4.03 euros).



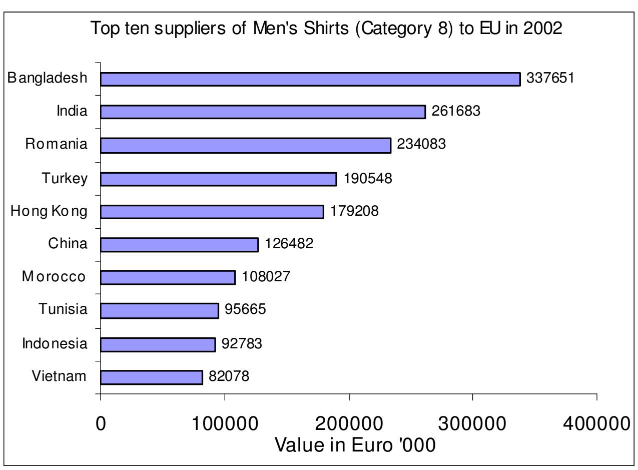




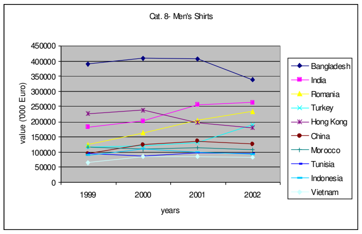


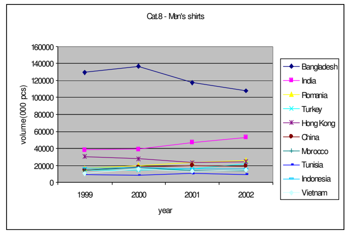
Gent's shirts:

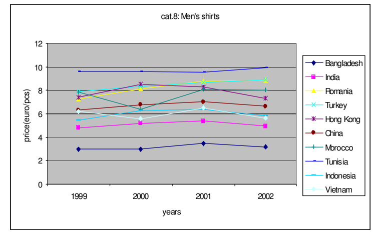
Gents Shirt (Cat-8) has been a category, which India can perform much better in the quota free market. The market has been dominated by Bangladesh, which has been given quota free and duty free access for its status as LDC and also as per the agreements every thing but for arms (EBA) deal with EU. The countries that are following India in 3rd, 4th and 5th positions are Romania, Turkey and Hong Kong respectively. Romania and Turkey have improved their positions during 1999 and 2002 by enjoying the free market; the battle will therefore be fought amongst Bangladesh,



India, Romania, Turkey and China. It is expected that Bangladesh's performance will go down. The UVR for both Romania and Turkey



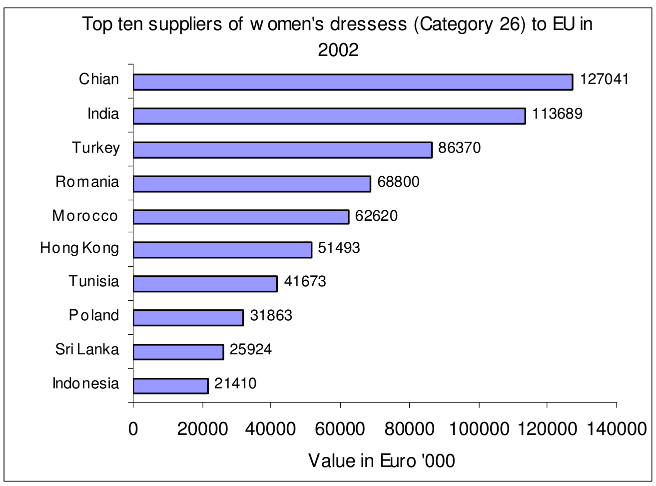


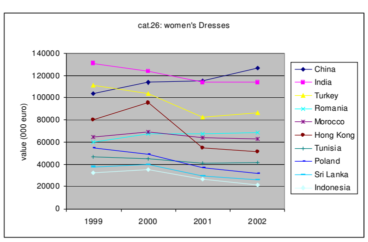


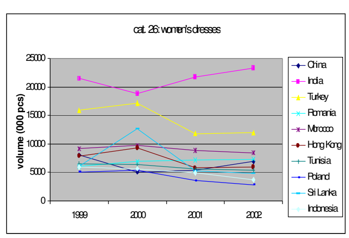
range around 9 Euros, the highest being realised by Tunisia now. Bangladesh has the lowest UVR and India follows it. The men's shirts indicate monotonically increasing RCAs since 1999 and have best performing categories in India's clothing export basket to EU and therefore holds very promises to deliver in the post ATC EU market.

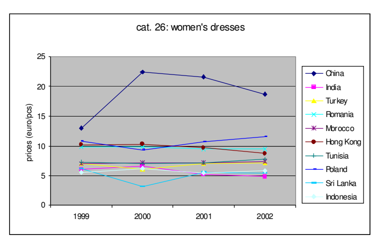
Women's dresses:

Women dress (cat-26) has been another item, in which India's performance have been spectacular in the past. As per the data of 2002, the position of India has slide down to 2nd from position one in 1999. The category alone contributes to about 6 percent in the total clothing export basket of India and the quota utilisation has been optimal; in fact, has been over cent percent the part few years. China the main follower to Indians' top position has shifted from a 3rd supplier to one today. Turkey, Romania and Morocco are the strong contenders to India in the quota free market. India of course has the highest revealed comparative advantage and is as large as 2.95. In spite of the fact that India is in a higher position and also has relative trade advantage, receives









one of the lowest unit value. The highest unit vale is cornered by China (18.63 euros). Poland, Romania. Turkey, Morocco and Hong Kong net a UVR in the range of 7- 9.5 euros. During the period 1999 to 2002, countries have changed their positions; the gainers are China, Romania and Turkey. The losers are Hong Kong and Poland. The supply trend of the categories clearly reflects the changing scenario of market shift between the competing countries. We now examine the post ATC export scenario of these products to EU market.

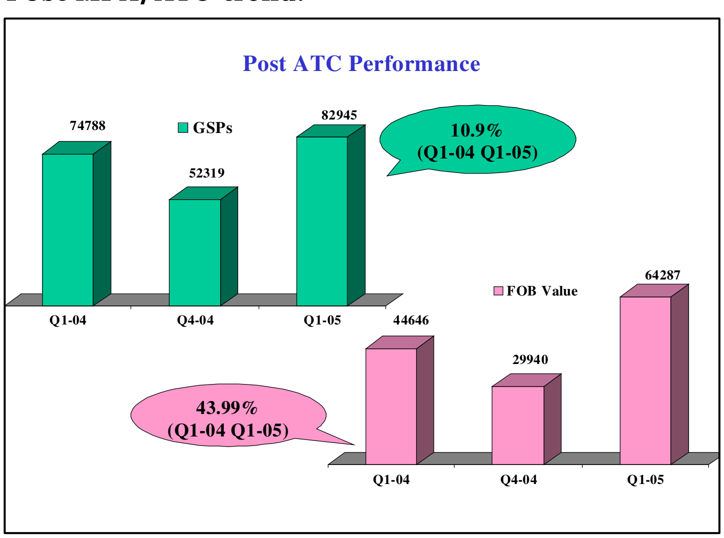
Section VI
The Impact Of Phasing Out of ATC

The quota is a form of NTB and as such it increases the local price of the product in question in the importing country and reduces the local demand for the product (as supply is restricted). However, the increased price due to tariffs partly benefit the local producers and partly to the government through tariff revenue.

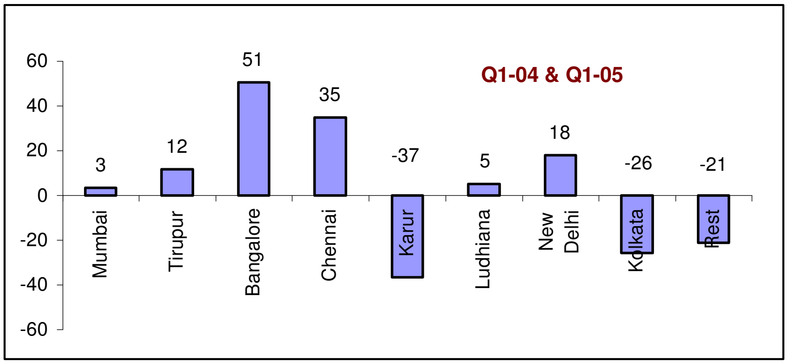
Another impact of the quotas (and tariffs) is that when the importing country is large, quotas lower the price of the product in question in unrestricted markets because the large country's reduced demand is sufficient to reduce the local world demand. Thus, it is likely that MFA/ATC quotas lower the world market price of textiles and clothing outside the EU, USA and Canada etc.

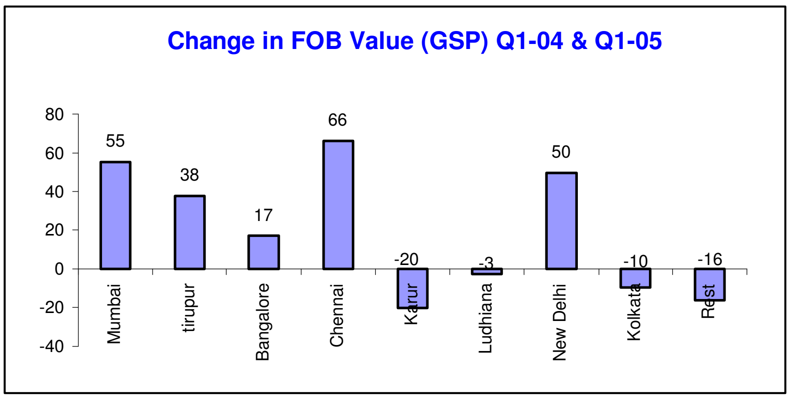
The price and quantity effects are dependent on how large the quotas relate to the local demand and also the price elasticity of demand. Estimates of tariff equivalents of the quotas applied by EU in 1997 found that they varied from 1.3 percent to 21.6 percent for textiles and 3 percent to 34.8 percent for clothing. For both sectors, the lowest barriers were towards central and eastern European countries, while the highest barriers were towards Asian countries e.g. China, India, Malaysia, Indonesia and the Philippines (Francois, et al.2000). We notice that the tariff equivalents of quotas are by far higher than the average tariffs facing manufactured imports to the EU and USA. The ATC quotas are therefore seen as the discriminating against the developing countries. If quotas are set at a level higher than the local demand at world market prices, then the quota will not be binding and will have no effect besides the administrative costs of managing the quota system, which may still be significant both on the exporting and importing side. We discuss below the impact of the phasing out of ATC on the Indian clothing exports to the largest trading block of the world i.e. EU (25)

Post MFA/ATC trend:



The post ATC clothing performance of India in EU market has been examined through the issuance of Generalised System of Preferences (GSP) between the first quarters of 2004 as compared to the first quarter of 2005. It may be mentioned here that the Director General of Foreign Trade (DGFT), the Export Inspection Agency (EIA) and Textiles Committee (TC) are authorized to issue GSPs. Besides the above organizations, Central Silk Board (CSB) also issues GSP for the Silk and Silk related products. By and large DGFT does not issue GSP in the textile and clothing products. Therefore, the export inspection agency and Textiles Committee are the two major agencies under government of India who issue GSPs. The exporters registered with Textiles Committee are unlikely to switch over to other agencies and hence the mobility is insignificant. Therefore, the comparison of issuance GSP from Textiles Committee (TC) in various periods provides an idea about the export market trends. Textiles Committee had issued about 74,788 GSPs during first quarter of 2004, which has increased to 82,945 in the first quarter of 2005 with a percentage increase of 10.9. The percentage change in FOB value has been much higher and recorded a change level of 43.99 per cent. It may therefore, be concluded that either the unit value realization has increased or the volume per GSP has significantly increased during 2005. The center wise GSP issuance shows that clusters of home textiles like Karur and Ludhiana have recorded a negative changes, while apparel clusters like Chennai, Bangalore, Tirupur and Mumbai have registered remarkable positive changes in post ATC periods.





Section VII
Conclusion

India has been traditionally doing business with US, UK, Canada, Italy and Japan; and recently with Asian countries. India has never focused on the changing direction of its exports to smaller countries in east Europe and the rest of the world. India's export to the acceded countries constitutes a very small share in the total imports of these countries (Rs.82 millions) and in fact in many countries such as Poland, Slovak Republic and Slovenia, India's share of exports has declined. It is yet to see, many of the top items of India's exports (such as agricultural goods, textiles and chemicals), which the EU15 imported, may begin to be imported (now internal trade) from the acceded countries. For example, Estonia exported nearly US $ 36 million worth of cotton yarn to EU during 2002. Though India exported much more than Estonia (Us $300 million) in the same year, EU may divert the import from India to Estonia. In spite of the fact the ten acceded countries are smaller in their market sizes for the extra EU exporters, they hold a lot of potential for providing a cushion for export of designed, high value clothing products particularly the ladies garments and gents T-shirts both woven and knitted. However, a systematic study should be conducted to asses the market size and exact demand pattern for the product categories to achieve better market access to India which has been traditionally a trade partner to EU and most of the clothing exports of India are directed to EU and US.

As discussed, the Indian clothing exports of three categories i.e. Jerseys and pullovers, trousers and shorts, and ladies jackets and overcoats are not featuring in the top ten imports of EU. Except the jackets and overcoats, other categories have respectable shares in the Indian clothing export. The trousers and pullovers have been receiving low UVRs against the competing countries besides with poor competitive advantage. We therefore, have two options before us. First, identify the sub-category at the level of 8 digit Harmonised System Codes so as to find out the demand pattern and prevalent price structure of these sub-categories for producing and marketing such products to larger market. Secondly, upgrade the present categories to move up in the value chain. As regards to jackets and overcoats India's performance has been dismal. Not only the category has been insignificant in the export basket of India but also has never been able to reach upto the quota levels in the post MFA market. The UVR in the category has been relatively high for the extra EU exporters. Since the performance of India is poor in this category, it would be difficult to acquire a higher market access, as the competing nations will be unlikely to leave any space for others. However, India being one of the largest suppliers of textile and clothing cannot afford to be complacent for a very high value added item, which would provide bonanza for the exporters. One however needs to examine the demand patterns with reference to designs, quality and price structure for gearing up in a market, which has long been in the control of other exporting nations including members of EU.

As regards to girls and ladies nightdresses, women's skirt and ladies suits have been the low performers so far as the quota utilisation is concerned. However, all of the above categories were in the top ten MFA clothing imports of EU. Besides their present positions, the latter two categories have gained their prominence by shifting upwards during 1999-2002. The performance of India in the ladies suit category has been spectacular, shifting from sixth to second position. Given our pre-eminence position in these categories in addition to positive consolidation, India could perform still better. Improvement in the market access and moving up in the value chain will also require not only up-gradation of the above categories but also a systematic study of the moves of major competing countries i.e. China, Turkey, Romania, Tunisia and Morocco.

T-shirts, men's shirts, women's blouses and women's dresses have been the optimally used categories and also they have been positioned well in the top ten categories of EU's MFA imports. India has been highly competitive and has comparative advantage to the competing nations in this section of clothing. The export basket of India has been agog with these categories. The UVR in most of the categories is lower as compared to the top ten competing countries; and the countries that are strongly competing with India to acquire better market share are China, Bangladesh, Turkey and Romania. In the quota free, market India needs to further consolidate the position by keeping a watch on the competitors' movements. Depending on particular categories, India may move up in the value chain to realise a better price and a strong market share.

Today India is emerging as one of the largest textiles and clothing suppliers of the world. As discussed, the performance of some categories in the clothing sector has been spectacular and likely to improve in the quota free market. The increase in issuance of the GSPs in the 1st quarter of 2005 themselves is an indicator of establishing our march ahead. The supports for the growth have been its multi-fibre production base, a work force amenable to respond quickly to changes in the demand with reference to designs, styles and quality. One important characteristic of the clothing industry in India is also to produce small-scale designed products as per the buyers' specification. Being in the small sector till recently, it has grown comprehensively to provide demand oriented price competitive products to the world market. However, India has to study, plan, produce and market systematically to remain as a market leader in quota free globalised market.

Notes

1. 10 new members have been acceded to the European Union (EU) on May 1, 2004; the present membership has gone up to 25. The new members are Czech Republic, Slovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, The Republic of Cyprus and Malta. For more information on trade and enlargement: http://europa.eu.int/comm/trade/issues/bilateral/regions/candidates/index_en.htm
2. In order to join the union, the prospective member must fulfill the economic and political conditions known as the *Copenhagen Criteria* that was agreed upon at the 1993 Copenhagen summit. These are (i) be a stable democracy, respecting human rights, the rule of law and the protection of minorities; (ii) have a functioning market economy; and (iii) adopt the common rules, standards & policies that make up the body of EU law.
3. Maastricht treaty was signed in a conference of its representatives to establish a political, economic and monetary union and to further EU integration process.
4. The manner in which ATC quota phase-out has been implemented leaves much to be desired. It is considerably *backloaded*, and on a large number of products of interest to developing countries (cotton apparels for instance), the quotas remained in place until 31st December 2004. Out of the total number of quotas as on 1st January 1995, EU and US eliminated non during the first stage. During the first three stages together, they have removed only 56 and 52 out of 757 and 219 quotas respectively. This comes to 7.4% and 24% respectively.
5. See for details - Baughman, L., Mirus, R., Morkre, M.E. and Spinanger, D., 1997, Of Tyre Cords, Ties and Tents: Window Dressing in the ATC?, World Economy 20(4): 407-34

6. The Cotonou Agreement concerns Europe's relations with some of the world's poorest countries and how the EU supports their development.
7. Quota utilisation exceeding cent percent categories by India are cotton yarn (cat. 1), T-shirt (cat.4), Pullovers (cat. 5), Trousers (cat.6), etc. (Out of 19 items on quota restriction, 10 items have hit the ceiling limit) and in case of China are cotton fabrics (cat.2), T-shirt (cat.4), Pullovers (cat. 5), Trousers (cat.6), etc. (out of 42 items under quota restriction, 20 items have hit the ceiling).
8. The United Nations designated the following countries as *Least Developed countries (LDCs)* Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic Of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sudan, Togo, Tuvalu, Uganda, United Republic Of Tanzania, Vanuatu, Yemen, Zambia; *and the following countries are the Newly Industrializing Countries (NICs)*

   Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, United States, Venezuela. ***Small suppliers*** are referred to a country's export quota accounting for 1.2 percent or less of an importing country's total quotas in 1991.
9. Non-Preferred Group of restrained countries: India, China, Pakistan, Sri Lanka and Vietnam.
10. Export Tax Equivalent (ETE): ETEs are calculated on the basis of unit values of exports, as $[QP/(UV-QP)]*100$, where QP is the quota premium and UV the unit value of exports. The ETE indicates the quota premium as a percentage of the premium-less unit value of exports. Apart from the individual ETEs calculated for each quota category, we have also aggregated the quotas by country or region and by fiber. Kathuria and Bhardwaj (1998) reported that during 1996, the Indian exporters to the United States paid an ETE of 39 percent (cotton based) and 16 percent for synthetic versus 17 percent (cotton based) and 23 percent (synthetics) in the EU market.
11. EU's trade Commissioner has proposed to amend the EU's current GSP scheme, so as to benefit the smaller, more vulnerable developing countries. At present, the EU can withdraw GSP benefits from any developing country through its policy of "graduation". In future, countries, which supply less than 1 percent of the EU's total GSP imports, will not be graduated, even if a single group of products, say garments, represents the bulk of a given country's exports under the GSP scheme.
12. In February 2001, the European Council adopted the so-called "EBA (Everything But Arms) Regulation" (Regulation (EC) 416/2001), granting duty-free access to imports of all products

from least developed countries without any quantitative restrictions, except to arms and ammunitions. At present, 49 developing countries belong to the category of LDC's. The provisions of the EBA Regulation (Council Regulation (EC) No 416/2001 of 28 February 2001) have been incorporated into the GSP Regulation (Council Regulation (EC) No 2501/2001).

13. The minimum wages in Hungary, Latvia, Poland & Slovakia are 212, 212, 116 & 199 Euro per month respectively in year 2003 as compared to the Belgium, a founding member of EU was 1,163 Euro, Luxembourg (1369 Euro), Portugal (416 Euro) and Spain (526 Euro). The former group of countries is low labour cost economies as compared to the latter group (Table 10).
14. OPT transactions mean basically the export of EU fabric, cuttings or semi-finished garments to neighbouring low-wage countries, which make them up into finished garments for re-imports into the EU.
15. Acquis Communautaire means the legislation of the EU.
16. Some of the anti-dumping cases initiated against Indian textile exports are as follows:

Anti-Dumping Cases on Textile Exports from India

Sr. No.	***Name of Investigating Country***	***Product***	***Date of Initiation***
1.	EU	Bed Linen	January 1994
2.	EU	Cotton Type Bed Linen-II	13.09.1996
3.	EU	Polyester Textured Filament Yarn	23.08.1998
4.	EU	Polyethylene & Polypropylene Sades & Rags	April 1995
5.	EU	Polyester Staple Fibre	
6.	EU	Polyethylene & Polypropdene Sads and Bags (New Exporter Review)	17.04.1995
7.	EU	Synthetic Fibre Ropes	04.04.1996
8.	EU	Synthetic Fibre Ropes (-II)	01.07.1997 (Suo Motto under Article 5(6))
9.	EU	Synthetic Fibres of Polyester	01.11.1990
10.	EU	Unbleached Cotton Fabric	21.02.1996
11.	EU	Unbleached Cotton Fabric	11.07.1997
12.	Turkey	Polyester Texturised Yarn (PTY)	04.03.1999
Source: DG of AD and Allied Action Annual Report 2002-03			

Turkey has recently initiated anti dumping investigations on import of Polyester Texturised Yarn (PTY) from India, Republic of Korea, Thailand and Chinese Taiwan. The Silk and Rayon Textiles Export Promotion Council (SRTEPC) is coordinating the defence of Indian producers/exporters in the case for taking necessary steps to contest the proceedings.

17. Balassa (1965) proposed a technique to compare the advantages of trade pattern as revealed. Thus comparative advantage from observed data is an index called Balassa Index that measures a countries comparative advantage. The RCA of Balassa (1965) is expressed as follows

$RCA= (X_{ij}/X_{it}) / (X_{nj}/X_{nt})$

Where X_{ij} represents of j^{th} commodity (or industry) of the i^{th} country, and n is a set of countries.

RCA measures a countries export of a commodity (or industry) relative to the total exports and the corresponding exports to a set of countries. The comparative advantages revealed if RCA >1 and vice versa.

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Table C-1
Imports of 10 Major categories to EU (Value)

Euro Mn

Sr. No.	Categories	Description	Year 1999	2000	2001	2002	Percent Share 2002
Clothing							
1.	4	T-Shirts	4066.0	4975.2	5237.0	5352.5	8.2
2.	5	Pullovers	5286.0	6085.2	6559.5	6566.6	10.1
3.	6	Trousers	5881.3	7334.3	8515.9	8612.7	13.2
4.	7	Women's Blouses	2038.9	2202.1	2331.8	2533.8	3.9
5.	8	Men's Shirts	2148.0	2352.7	2447.3	2369.5	3.6
6.	15	Women's Overcoats	1819.4	1768.9	1991.8	1932.5	3.0
7.	24	G & L Night Dresses	na	1496.85	1384.94	1307.38	2.0
8.	26	Women's Dresses	1003.2	1038.5	886.2	848.7	1.3
9.	27	Women's Skirts	925.1	1202.2	1165.3	1331.5	2.0
10.	29	Women's Suits	452.6	456.2	447.0	435.9	0.7
		Total of above	2380.90	28912.15	30966.74	31291.08	48.12
		Total T&C	53772	62412	65242	65032	100

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C-2
EU: Top Ten Suppliers of MFA Clothing, 1996-2002

Euro mn

Sr. No.	Country	Ranking 1996	Ranking 2002	Year 1996	1997	1998	1999	2000	2001	2002
1.	China	1	1	3738	4574	4803	5661	6545	7057	7910
2.	Turkey	2	2	3438	3936	4373	4574	5283	5747	6696
3.	Romania	9	3	1113	1429	1785	2005	2463	3164	3497
4.	Tunisia	4	4	1845	1984	2254	2339	2506	2797	2815
5.	Bangladesh	8	5	1127	1436	1603	1757	2520	2761	2682
6.	Morocco	5	6	1637	1828	1999	2072	2313	2563	2524
7.	Hong Kong	3	7	2373	2504	2523	2689	3010	2481	2222
8.	India	7	8	1513	1504	1527	1610	1938	2098	2204
9.	Poland	6	9	1576	1604	1768	1728	1751	1821	1640
10.	Indonesia	10	10	968	1265	1280	1383	1769	1728	1426
	Total of above			19328	22064	23915	25818	30098	32217	33616
	All Extra-EU			29696	34423	36663	39312	45678	48097	48617

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C-3
EU: UVR of Top Ten Suppliers of MFA Clothing, 1996-2002

Euros

Sr. No.	Country	Ranking		Year						
		1996	2002	1996	1997	1998	1999	2000	2001	2002
1.	China	1	1	14.43	16.88	17.15	17.00	19.19	17.17	13.14
2.	Turkey	2	2	17.10	16.82	16.82	16.75	17.38	17.16	17.76
3.	Romania	9	3	19.53	19.85	20.06	19.85	19.86	20.68	20.82
4.	Tunisia	4	4	18.83	19.08	19.43	20.16	19.73	21.03	22.17
5.	Bangladesh	8	5	8.67	9.84	9.06	9.30	10.68	10.83	9.72
6.	Morocco	5	6	17.60	17.58	17.23	17.27	17.13	18.05	18.03
7.	Hong Kong	3	7	17.58	19.72	20.51	21.51	25.08	24.81	18.67
8.	India	7	8	13.39	13.93	14.01	13.64	15.5	14.47	13.86
9.	Poland	6	9	22.84	21.97	22.96	22.15	21.89	22.76	22.78
10.	Indonesia	10	10	14.45	15.81	16.84	16.87	19.66	14.28	15.67
	Total of above			15.82	16.73	16.81	16.82	17.89	17.18	15.77
	All Extra-EU			16.13	17.19	17.28	17.11	18.26	17.39	16.25

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C-4
Utilisation of Quota of Textiles in India (1995 - 2003)
(Based on Quota Level in percentage)

Category	Description	Year							
		1996	1997	1998	1999	2000	2001	2002	2003
4	T-Shirts	134.69	123.73	121.71	108.27	133.02	152.95	135.88	127.75
5	Jerseys & Pullovers	109.80	113.71	105.17	113.04	111.49	110.59	119.18	117.54
6	Trousers, Shorts	114.16	115.18	121.18	108.17	149.67	176.97	162.06	130.45
7	Ladies' Blouses	108.85	105.58	88.17	86.73	88.02	82.13	118.81	116.41
8	Gents' Shirts	130.05	108.96	99.20	87.82	93.29	103.50	108.53	103.49
15	Ladies Jackets	16.42	17.97	17.46	17.84	20.79	28.46	20.22	18.14
24	G or L night dresses	78.13	84.30	68.53	81.21	82.51	72.97	--	--
26	Ladies dresses	155.96	146.38	134.52	99.02	116.70	113.99	118.53	109.08
27	Skirts	91.27	83.12	89.94	83.64	97.57	88.09	--	--
29	Ladies suits	53.16	40.33	32.21	50.66	55.33	44.97	42.07	52.18

[Source: Cat. 4,5,6,7,8,15,26 & 29 from AEPC

Table C-5
Share of Indian Clothing Export to EU

Sr. No.	Category	Description	Value in Mn. Rs. 2003	Percentage Share
1.	4	T-shirts	17151.81	17.71
2.	5	Jerseys & Pullovers	10471.61	10.81
3.	6	Trousers, Shorts	6648.65	6.86
4.	7	Ladies' Blouses	17361.75	17.92
5.	8	Gents' Shirts	13446.45	13.88
6.	15	Ladies Jackets	818.72	0.85
7.	26	Ladies Dresses	5793.37	5.98
8.	29	Ladies Suits	2013.49	2.08
		Total	98661.35	100

[Source: AEPC]

Table C-6
Revealed Comparative Advantage Index (1999-2002)
India Vis-à-vis extra EU imports

Euro '000

Sr. No.	Category	Description	1999	2000	2001	2002
1.	4	T-shirts	1.21	1.14	1.40	1.31
2.	5	Pullovers	0.51	0.44	0.45	0.50
3.	6	Trousers	0.20	0.23	0.24	0.27
4.	7	Women's Blouses	2.19	2.15	2.01	2.66
5.	8	Men's Shirts	2.07	2.03	2.38	2.44
6.	15	Women's Overcoats	0.10	0.12	0.16	0.15
7.	24	G & L Night Dresses	N/a	N/a	N/a	1.25
7.	26	Women's Dresses	3.20	2.81	2.94	2.95
8.	27	Women's Skirts	1.40	1.37	1.26	1.31
9.	29	Women's Suits	1.22	1.61	1.37	1.46

[Based on Authors' calculations on CITH, CIRFS: European Commission data from Textile Outlook International, July-August 2003]

Table C-7(a)
EU: Top Ten Suppliers of T-shirt's (Category 4), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	908717 (22.35)	1124774 (22.61)	1222905 (23.35)	1428547 (26.69)
2.	Bangladesh	475211 (11.69)	705112 (14.17)	719573 (13.74)	689187 (12.88)
3.	China	338121 (8.32)	332847 (6.69)	402985 (7.69)	450820 (8.42)
4.	India	201695 (4.96)	239739 (4.82)	320631 (6.12)	318753 (5.96)
5.	Morocco	164656 (4.05)	215040 (4.32)	239171 (4.57)	266307 (4.98)
6.	Mauritius	239283 (5.89)	257155 (5.17)	257595 (4.92)	242394 (4.53)
7.	Tunisia	100001 (2.46)	125651 (2.53)	147594 (2.82)	184472 (3.45)
8.	Hong Kong	219919 (5.41)	259192 (5.21)	161484 (3.08)	177414 (3.31)
9.	Romania	79758 (1.96)	97490 (1.96)	114408 (2.18)	129276 (2.42)
10.	Indonesia	89950 (2.21)	121518 (2.44)	156326 (2.99)	123889 (2.31)
	Total of Above	2817311 (69.29)	3478518 (69.92)	3742672 (71.47)	4011059 (74.94)
	All Extra-EU	4065970 (100.00)	4975161 (100.00)	5237011 (100.00)	5352526 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(b)
EU: Top Ten Suppliers of Pullovers (Category 5), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	802429 (15.18)	865633 (14.23)	903970 (13.78)	979594 (14.92)
2.	Bangladesh	318120 (6.02)	477195 (7.84)	611899 (9.33)	691223 (10.53)
3.	Hong Kong	523768 (9.91)	501404 (8.24)	544646 (8.30)	484607 (7.38)
4.	Romania	199858 (3.78)	266304 (4.38)	362440 (5.53)	410381 (6.25)
5.	Indonesia	271173 (5.13)	319035 (5.24)	331443 (5.05)	339449 (5.17)
6.	China	344514 (6.52)	336279 (5.53)	399643 (6.09)	332255 (5.06)
7.	Cambodia	120191 (2.27)	158103 (2.60)	207490 (3.16)	237658 (3.62)
8.	Thailand	194330 (3.68)	268547 (4.41)	199418 (3.04)	230290 (3.51)
9.	Tunisia	167318 (3.17)	207934 (3.42)	222891 (3.40)	230090 (3.50)
10.	South Korea	242871 (4.59)	272198 (4.47)	254939 (3.89)	224028 (3.41)
	Total of Above	3184572 (60.25)	3672632 (60.35)	4038779 (61.57)	4159575 (63.34)
	All Extra-EU	5286002 (100.00)	6085158 (100.00)	6559499 (100.00)	6566555 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(c)
EU: Top Ten Suppliers of Trousers (Category 6), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	627372 (10.67)	903254 (12.32)	1121994 (13.18)	1312912 (15.24)
2.	Tunisia	866061 (14.73)	916266 (12.49)	1083028 (12.72)	1012564 (11.76)
3.	Romania	456338 (7.76)	607198 (8.28)	799420 (9.39)	864020 (10.03)
4.	Morocco	611658 (10.40)	726413 (9.90)	825398 (9.69)	770948 (8.95)
5.	Hong Kong	533327 (9.07)	569225 (7.76)	560623 (6.58)	580943 (6.75)
6.	Bangladesh	222441 (3.78)	460928 (6.28)	563116 (6.61)	563596 (6.54)
7.	Poland	357076 (6.07)	402073 (5.48)	452523 (5.31)	408569 (4.74)0
8.	Pakistan	139478 (2.37)	187207 (2.55)	227287 (2.67)	280137 (3.25)
9.	China	231635 (3.94)	263149 (3.59)	340947 (4.00)	277134 (3.22)
10.	Bulgaria	87331 (1.48)	126889 (1.73)	171500 (2.01)	182306 (2.12)
	Total of Above	4132717 (70.27)	5162602 (70.39)	6145836 (72.17)	6253129 (72.60)
	All Extra-EU	5881285 (100.00)	7334270 (100.00)	8515852 (100.00)	8612720 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(d)
EU: Top Ten Suppliers of Women's Blouses (Category 7), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	241171 (11.83)	219318 (9.96)	233026 (9.99)	354370 (13.99)
2.	Romania	145938 (7.16)	181058 (8.22)	244774 (10.50)	311302 (12.29)
3.	India	182910 (8.97)	200603 (9.11)	204587 (8.77)	305982 (12.08)
4.	Hong Kong	236206 (11.59)	256435 (11.64)	207673 (8.91)	240101 (9.48)
5.	Poland	184645 (9.06)	187982 (8.54)	204247 (8.76)	191667 (7.56)
6.	Morocco	137061 (6.72)	157982 (7.17)	146414 (6.28)	171886 (6.78)
7.	China	101082 (4.96)	106222 (4.82)	129923 (5.57)	106155 (4.19)
8.	Bangladesh	55876 (2.74)	67378 (3.06)	84404 (3.62)	81703 (3.22)
9.	Bulgaria	91085 (4.47)	135428 (6.15)	155338 (6.66)	75204 (2.97)
10.	Tunisia	80348 (3.94)	73812 (3.35)	82338 (3.53)	74760 (2.95)
	Total of Above	1456322 (71.43)	1587218 (72.08)	1692724 (72.59)	1913130 (75.50)
	All Extra-EU	2038875 (100.00)	2202119 (100.00)	2331830 (100.00)	2533835 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(e)
EU: Top Ten Suppliers of Men's Shirts (Category 8), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Bangladesh	388118 (18.07)	409240 (17.39)	406755 (16.62)	337651 (14.25)
2.	India	182274 (8.49)	203023 (8.63)	254476 (10.40)	261683 (11.04)
3.	Romania	122903 (5.72)	162397 (6.90)	204716 (8.36)	234083 (9.88)
4.	Turkey	117329 (5.46)	120530 (5.12)	131601 (5.38)	190578 (8.04)
5.	Hong Kong	225639 (10.50)	238575 (10.14)	197667 (8.08)	179208 (7.56)
6.	China	94546 (4.40)	123540 (5.25)	137384 (5.61)	126482 (5.34)
7.	Morocco	115643 (5.38)	108537 (4.61)	113908 (4.65)	108027 (4.56)
8.	Tunisia	95195 (4.43)	87184 (3.71)	96721 (3.95)	95665 (4.04)
9.	Indonesia	90452 (4.21)	109434 (4.65)	99997 (4.09)	92783 (3.92)
10.	Vietnam	64941 (3.02)	85217 (3.62)	85761 (3.50)	82078 (3.46)
	Total of Above	1497040 (69.69)	1647677 (70.03)	1728986 (70.65)	1708208 (72.09)
	All Extra-EU	2148010 (100.00)	2352690 (100.00)	2447328 (100.00)	2369530 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(f)

EU: Top Ten Suppliers of Women's Overcoats (Category 15), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	299071 (16.44)	303470 (17.16)	332868 (16.71)	339786 (17.58)
2.	Romania	212196 (11.66)	211362 (11.95)	281074 (14.11)	297702 (15.41)
3.	Poland	222166 (121)	170564 (9.64)	192488 (9.66)	159846 (8.27)
4.	Turkey	135681 (7.46)	131782 (7.45)	143108 (7.18)	151690 (7.85)
5.	Morocco	113450 (6.24)	88392 (5.00)	102181 (5.13)	99697 (5.16)
6.	Tunisia	73438 (4.04)	79833 (4.51)	95043 (4.77)	82592 (4.27)
7.	Ukraine	68040 (3.74)	73154 (4.14)	85646 (4.30)	82128 (4.25)
8.	Bulgaria	43327 (2.38)	51893 (2.93)	70180 (3.52)	74618 (3.86)
9.	Hungary	77860 (4.28)	73120 (4.13)	76431 (3.84)	68736 (3.56)
10.	Hong Kong	62117 (3.41)	75945 (4.29)	62574 (3.14)	67235 (3.48)
	Total of Above	1307346 (71.86)	1259515 (71.20)	1441593 (72.38)	1424030 (73.69)
	All Extra-EU	1819375 (100.00)	1768882 (100.00)	1991775 (100.000	1932457 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(g)

EU: Top Ten Suppliers of Women's Nightwear (Category 24), 1999-2002

Euro '000

Sr. No.	Country	Year
		2002
1.	China	655.9 (18.05)
2.	Turkey	337.3 (9.28)
3.	India	206.14 (5.67)
4.	Tunisia	131.18 (3.61)
5.	Morocco	112.44 (3.09)
6.	Sir Lanka	74.96 (2.06)
7.	Bangladesh	56.22 (1.55)
8.	Pakistan	37.48 (1.03)
9.	Thailand	37.48 (1.03)
10.	Indonesia	37.48 (1.03)
	Total of Above	1686.58 (46.41)
	All Extra-EU	3634 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(h)

EU: Top Ten Suppliers of Women's Dresses (Category 26), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	103908 (10.36)	114058 (10.98)	115160 (13.00)	127014 (14.97)
2.	India	131385 (13.10)	123832 (11.92)	113822 (12.84)	113689 (13.40)
3.	Turkey	111780 (11.14)	104053 (10.02)	82730 (9.34)	86370 (10.18)
4.	Romania	60120 (5.99)	67774 (6.53)	67863 (7.66)	68800 (8.11)
5.	Morocco	64581 (6.44)	69231 (6.67)	64179 (7.24)	62620 (7.38)
6.	Hong Kong	79800 (7.95)	95668 (9.21)	55134 (6.22)	51493 (6.07)
7.	Tunisia	47047 (4.69)	45092 (4.34)	40894 (4.61)	41675 (4.91)
8.	Poland	54975 (5.48)	49415 (4.76)	37090 (4.19)	31863 (3.75)
9.	Sri Lanka	37686 (3.76)	40023 (3.85)	29465 (3.33)	25924 (3.05)
10.	Indonesia	32913 (3.28)	35324 (3.40)	26569 (3.00)	21410 (2.52)
	Total of Above	724195 (72.19)	744470 (71.69)	633006 (71.43)	630858 (74.33)
	All Extra-EU	1003150 (100.00)	1038469 (100.00)	886159 (100.00)	848739 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(i)

EU : Top Ten Suppliers of Women's Skirts (Category 27), 1999-2002

Euro '000

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	156657 (16.93)	241186 (20.06)	213827 (18.35)	294164 (22.09)
2.	Turkey	100148 (10.83)	125723 (10.46)	130350 (11.19)	198720 (14.92)
3.	Romania	77065 (8.33)	113646 (9.45)	131564 (11.29)	144349 (10.84)
4.	Morocco	85450 (9.24)	108196 (9.00)	118345 (10.16)	134050 (10.07)
5.	Tunisia	70082 (7.58)	77702 (6.46)	86668 (7.44)	92369 (6.94)
6.	India	53093 (5.74)	69693 (5.80)	64125 (5.50)	79359 (5.96)
7.	Poland	83517 (9.03)	85690 (7.13)	78929 (6.77)	61886 (4.65)
8.	Bulgaria	24274 (2.62)	33782 (2.81)	40937 (3.51)	38608 (2.90)
9.	Lithuania	24454 (2.64)	30726 (2.56)	31414 (2.70)	29113 (2.19)
10.	Hungary	34468 (3.73)	40273 (93.35)	34320 (2.95)	28374 (2.13)
	Total of Above	709208 (76.66)	926617 (77.07)	930479 (79.85)	1100992 (82.69)
	All Extra-EU	925145 (100.00)	1202232 (100.00)	1165328 (100.00)	1331528 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-7(j)
EU: Top Ten Suppliers of Women's Suits (Category 29), 1999-2002

Euro '000

Sr. No.	Country	Year 1999	2000	2001	2002
1.	China	145630 (32.17)	186195 (40.81)	177625 (39.74)	186489 (42.78)
2.	India	22557 (4.98)	31163 (6.83)	26661 (5.96)	28894 (6.63)
3.	Turkey	25068 (5.54)	22174 (4.86)	19668 (4.40)	22366 (5.13)
4.	Romania	29245 (6.46)	22177 (4.86)	25445 (5.69)	22202 (5.09)
5.	Poland	30546 (6.75)	22600 (4.95)	22828 (5.11)	16245 (3.73)
6.	Tunisia	18994 (4.20)	16173 (3.55)	15164 (3.39)	13417 (3.08)
7.	Morocco	26562 (5.87)	22795 (5.00)	17179 (3.84)	12738 (2.92)
8.	Hungary	20076 (4.44)	13546 (2.97)	17900 (4.00)	12195 (2.80)
9.	Slovenia	18618 (4.11)	13508 (2.96)	14192 (3.17)	10551 (2.42)
10.	Bulgaria	5808 (1.28)	8216 (1.80)	11096 (2.48)	10275 (2.36)
	Total of Above	343104 (75.80)	358548 (78.60)	344758 (77.13)	353372 (81.07)
	All Extra-EU	452648 (100.00)	456196 (100.00)	447011 (100.00)	435910 (100.00)

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003
Note: Figures in Parentheses indicate percentage share of exports to Extra-EU

Table C-8(a)
EU: UVR of Top Ten Suppliers of T-Shirts (Category 4), 1999-2002

Euro/piece

Sr. No.	Country	Year 1999	2000	2001	2002
1.	Turkey	3.68	3.69	3.90	3.90
2.	Bangladesh	1.48	1.67	1.68	1.57
3.	China	3.96	4.78	5.02	4.69
4.	India	2.75	3.18	2.30	2.75
5.	Morocco	1.99	2.02	2.18	2.33
6.	Mauritius	3.50	3.43	3.53	3.47
7.	Tunisia	2.71	2.92	3.15	3.35
8.	Hong Kong	4.39	4.90	5.11	4.63
9.	Romania	2.46	1.60	2.74	2.93
10.	Indonesia	3.66	3.99	4.05	3.79
	Total of Above	2.76	2.80	2.87	2.92
	All Extra-EU	2.73	2.81	2.89	2.91

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C-8(b)
EU : UVR of Top Ten Suppliers of Pullovers (Category 5), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	6.72	6.73	7.03	7.08
2.	Bangladesh	4.65	3.66	4.91	4.64
3.	Hong Kong	12.68	14.80	13.03	12.69
4.	Romania	5.46	5.50	6.35	6.69
5.	Indonesia	6.71	7.42	7.28	6.67
6.	China	10.98	12.51	11.52	11.10
7.	Cambodia	5.57	6.21	6.19	5.84
8.	Thailand	7.78	8.61	3.88	7.85
9.	Tunisia	5.61	5.67	6.01	6.71
10.	South Korea	6.62	7.19	7.11	6.63
	Total of Above	7.07	6.77	6.84	6.86
	All Extra-EU	7.05	6.96	6.97	7.62

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(c)
EU: UVR of Top Ten Suppliers of Trousers (Category 6), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	9.12	9.36	9.58	10.00
2.	Tunisia	9.21	8.99	9.70	9.54
3.	Romania	10.62	9.98	9.91	9.96
4.	Morocco	7.35	7.41	8.00	8.13
5.	Hong Kong	7.91	9.51	9.35	9.17
6.	Bangladesh	4.51	4.88	4.80	4.36
7.	Poland	12.37	11.72	12.59	12.88
8.	Pakistan	4.63	5.05	5.13	5.21
9.	China	7.83	10.08	9.27	8.94
10.	Bulgaria	8.18	7.76	8.11	9.15
	Total of Above	8.18	8.26	8.44	8.36
	All Extra-EU	8.29	8.51	8.51	8.33

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(d)
EU: UVR of Top Ten Suppliers of Women's Blouses (Category 7), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Turkey	6.51	5.57	6.19	6.54
2.	Romania	6.25	6.18	6.11	6.04
3.	India	3.79	3.79	3.96	4.03
4.	Hong Kong	4.48	7.84	7.56	7.3
5.	Poland	6.77	6.14	6.19	5.89
6.	Morocco	6.09	6.00	5.88	5.93
7.	China	8.01	9.00	8.48	8.17
8.	Bangladesh	3.27	3.58	3.62	2.99
9.	Bulgaria	2.61	2.58	1.06	6.81
10.	Tunisia	7.01	6.97	7.22	7.16
	Total of Above	5.07	5.20	4.12	5.66
	All Extra-EU	5.24	5.27	4.40	5.67

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(e)

EU : UVR of Top Ten Suppliers of Men's Shirts (Category 8), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	Bangladesh	3.00	2.99	3.46	3.13
2.	India	4.80	5.18	5.39	4.91
3.	Romania	7.25	8.12	8.75	8.87
4.	Turkey	7.91	8.33	8.63	8.91
5.	Hong Kong	7.37	8.51	8.27	7.30
6.	China	6.29	6.73	6.99	6.61
7.	Morocco	7.86	6.36	8.06	7.99
8.	Tunisia	9.62	9.59	9.52	9.89
9.	Indonesia	5.40	6.24	6.36	5.78
10.	Vietnam	6.19	5.57	6.52	5.64
	Total of Above	5.04	5.22	5.76	5.58
	All Extra-EU	5.54	6.21	6.22	6.01

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(f)

EU : UVR of Top Ten Suppliers of Women's Overcoats (Category 15), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	17.13	3.97	18.38	14.93
2.	Romania	19.84	19.36	19.49	20.01
3.	Poland	27.46	25.55	27.18	26.36
4.	Turkey	14.04	13.17	13.15	14.04
5.	Morocco	11.93	11.47	13.04	13.46
6.	Tunisia	16.03	15.09	15.87	16.33
7.	Ukraine	17.62	17.71	18.39	18.53
8.	Bulgaria	19.66	17.77	18.76	18.79
9.	Hungary	38.19	38.98	40.02	44.03
10.	Hong Kong	16.02	16.26	14.84	15.28
	Total of Above	18.16	9.64	18.29	17.51
	All Extra-EU	18.86	10.97	18.75	17.90

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(g)

EU: UVR of Top Ten Suppliers of Women's Dresses (Category 26), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	12.99	22.41	21.56	18.63
2.	India	6.10	6.56	5.23	4.87
3.	Turkey	7.05	6.08	7.04	7.21
4.	Romania	9.88	9.84	9.43	9.49
5.	Morocco	7.05	7.14	7.21	7.45
6.	Hong Kong	10.22	10.37	9.65	8.71
7.	Tunisia	7.29	7.07	7.19	7.76
8.	Poland	10.77	9.33	10.74	11.50
9.	Sri Lanka	6.25	3.18	5.64	5.45
10.	Indonesia	5.53	6.22	5.43	5.84
	Total of Above	7.87	7.69	7.92	7.86
	All Extra-EU	7.73	7.55	7.59	7.60

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(h)

EU: UVR of Top Ten Suppliers of Women's Skirts (Category 27), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	5.13	4.61	5.62	5.11
2.	Turkey	7.09	3.27	7.28	8.33
3.	Romania	7.51	7.61	7.27	7.61
4.	Morocco	5.91	6.45	6.60	7.26
5.	Tunisia	6.92	6.89	7.17	8.06
6.	India	4.42	4.99	4.59	5.03
7.	Poland	9.40	9.27	10.81	10.73
8.	Bulgaria	7.63	7.54	7.90	8.90
9.	Lithuania	7.46	7.93	8.68	9.19
10.	Hungary	11.99	13.06	12.97	13.38
	Total of Above	6.46	5.50	6.80	6.82
	All Extra-EU	6.49	4.29	6.53	6.75

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 8(i)

EU: UVR of Top Ten Suppliers of Women's Suits (Category 29), 1999-2002

Euro/piece

Sr. No.	Country	Year			
		1999	2000	2001	2002
1.	China	12.68	15.07	14.53	13.71
2.	India	5.62	5.79	6.19	6.15
3.	Turkey	17.93	13.54	12.54	13.31
4.	Romania	21.66	20.36	19.74	17.22
5.	Poland	28.28	24.38	19.48	26.76
6.	Tunisia	15.43	17.17	18.18	14.76
7.	Morocco	8.29	6.82	6.52	4.62
8.	Hungary	44.42	39.38	43.70	40.38
9.	Slovenia	86.19	88.87	92.76	99.54
10.	Bulgaria	15.45	14.99	17.73	15.11
	Total of Above	12.83	13.42	13.71	12.59
	All Extra-EU	14.04	13.45	13.62	12.36

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C- 9
Category wise ranking of top ten supplier of clothing (1999 & 2002)

Value Terms

Sr. No.	Category	Description	Players	Ranks 1999	Ranks 2002	Remarks
1.	4	T-shirts	Turkey	1	1	Leaders : Turkey Gainers: India, Morocco, Tunisia & Romania Losers: Mauritius, Hong Kong & Indonesia
			Bangladesh	2	2	
			China	3	3	
			India	6	4	
			Morocco	7	5	
			Mauritius	4	6	
			Tunisia	8	7	
			Hong Kong	5	8	
			Romania	10	9	
			Indonesia	9	10	
2.	5	Pullovers	Turkey	1	1	Leaders : Turkey Gainers: Bangladesh, Romania & Cambodia. Losers: Hong Kong, China & South Korea
			Bangladesh	4	2	
			Hong Kong	2	3	
			Romania	7	4	
			Indonesia	5	5	
			China	3	6	
			Cambodia	10	7	
			Thailand	8	8	
			Tunisia	9	9	
			South Korea	6	10	
3.	6	Trousers	Turkey	2	1	Leaders: nil Gainers: Turkey, Romania, Bangladesh & Pakistan Losers: Tunisia, Morocco, Hong Kong, Poland & China
			Tunisia	1	2	
			Romania	5	3	
			Morocco	3	4	
			Hong Kong	4	5	
			Bangladesh	8	6	
			Poland	6	7	
			Pakistan	9	8	
			China	7	8	
			Bulgaria	10	10	
4.	7	Women's Blouse	Turkey	1	1	Leaders: Turkey Gainers: Romania, India & Bangladesh Losers: Hongkong, Poland, Bulgaria & Tunisia
			Romania	5	2	
			India	4	3	
			Hong Kong	2	4	
			Poland	3	5	
			Morocco	6	6	
			China	7	7	
			Bangladesh	10	8	
			Bulgaria	8	9	
			Tunisia	9	10	
5.	8	Men's Shirt	Bangladesh	1	1	Leaders : Bangladesh Gainers: India, Romania, Turkey & China Losers: Hong Kong, Morocco & Tunisia
			India	3	2	
			Romania	4	3	
			Turkey	5	4	
			Hong Kong	2	5	
			China	8	6	
			Morocco	6	7	
			Tunisia	7	8	
			Indonesia	9	9	
			Vietnam	10	10	
6.	15	Women's Overcoats	China	1	1	Leaders: China Gainers: Romania, Tunisia, Ukraine, Bulgaria Losers: Poland, Hungaria, Hong Kong.
			Romania	3	2	
			Poland	2	3	
			Turkey	4	4	
			Morocco	5	5	
			Tunisia	7	6	
			Ukraine	8	7	
			Bulgaria	10	8	
			Hungaria	6	9	
			Hong Kong	9	10	
7.	24	G & L Night Dresses	China	na	1	Leaders: na
			Turkey	na	2	
			India	na	3	

				Ranks		
			Tunisia	na	4	Gainers: na Losers: na
			Morocco	na	5	
			Sri Lanka	na	6	
			Egypt	na	7	
			Thailand	na	8	
			Indonesia	na	9	
			Bangladesh	na	10	
8.	26	Women's Dresses	China	3	1	Leaders : Nil Gainers: China, Romania and Tunisia Losers: India, Turkey, Hong Kong and Poland
			India	1	2	
			Turkey	2	3	
			Romania	6	4	
			Morocco	5	5	
			Hong Kong	4	6	
			Tunisia	8	7	
			Poland	7	8	
			Sri Lanka	9	9	
			Indonesia	10	10	
9.	27	Women's Skirts	China	1	1	Leaders : China Gainers: Romania, Tunisia, India and Bulgaria Losers: Morocco, Poland and Hungary
			Turkey	2	2	
			Romania	5	3	
			Morocco	3	4	
			Tunisia	6	5	
			India	7	6	
			Poland	4	7	
			Bulgaria	10	8	
			Lithuania	9	9	
			Hungary	8	10	
10.	29	Women's Suits	China	1	1	Leaders : China Gainers: India, Turkey and Tunisia Losers: Romania, Poland, Morocco and Hungary.
			India	6	2	
			Turkey	5	3	
			Romania	3	4	
			Poland	2	5	
			Tunisia	8	6	
			Morocco	4	7	
			Hungary	7	8	
			Slovenia	9	9	
			Bulgaria	10	10	

Source: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003

Table C-10
Comparative strength of top ten competing countries in EU markets

Sr. No.	Country	Rank (in value)	Popn ('000)	GDP (Mn US $)	GDP per capita (US $)	Exports per capita	Share of T&C exports in total industrial exports		Market share of clothing exports (2000)	Share of T&C in total manufacturing employment (1998)	Average prices of clothing items (2002)	Applied tariff in clothing (HS 61-63)		Bound tariffs in clothing (HS 61-63) post Uruguay Round [3]	
							World[1]	EU[1]				Average	Maximum	Average	Maximum
1	China	1	1252948	1079.948	862	8.3	19.9	11.7	22.7	--	13.14				
2	Turkey	2	66668	199.937	2999	122	38.1	46.7	4.1	34.2	17.76	13.81	14.80	96.45	100.00
3	Romania	3	22438	36.719	1636	154.3	27.2	36.4	1.5	--	20.82	30.00	30.00	21.15	35.00
4	Tunisia	4	9459	19462	2058	326.9	46.1	53.9	1.4	41.4	22.17	0.00	0.00	59.71	60.000
5	Bangladesh	5	137439	47.106	343	21.4	--	94.7	2.7	--	9.72				
6	Morocco	6	29878	33.345	1116	92	43.4	52.8	1.5	39.4	18.03				
7	Hong Kong	7	6860	162.642	23709	384.8	51.3	64.6	15.2	30.0	18.67				
8	India	8	1008937 (2)	456.990	453	4.1	30.2	37.1	3.8	20.4	13.86	99.72	100.00	99.72	100.00
9	Poland	9	38605	157.751	4086	67.5	8.3	10.1	1.2	14.3	22.78	26.64	30.00	18.00	18.00
10	Indonesia	10	212092	153.255	723	11.1	15.2	27.1	3.0	--	15.67	27.73	30.00	40.00	40.00
11	Pakistan	11	141256	611.638	436	12.8	--	69.0	1.3	--	--				
12	Thailand	17	6280	122.166	1945	18.5	9.7	10.3	2.4	--	--	43.5	100	30.48	100.00
13	Taiwan	19	22185	309.377	13946	45.8	--	--	--	--	--				
14	Sri Lanka	20	18924	16.305	862	42.8	71.1	69.0	1.8	--	--				

Source: European Commission (2003), SEC (2003) 1348.;(1: COMTRADE data; 2: CITH, CIRFS: European Commission from Textile Outlook International, July-August 2003; 3: OECD Tariffs and Trade, 2002).

Table C-11
Major Textile & Clothing Items for Exports and Imports from India to Accession countries

Sr. No.	Country	Major T&C export items from India	Major T&C import items from India
1	Poland	Cotton yarn, cotton textiles, made-ups and apparel, jute manufactures, Textiles machines	Nil
2	Slovak Republic	Leather footwear, cotton garments	Nil
3	Czech Republic	Nil	Nil
4	Slovenia	Cotton yarn,	Nil
5	Hungary	Cotton, jute goods	Nil
6	Estonia	Cotton, silk, Woolen and manmade yarn, fabrics and made-ups etc.	Nil
7	Lithuania	Textiles	Nil
8	Latvia	Ready made garments, textile materials	Manmade spun yarn
9	Malta	Nil	Nil
10	Cyprus	Nil	Nil

Source: DGFT

Table C-12

Textile & Clothing Imports to New EU10 - Accession countries

(US $'000)

Sr. No.	Code No.	Product Group	Countries									
			Malta (2001)	Estonia (2002)	Latvia (2002)	Lithuania (2002)	Poland (2002)	Hungary (2002)	Cyprus (2002)	Slovakia (2002)	Slovenia (2002)	Czech Rep (2002)
1.	261	Silk	0	22	0	0	59478	0	0	0	0	0
2.	263	Cotton	62	32186	12981	13260	0	23736	96	10823	14250	82122
3.	265	Veg Fibre Ex Cot/Ju	0	9124	1371	18961	13390	12003	75	1237	1506	9661
4.	266	Synthetic Spinning Fibre	128	13165	706	14849	41372	11327	500	5032	12319	28433
5.	267	Man-Made Fibres NES/WAST	607	627	0	13030	38539	13728	744	2463	5881	24998
6.	268	Wool/Animal Hair	0	3450	3780	14492	67647	17918	0	8383	5660	121093
7.	269	Worn Clothing Etc.	0	4171	6172	15384	30567	15819	30	17272	953	140371
8.	651	Textile Yarn	3402	29004	31308	81603	358574	160373	7664	80924	81485	342300
9.	652	Cotton Fabrics, Woven	43398	43053	16167	58817	468581	165421	11291	110447	22812	123169
10.	653	Man-Made Woven Fabrics	10300	60594	42323	134390	612993	193778	29994	129091	30096	187917
11.	654	Woven Textile Fabric Nes	13422	13427	5366	46582	191123	103627	3437	64101	13979	71583
12.	655	Knit/Crochet Fabrics	2018	22348	20646	44108	250500	118456	4429	60209	31411	81228
13.	657	Special Yarns/Fabrics	10742	41448	18750	35829	466615	198644	10652	21753	0	379233
14.	658	Made-Up Textile Articles	6658	19095	8256	9867	182040	50311	17879	163613	142804	98695
15.	659	Floor Coverings	2278	5393	5145	6053	98561	43619	7155	40011	19543	93685
16.	724	Textile/Leather Machinery	8491	24255	17906	35931	177666	50322	3160	62347	40198	205852
17.	841	Men's/Boys Wear, Woven	8097	18743	9934	15678	133639	82661	28753	28911	84340	110448
18.	842	Women/Girls Clothing Woven	12405	20916	13796	15478	177758	126091	81854	23741	106730	110181
19.	843	Men/Boy Wear Knit/Croch	2650	2733	1691	3945	32208	19652	6588	10687	9402	24394
20.	844	Women/Girl Wear Knit/Croch	6929	6232	5397	8980	89363	60297	14987	12677	17332	32105
21.	845	Articles of Apparel Nes	20413	40213	23623	27244	226460	219125	45010	98191	87266	163810
22.	846	Clothing Accessories	3548	15468	42194	13055	83398	61098	9930	36337	23786	74710
23.	848	Head Gear/Non-	2228	12033	7632	9125	67097	63428	9492	19712	21069	92129
24.		Total	155775	435698	293142	634659	3865567	1809432	291718	1005960	770820	2596115
25.		Share to Total (% age)	1.31	3.67	2.47	5.35	32.60	15.26	2.46	8.48	6.50	21.89

Note: Product group = 3 digits group of the Standard International Trade Classification (SITC, Rev.3)

Source : International Trade Statistics, ITC

Table C-13
Textile & Clothing Exports from New EU10 - Accession countries

(US $'000)

Sr. No.	Code No.	Product Group	Countries									
			Malta (2001)	Latvia (2002)	Lithuania (2002)	Poland (2002)	Estonia (2002)	Hungary (2002)	Cyprus (2002)	Slovakia (2002)	Slovenia (2002)	Czech Rep (2002)
1.	263	Cotton	0	588	1426	308	3565	5985	0	336	394	2226
2.	265	Veg Text Fibre Ex Cot/JU	0	389	13543	4421	397	762	86	262	276	778
3.	266	Synthetic Spinning Fibre	0	0	1480	20170	149	10506	122	6619	0	26073
4.	267	Man-Made Fibres NES/WAST	518	285	1419	1315	5	0	0	340	1017	995
5.	651	Textile Yarn	5577	59406	58184	208865	19376	100625	29	234942	129479	251779
6.	652	Cotton Fabrics, Woven	0	5986	17137	11342	47138	53176	124	19524	62189	219829
7.	653	Man-Made Woven Fabrics	2	3366	45573	64003	5252	67954	147	38350	35973	168376
8.	654	Woven Textile Fabric Nes	0	16762	33842	27122	26571	15454	0	27241	9591	140813
9.	655	Knit/Crochet Fabrics	15496	14730	4654	28592	3824	10787	271	5132	5415	32779
10.	657	Special Yarns/Fabrics	845	2601	20044	123222	10967	80630	67	19978	71334	219643
11.	658	Made-Up Textile Articles	382	22358	50109	370582	60514	68751	241	42047	34284	274471
12.	659	Floor Coverings	0	222	481	48798	8565	11739	0	2225	1323	40386
13.	724	Textile/Leather Machinery	0	535	5134	53075	8001	45319	0	25231	19110	340936
14.	841	Men's/Boys Wear, Woven	127084	28299	132527	521397	69434	258575	6837	259204	81579	204526
15.	842	Women/Girls Clothing Woven	3872	49779	240515	756572	50483	356474	8459	112689	115344	115550
16.	843	Men/Boy Wear Knit/Croch	159	7615	10597	23400	8755	31334	63	13286	3254	22274
17.	844	Women/Girl Wear Knit/Croch	543	19092	58538	157488	9628	116084	258	28402	14804	34727
18.	845	Articles of Apparel Nes	4290	75776	104165	305072	90975	389759	10387	162022	65790	133161
19.	846	Clothing Accessories	33	7603	20138	69471	8826	52451	33	57240	33555	90844
20.	848	Head Gear/Non-Text. Cloth	1608	1484	2997	46511	7267	78782	178	4758	12286	86364
		Total	158408	314874	820501	2839724	437690	1753145	25300	1057826	694995	2404528
		Share to total (in % age)	1.51	3.00	7.81	27.03	4.17	16.69	0.24	10.07	6.61	22.89

Note: Product group = 3 digits group of the Standard International Trade Classification (SITC, Rev.3)
Source: International Trade Statistics, ITC

Table C-14
Clothing exports of Accession Countries (1995-2003)

Sr. No.	Country	Value (Million US$)								Share in economy's total merchandise exports			
		1995		2001		2002		2003		1995		2003	
		Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	World	158350	--	194490	--	202310	---	225940	--	3.2	--	3.1	3.1
1	Czech Republic	515	457	651	483	645	566	724	642	2.4	1.8	1.5	1.5
2	Estonia	145	--	216	--	245	--	279	--	7.9	--	5.0	5.0
3	Hungary	1032	378	1342	607	1296	637	1439	839	8.0	2.4	3.4	3.4
4	Lithuania	205		523	--	569	--	661	--	7.6	--	9.1	9.1
5	Poland	2304	318	1949	639	1915	810	2074	854	10.1	1.1	3.9	3.9
6	Slovak Republic	257	86	573	185	633	229	702	289	3.0	1.0	3.2	3.2
7	Slovenia	659	262	377	351	327	350	344	397	7.9	2.8	3.2	3.2
8	Latvia	--	--	--	--	--	--	--	--	--	--	--	--
9	Cyprus	--	--	--	--	--	--	--	--	--	3.6	--	--
10	Malta	--	--	--	--	--	--	--	--	--	--	--	--

Source: WTO

Table C-15
India's exports and imports to New EU (10) - Accession Countries (1995-2003)

US $ Million

S.No.	Countries	India's Exports				India's Imports				Total Trade			
		1995-96	1998-99	1999-00	2000-01	1995-96	1998-99	1999-00	2000-01	1995-96	1998-99	1999-00	2000-01
1	Poland	108	167	140	164	80	78	48	30	188	245	188	194
2	Slovak Republic	30.7	17.8	20.7	23.3	66.3	16.8	33.7	53.8	97	34.6	54.4	76.1
3	Czech Republic	29.4	34.3	32.9	22.3	59.1	62.5	43.7	21.9	88.5	96.8	76.6	44.2
4	Slovenia	15.45	19.35	21.23	22.43	11.26	10.68	9.22	16.61	26.71	30.03	30.45	39.04
5	Hungary	32.5	66.9	60.6	66	23.2	11.3	17.1	18.7	55.7	78.2	77.7	84.7
6	Cyprus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	Malta	11.5	9.8	7.75	13.6	Neg	neg	0.8	0.45	11.5	9.8	8.55	14.05
8	Estonia*	n/a	n/a	n/a	2.4	n/a	n/a	n/a	0.2	n/a	n/a	n/a	2.6
9	Lithuania	4.3	4.2	5.9	5.3	2.9	1.9	2.1	9.6	7.2	6.1	8	14.9
10	Latvia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

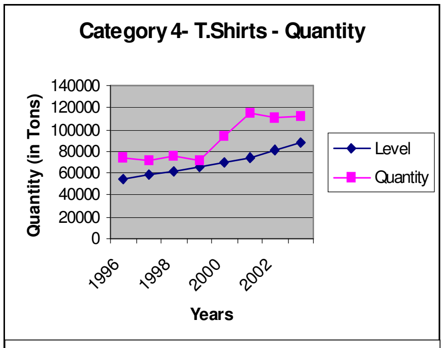
Source: Pohl Consulting & Associates (2004)

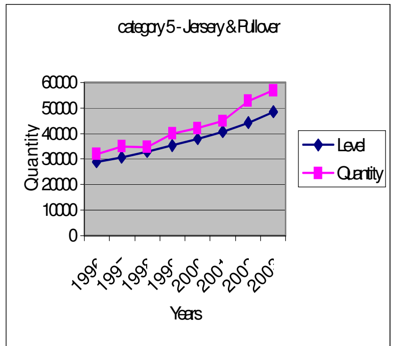
Table C-16
EU imports under quota restriction from India

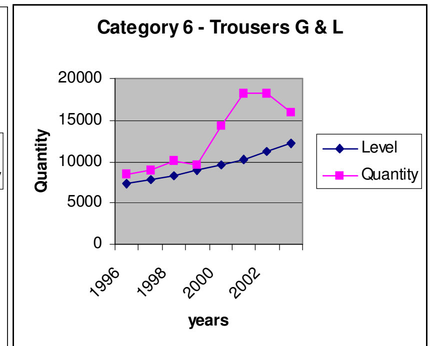
Category	Description
1	Cotton yarn, not put up for retail sale (K)
2(*)	Woven fabrics of cotton, other than gauze, terry fabrics, pile fabric's, chenille fabrics, tulle and other net fabric's (K).
2A	Of which: Other than unbleached or bleached.
3	Woven fabrics of synthetic fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (incl. Terry fabrics) and chenille fabrics (K).
3A	Of which: Other than unbleached or bleached.
4C	Shirts, T-shirts, light weight fine knit roll, polo or turtle necked jumpers and pullovers (other than of wool or fine animal hair), under vests and the like, knitted or crocheted (P).
5(*)	Jerseys, pullovers, slipovers, waistcoats, twin sets, cardigans, bed jackets and jumpers (others than jackets and blazers), anoraks, wind cheaters, waister jackets and the like, knitted or crocheted (P).
6C	Men's or boys' woven breeches, shorts other than swim wear and trousers (incl. Slacks); women's or girls' woven trousers and slacks, of wool, of cotton or of man made fibres; lower parts of tracks suits with lining, others than category 16 or 29, of cotton or of man-made fibres (P).
7	Women's or girls' blouses, shirts and shirt blouses, whether or not knitted or crocheted, of wool, of cotton or man-made fibre (P).
8	Men or boys' shirts, other than knitted or crocheted, of wool, cotton or man-made fibre (P).
9	Terry toweling and similar woven terry fabrics of cotton; toilet linen and kitchen linen, other than knitted or crocheted, of terry toweling and woven terry fabrics, of cotton (K).
15	Women's or girls' woven overcoats, raincoats and other coats, cloaks and capes; jackets and blazers, of wool, of cotton or of man-made textile fibres (other than parkas) (of Category 21) (P)
20	Bed linen other than knitted or crocheted (P).
23	Yarn of staple or waster artificial fibres, not put up for retail sale (K)
26	Women or girls' dresses, of wool, of cotton or of man-made fibres (P).
27	Women or girls' skirts, including divided skirts (P).
29(*)	Women's or girls' suits and ensembles, other than knitted or crocheted, of wool, of cotton or man-made fibres, excluding ski suits; women's or girls' track suits with lining, with an outer shell of an identical fabric, of cotton or of man-made fibres (P).
39	Table linen, toilet linen and kitchen linen, other than knitted or crocheted other than of terry toweling or similar terry fabrics of cotton (K).

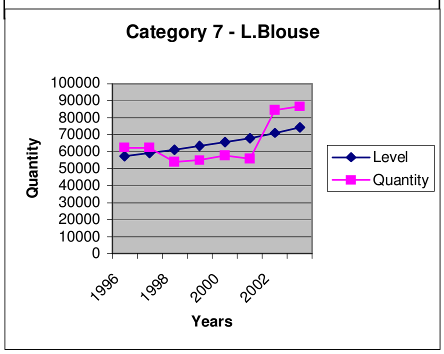
Annexure 1
Performance of categories

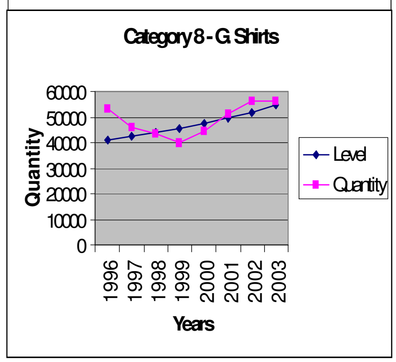
High performing categories

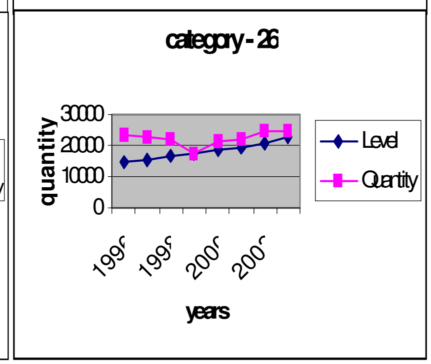




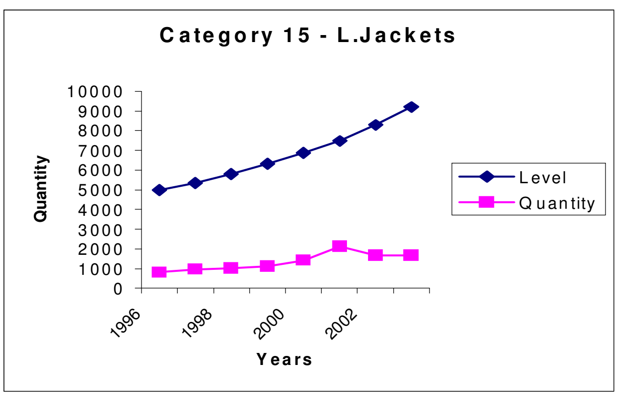


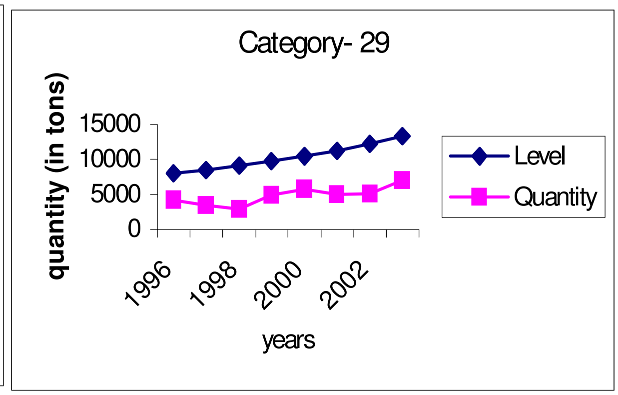






Non- Performing categories

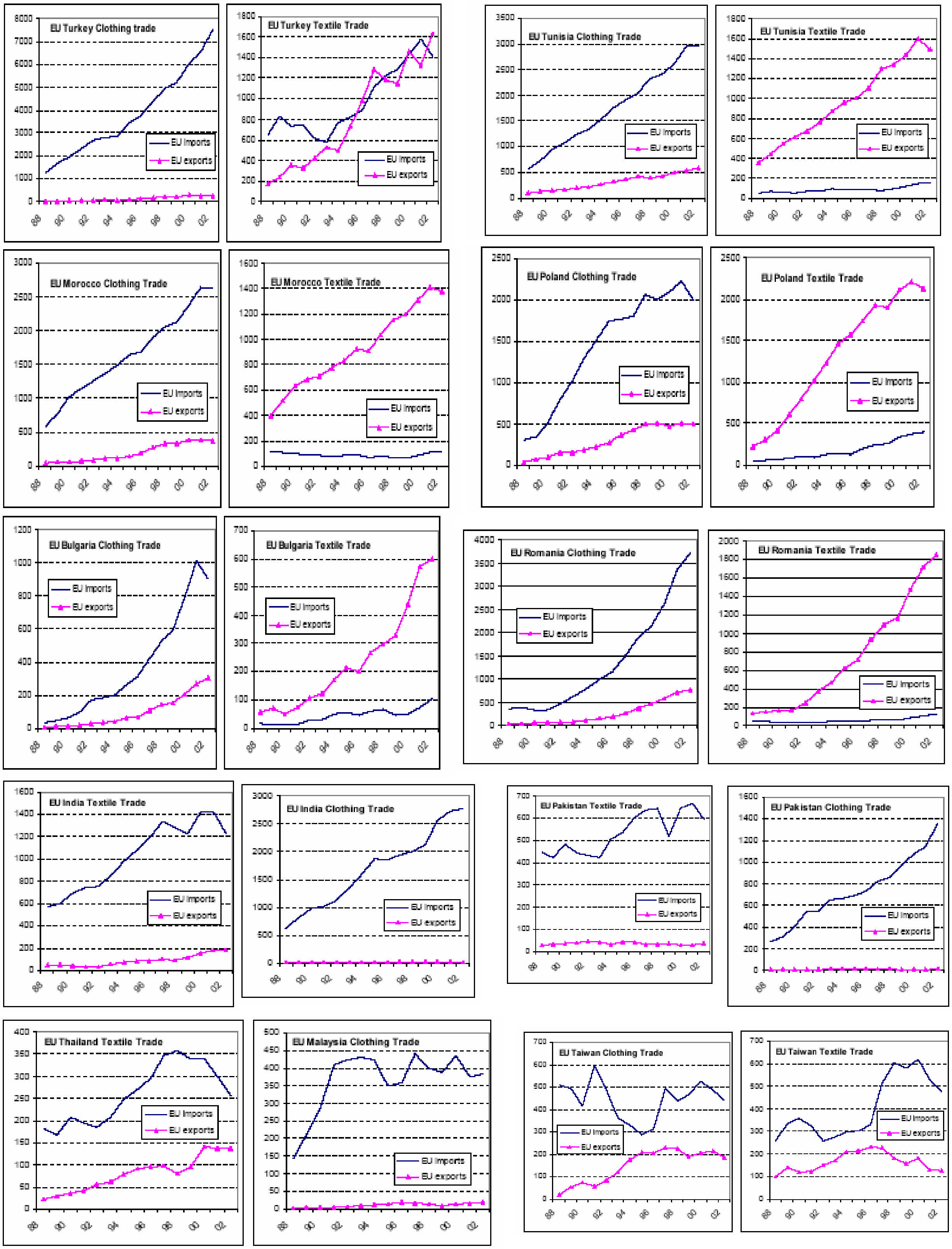


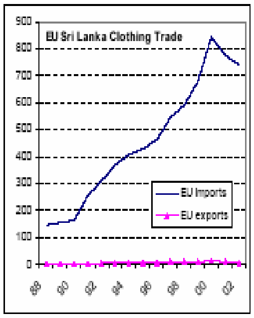


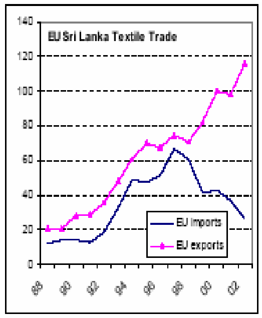
Annexure 2
Evolution of Imports and Exports by selected countries 1988-2002
(Million euro)

Contd..

Annexure 2 (contd)
Evolution of Imports and Exports by selected countries 1988-2002
(Million euro)




EU Sri Lanka Clothing Trade
EU imports
EU exports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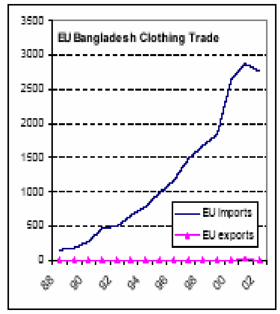
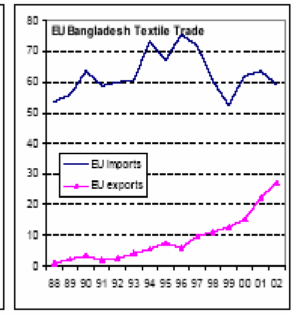
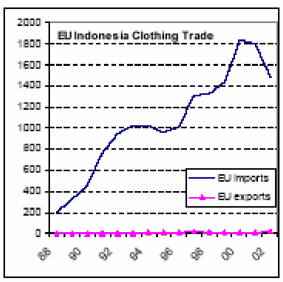
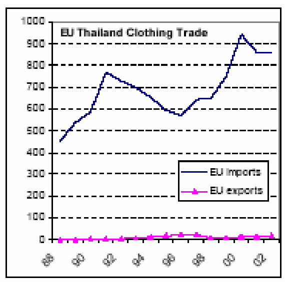
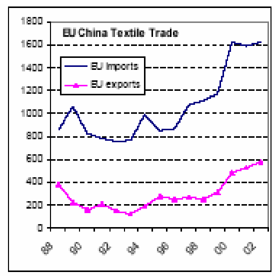
EU imports
EU exports

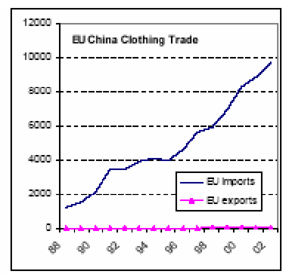

EU Bangladesh Clothing Trade
EU imports
EU exports

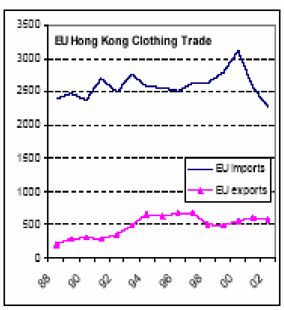

EU Bangladesh Textile Trade
EU imports
EU exports

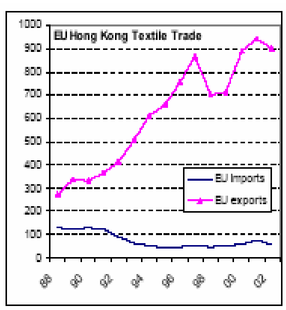

EU Indonesia Clothing Trade
EU imports
EU exports


EU Thailand Clothing Trade
EU imports
EU exports


EU China Textile Trade
EU imports
EU exports


EU China Clothing Trade
EU imports
EU exports


EU Hong Kong Clothing Trade
EU imports
EU exports


EU Hong Kong Textile Trade
EU imports
EU exports