The Current State of Textile and Clothing Trade in the International Market

by Imtiaz Ahmed Rumee and Raihana Abedin

HE textile and clothing manufacturers and exporters in the developed countries have been pressing the World Trade Organisation (WTO) to include social clauses in the international trade such as trade union rights, ban on forced, prison or child labour. standard working conditions etc. They advised the manufacturers and exporters of textile and clothing in the developing countries to strictly abide by the international code of conduct or face trade sanctions. The policy makers in the western Europe are now more vocal than before regarding implementation of the proposed code of conducts in the international trade, partly because, of continuing high level of unemployment in developed countries, and partly because of actions by a small number of determined NGOs.

The clothing and handwoven carpet industries are the main targets, allegedly making use of child, prison labour in certain developing countries. The issue regarding this kind of labour or minimum standard of working conditions made the EU governments and the Commission worried — though there was general agreement in Brussels that the matter was very much related to the ILO. While the US wants sanctions against countries which fail to meet these minimum standards, the EU favours incentives, such as lower tariffs and higher quotas, through the GSP scheme to countries that would maintain the international code of conduct.

It is reported that the dispute over the social clause can be expected to continue for a considerable period of time; certainly no decision is likely to come, either at the level of EU or WTO, before 1997. The EU emphasised that it would not use the issue for protectionists ends. Meanwhile boycotts and threats of boycotts from EU countries, are forcing countries like India, Pakistan and Bangladesh to take steps to meet EU demands.

China has lost preferential treatment in the EU market as Chinese exports exceeded 25 per eent of the EU's total imports of clothing. For that reason it automatically lost preferential tariffs access. It is now exporting under the terms of the EU's generalised system of preference since January 1. 1996. The growth rate in the textile and clothing sector in China - the largest exporter in this sector - has been reduced in 1995 to 2 per cent from 15 per cent annually during 1990-91 period. The volume of export in 1.994 was \$23.73 billion while it was \$24.20 billion in 1995

The experts attributed the recession of China's international trade in textile and elothing to the rise in prices of

raw materials and in labour costs. Compared with other developing countries. China is gradually losing its advantage of cheap labour, thus crippling its competitiveness in the international market. The US import grew only at 7.5 per cent rate in 1995 against 26 per cent of 1994. For instance, China had exports to the US worth \$30 million in 1974. In 1994 they had grown to \$1100 million. China is now in the second position in exports to the US. In the European Union the imports from China have increased from \$120 million in 1974 to \$1130 million in 1994. It is the fifth largest exporter to Europe. This is interesting because the intra-Asain textile exports have grown by 25 per cent yearly. On the other hand, retail prices of textiles and clothing were below 10 per cent in 1995 compared to the price

growth rate of 2 per cent in 1995 over 1994 period when the export value of \$21.40 billion was reached in 1994. In 1994. Hong Kong was the largest exporter of textiles worth 15 billion, China' the fourth largest exporter having \$9.35 billion. Hong Kong has been losing share gradually in the international clothing market. The shares of clothing export in 1980, 1990 and 1994 were 11.5 per cent, 8.7 per cent and 6.8 per cent respectively along with annual percentage changes in 1990-94, 1991 and 1994 were 1.5.2. Korea exported clothing worth 5.65 billion US dollars in 1994. But Korea's share of clothing exports in the international market have been decreasing. Korea's shares of clothing exports in the international market in 1980, 1990, 1994 were 7.3, 7.4 and 4 per cent respectively.



The garmets industry: Prospective as yet

index of 1990 on an average. In particular the growth of Chinese textile exports to the EU was much lower than of Sino-EU bilateral trade. In 1994 bilateral trade increased by 20 per cent over 1993. The total volume of Chinese exports to the EU increased by 24.7 per cent and total imports from the EU by 17.5 per cent. In case of textiles and clothing Chaise imports from the EU/increased by 37.2 per cent but exports to the EU only 7 per cent . In 1995 bilateral trade grew by 27.9 per cent over 1994, with Chinese imports up by 25.4 per cent and exports by 30 per cent But the growth rate in exports of Chinese textile and clothing to the EU was by only 1.1 per

The modest growth in the EU market was primarily due to the increased intra-Europe trade between eastern and western European countries. China also had to face stiffer competition from South Ameriçan countries. Chinese garment sector is worried about its prospects in 1996 as the sluggish trend in world garment as a whole is likely to continue.

The slowdown in the garment sector has also been seen in Hong Kong which earned a

The western Europe (i.e. the EU. EFTA and Turkeyl and the countries in Asia (including Japan) retains the same share in the world textile exports. In clothing, western Europe's exports accounted about 33 per cent, and Asia 50 per cent of total world exports. Europe is the prime importer with 40 per cent of world imports of clothing. Germany alone imported more than the US in textile sector in 1994 (\$11 and \$10 billion respectively). Germany, France and the UK combinedly imported exactly the same as the US in clothing sector (\$ 38.84 and

tional textile and clothing has been poised to take a new shape and would change even more as the impact of new regime grows. For example? intra-developing country clothing trade in 1994 was \$9 billion, or 12 per cent of developing country exports to the developed countries combined. However in 1993-94 this intra-developing country clothing trade had grown by 22 per cent as against only 8 per cent growth in their exports to the developed countries to about the same as intra-LDC trade (\$8 billion), but saw a 20 per cent growth from 1993.

The trend in the interna-

38.84 billion each).

The European Observatory for Textiles and Clothing OETH study. (OETH) is reported to have

given emphasis on the overseas competitors, and their domestic markets. The entrepreneurs of rich nations made deals with China, Taiwan, and Hong Kong among Asian countries and later with India in the question of market access. It noted the existence of an affluent class of Indians. numbering an estimated 40 million having annual incomes of over \$30,000, and of a middle class of around 150 million with household incomes of \$1,000 or more. The agreement with India under Uruguay Round, regarding ble cost.

market access, concluded on 31 December, 1994. Under this new agreement, India set to reduce the tariff on textile and clothing. The EU on the otherhand agreed to remove all quotas on Indian handloom and cottage Industry from January 1, 1995.

The competition in the international apparel market between eastern Europe and those in developing countries has been negligible. The manufacturers, exporters of developing countries specially produce the products which the consumers of developed countries use throughout years such as T-shirts, undergarments. pajama or other mass products where the eastern Europe produces more fashionable items like suits. Though the manufacturers of both regions often work as subcontractors to EC apparel firms, different types of apparel are ordered from developing countries than from eastern Europe. This sub-contracting pattern is not likely to change much in the near future. Products such as fashion-wear, for which fast delivery times are important will continue to be ordered in eastern Europe.

The large-scale restructuring in the textile and apparel sector along with political stability, free market economy and better working conditions is supposed to shift the production places from developing countries to the former East European regions to produce more mass products. fashionable and the high quality apparel. The European industry equipped with modern technology has been compet ing with Asian exporters. The regular development of science and technology such as

the computer hardware and software, and the use of telephone and cable network to link trade together, deserves better position in the international market. As a result, the retail trade over the next 10 to 15 years is likely to witness changes in the shopping experience, rapid changes in the product offer, improved inventory management and changes

in the supply chain, says an

The information feedback from consumers and retail stores will enable the manufacturers, exporters and entrepreneurs in the textile and clothing sector to perceive consumer demand better and even to anlyse consumer behaviour. Information technology will help to provide fast delivery and to replenish stock within the period of two weeks. The high-tech information also helps the producers, entrepreneurs in the distribution system sin order to deliver products at lowest possi-

England and Ireland have

national legislation on safety measurements in case of children's and ladies' nightwear, which requires the flame retardency test and the Netherlands introduced legislation on 1 January 1995 for nightwear. The EU has adopted legislation on textile and clothing to pretext person's health and safety measurement in terms of design which must be accompanied by relevant information supplied by the manufacturer. Since 1980s, particularly the industrialised countries had been emphasising on the importance of environmental considerations for the manufacturers, exporters, suppliers and distributors of textile and clothing.

One of the main problems in controlling eco-labelling is that there is still no specific and standard scale regarding environment and labour conditions in the production process where the developed and the developing countries could have a minimum agreement. The costliness of the procedures, the lack of technical know-how and the complexity of controlling the various stages of production process have also made the manufacturers and exporters in developing countries' export efforts more difficult.

The environment issue will

continue to play a prime role in the international trade on textile and clothing, whether the producers and exporters of developing countries like the idea or not. Because the volume of trade in clothing was 140 billion US dollars, the developed countries imported 82 per cent of world garment where Hong Kong and and Japan are the only Asian importing countries. The USA was the largest importer in garment in 1994 having the share of 26.3 per cent followed by Germany 15.3 per cent and Japan 10.4. The developed countries had the shares in clothing imports in the international trade of clothing of 77.2, 86.6, 82.4 per cent in 1980, 1990 and 1994 respectively.

Cosmetic Mask on a Glamorous Killer

Ghislaine Kruit writes from Tokyo

Japan's powerful tobacco industry has been accused of targeting young women by making cigarettes look fashionable. While big-smoking neighbour Beijing has just clamped down by restricting the habit in public, Tokyo is being criticised for doing too little.

HE slender Japanese model winks out of a glossy fashion magazine, advertising cigarettes with the word "slim" in their brand name.

"Today I smoke." flashes a giant billboard repeatedly in black-and-red scrip, while a huge symbol of an American tobacco company towers over Tokyo's trendy Omotesando area.

Cigarettes are still widely regarded as being "cool" and stylish in Japan, unlike in most other industrialised nations, where laws and public opinion are now more in tune with the health hazards associated with smoking rather than the pleasures. Even big-smoking China recently restricted the practice in public. While Japan's tobacco industry promotes

the glamour image, efforts by the government in Tokyo to curb the habit have been branded as cosmetic — just like the smoke-resistant cushions and designer hair colognes that renowned Japanese inventiveness has created to smother the smell.

In a country where an estimated 95,000 people died of smoking-related illnesses last year- figure the World Health Organisation (WHO) forecasts will worsen - anti-smoking campaigners are demanding more official action.

They point to Japanese statistics showing that 29 per cent of cancers are linked to smoking. And they accuse Japan Tobacco (JT). the country's cigarette-manufacturing monopoly which spent 23 billion ven on advertising in the 1994 financial year, of targeting young women to boost sales.

JT's own figures suggest that 27 million Japanese men and seven million women smoke, in a population of 124 million. Research shows the number of women in their 20s and 30s has increased notably in recent years, and the primary reason given by them for starting the habit is curiosity aroused by advertising.

Dr Tohoru Mori of the Tobacco Research Centre says there is evidence of a link between sales targeting and the increase in female smoking. JT denies making women a specific target, and says its advertising spending has not increased significantly since the company was privatised in 1985.

It's research shows that its main customers are man aged between 20 and 49, almost half of whom smoke. Although there is a slight downward trend in sales, as health awareness grows, national sales actually rose from 334.4 billion cigarettes to 334.7 billion from 1994 to

Neil Collishaw, WHO official for tobacco health issues, believes the number of smokingrelated illnesses and deaths are set to climb in Japan because the habit did not really catch on there until after the Second World War - so the worst of the effects have yet to be seen.

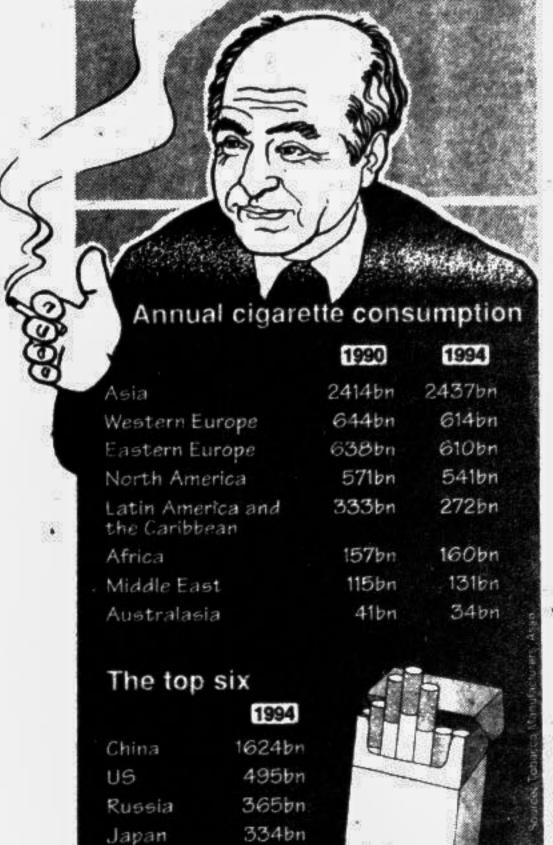
JT does not deny the risks of smoking, but praises the benefits. "It is recognised that smoking has spiritual effects such as assisting in the release of tension and heightening attention and concentration," says JT literature, quoting a report by the Japanese Tobacco Business Council, which advises the Ministry of

The Government, which reaped 2,075.5 billion yen in tobacco taxes in 1995, has come under fire for being too soft.

Dr Edward Fujimoto of the Tokyo Esei Hospital's anti-smoking association accuses the Finance Ministry of placing bureaucratic obstacles in the way of Health Ministry anti-smoking efforts.

Much of the Government's recommendations against smoke pollution take the shape of voluntary measures." says Fujimoto. But he points out: "Non-smokers are fighting the dangers of second-hand smoke in court, trying to get legislation passed.

For the moment, polite government warnlings on packets advise: "Please mind your



Lighting-up time

smoking manners" and "Since smoking can damage your health, be careful not to smoke excessively"— rather than the stark warnings in many countries that eigarettes can cause lung cancer and heart disease.

156bn

133bn

Indonesia

Germany

Although smoking on public transport is banned, there are no national laws protecting non-smokers in public places.

"No adequate steps have been taken in Japan to fight the harm done by non-smokers by cigarette smoke," says Yuji Nozu, an assistant professor at Akita University, who has conducted research into smoking. However, public dislike of tobacco fumes

has translated into the growing popularity of products that overcome the odour, the Japan Times newspaper quotes Nozu as saving. Curtains, cushions and artificial plants made

from a new smoke-absorbing fibre developed by the Asahi Chemical company have been a big hit, netting more than eight billion ven in sales last year.

The fibre's makers believe that the development of clothes made from their product could create a new market worth "well over 100 billion ven a vear"

Meanwhile, the bit cosmetics firm, Shisheido, sold a million bottles of its new smoke-masking hair freshener—at 2 300 ven a time —in only three months. The Japan Times reported a Shisheido survey indicating that 91 per cent of women were worried about their hair smelling smoke.

Judging from these product developments though, there is more worry about the smell than the physical harm.

The writer is a Dutch journalist who is cur rently writing and editing for the Japan Times

The Daily Star Entertainment Guide

Monday 15th July

(All programmes are in local time. We recommend programmes printed in bold. There may be changes in the pro-

BTV

3:00 Opening Announcement Al-Quran Programme Summary 3:10 Recitation From the Bible 3:15 Cartoon Film: Macron 3:45 Drama senes: Retelecast of Selected Bramas 4:00 News in Bangla 4:45 Rumihum: Children's Dance Programme 5:00 News in Bangla 5:25 Nazrul Songs 5:50 Sports Programme 6:00 News in Bangla 6:30 Shikkahogan : A variety show with the participation of University Students 7:00 The News 7:05 Open University 7:25 Chanadabritya: Programme Based on Recitation 8:00 News in Bangla 8:40 Package Drama 10:00 News in English 10:30 Shasthatatha 10:35 Sukher Thikana: Family planning programme 10:55 Comedy series: Coach 11:30 News in Bangla 11:35 Tuesday's programme 11:40 Close down

BBC

Business Report/Asia Teday/24 Hours 9:00 BBC World Headines f 05 The Money Programme 10:00 BBC Newsday 1:00pm BBC World News 1:15 The Money Programme 2:00 BBC World News 2:30 Time Out: Top Gear 3:00 BBC World News 3:36 Time Out : Food And Drink 4:00 BBC Newsdesk 6:00 BBC News Headlines 6:05 Correspondent 7:00 BBC World News 7:15 World Business Report 7:30 BBC Newshour Asia & Pacific 8:30 Time Out : The Contenders 9:00 BBC World News Money Programme World News 19:39 : Tomorrow's World 11:00 The World Today 1:00 BBC



2:00 Rewind VJ Sophiya 3:00 Big

World Headlines 1:05 The Money Programme 1:50 Earth Report 2:00 BBC World News 2:30 Time Our Summer Holiday 3:00 BBC World Report inc. World Business Report/24 Hours 5:00 BBC World News 5:10 Newsnight

CHANNEL V

Jump Start VJ Trev 9:00 Frame by Frame 12:00noon The Vibe VJ Luke 1:00 By Demand VJ Trey

Bang VJ Alessandra 4:30 By Demand VJ Trey 5:38 Rewind VJ Sophiya 6:38 The Vibe VJ Luke 7:30 First Day First Show 8:00 Lunchpad 9:00 BPL Oye! 10:00 Big Bang VJ Alessandra 10:30 First Day First Show 11:00 Rewind VJ Sophiya 11:30 The Ride VJ Trey 12:00mm Over The Edge VJ Sophiya 12:30 Music Master Bos Shoof 1:00 Haysah 2:00 By Demand VJ Trey 3:09 Asian Top 20 VJ Nonie 5:00 Frame by Frame



STAR PLUS

6:30 Voltron 7:00 Teenage Mu-

tant Ninja Turtles 7:38 G | Joe 8:00 Saber Rider And The Star Sherrif 8:30 The Adventures Of Black Beauty 9:00 Aerobics Oz Style 9:36 Nanny and the Profes sor 10:00 Mr Belvettere 10:30 Cooking Secrets Of The CIA 11:00 Videofashion News 11:30 Gabrielle 12:30 Santa Barbara 1:30 The Bold & The Beautiful 2:00 The Oprah Wistrey Show 3:00 Remington Steele 4:00 Cooking Secrets Of The CIA 4:36 Videotashion News 5:00 Special The Crown Of Brunei 6:00 Lost In Space 7:00 Home and Away 7:30 Charles in Charge 8:00 MASH 8:30 Mystery Movies: "BL Stryker" 10:30 The Bold & The Beautiful 11:00 Santa Burbara 12:00mm The New Twolight Zone 12:30 Hearts Afire 1:00 Grace Under Fire 1:30 Barnaby Jones 2:30 Videofashion News 3:00 The Oprah Winfrey Show 4:00 Hooperman 4:30 Home and Away 5:00 The Sullivans 5:30

STAR Sports

6:00 Inside PGA Tour 6:30 am

Bud Pro Surf Tour 7:30 Cricket '96: Sunday League (AXA Equity Worcestershire Via SKY 12:30 Formula One World Championship British Grand Prix Silver Stone Cut to 2 hrs 2:30 World M'Cycle Champs-German GP H/L 3:00 Inside PGA Tour 3:30 The Asian Football Show 4:30 World Rally Champs Season Preview 5:09 World Windsurfing H/L 5:39 Asia Sport Show 6:00 Futbol Mundial 6:30 Trans World Sport 9:30 International Motorsports News 8:30 S.E.A. Touring Cars Rd 5 & 6 9:96 Spark 16:06 The Asian Football Show 11:00 The Euro-

pean Tour Scottish Open Day 4 1:00 Trans World Sport 2:00 World Cup of Squash 3:00 S.E.A Touring Cars Rd 5 & 6 3:30 1996 World Motorcycle Championship German Grand Prix Highlights Nurburging Circuit 5:00 Australian Football League Highlights

STAR MOVIES

7:30 World Cinema: Les Bidasses S'en Vont En Guerre (Arabic Subtitles) 9:30 Classic: Mother Wore Tights (Arabic Subtitles) 11:30 Family : Ngati PG (Hindi Subtitles) 1:30 Comedy: Love At Large (Hindi Subtitles) 3:30 Com edy: Way.... Way Out PG? (Hindi Subtitles) 5:30 Family: White Fang (Hindi Dubbed) 7:30 Film Fiction Tale of Two Cities (Hindi Subtitles) 9:00 20:30 Extreme Close UP 9:30 21:00 This Week That Year 10:00 21:30 Comedy: Mystery (Hindi Subtitles) 11:30 Private Eye Week: Farewell My Lovely 18 (Arabic Subtitles) 1:38 World Cinema World Cinema Le Petit Garcon (English Subtitles) 3:38 Thriller: Best Seller 18 (Arabic Subtitles) 5:30 Film Club: Faust 18 (Arabic Subtitles)

PTV

8:00 am Tilawat Aur Tarjune /Hamd/Neat 8:20 Cartoon 8:30 Khabrain 8:45 Abb Pata Challa 9:05 Khat Farmaish 9:20 Sargam Sargam 9:45 Heai-Bill-Ghiza Paki stan 10:05 Shab Daigh 10:35 ilm : Goof Troop 19:55 Naghma 11:00 Khabrain 11:16 The Saint (Roger Moor) Shama (Drama Serial) 12:55pm Quran-e-Hakeem 1:02 1:15 Angaar (Drama Senal) 2:00 Shehrad (Drama Serial) 2:50 The Face Of Cultural 3:15 Roughmi 3:30 Paimaney 4:00 Ghardan 4:35 Biology for 10th Geography/ Chemistry 5:55 Inter



The Ride VJ Tery on Channel V. Tonight at 11:30

College Quiz 6:25 Alou Courses 7:00 Taranum (Drama Serial) 7:45 English News \$:00 Petluck 8:20

James Bond

BY IAN FLEMING

DRAWING BY HORAK

(Serial) 9:00 Break for Headline News 10:00 Khabarnama 11:15 Classics Drama Serial Janglee 12:20 Special: TBA 1:00 Khas

8:30am Yaadon Ki Baarat 9:00 The Three Stooges 9:30 Dennis The Menace 10:00 | Dream Of

Khas Khabrain/ Close down

SONY ET

Jeannie 10:30 Raia Rani Aur Jokar 11:00 Sunday Ki Sunday (Serial) 11:30 Cine Matinee Hindi Feature Film 2:30 Kismat 3:00 Zamin Asman 3:30 Mere Message Meri Geet 4:00 Surf Wheel Of Fortune (Game Show) 4:30 The Rason Show 5:00 The World Cup Count down-Cricket 5:30 The Three Stooges 6:00 Dennis The Menace 6:30 | Dream of Jeannie 7:00 Mere Message Meri Geet 7:30

tune 8:30 Taak Jhaank 9:00 Dekh Tamasa Dekh 9:30 Yeh Sadi Nahi Ho Sakti 10:00 Chamatkar (Drama Serial) 10:30 Cine Prime Hindi Feature Film 1.30 Mere Message Meri Geet 2:00 Yaadon Ki Barat 2:30 Closed

Premier 8:00 Surt Wheel Of For

EL TV

06:00am Dance Dance 7:00 Best of the Best 8:00 Tarana Aur Fasane 9:00 Music Time 10:00 Tarannnum 10:30 Kal Bhi Aai Bhi 11:00 Tere V Chup 11:30 Amar Prem 12:00 Special 1:00 Special 3:00 Shatrani 3:30 V Three 4:00

Navaras 4:30 The Music Real Count Down 5:00 Teen Do Paanch 5:30 Special 6:30 Special 7:30 Awaz Nahi Andaz Walii 08:00 Top of the Tops 8:30. Dance Mania 9:00 Sorry Mery Lorry 9:30 Karz (Senal) 10-00 Chalo Cinema 10:30 Silsila 17:00 Special 12:30 Green Chad 1:00 Music Time 2:00 Tarana Aur Fasane

ZEE CINEMA

9:30 Hum Se Hai Zamaria 12:30 Sunhera 3:45 Pavar Ka Sanna 4.30 Kuthe Juthe Shodhu Me Tulla 10:00 Paravish 12:30 Kala Dhanada 4:00 Trimorti

TOM and JERRY



FEW SUPPLIES ... THE

MISCO PLANTATION MANAGER HAND OVER SOME ITEMS ON

SAY- 50 ?

HIS HAMES



OK - COME IN MY OFFICE AND WRITE



