

EU Trade Concessions: Unfounded reservations of India & Bangladesh



Research Department

Pakistan Readymade Garments

Manufacturers & Exporters

Association (PRGMEA)

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Background:

After the devastating floods of 2010, the European Union (EU) formulated a relief trade package for Pakistan. Overall, 75 items were put on this concession package, which was subject to ratification by the World Trade Organization (WTO).

The EU cannot give duty concessions to Pakistan till the WTO waives its obligation of treating all member countries the same, known as the most favored nation clause. While, Pakistan needs a waiver from the WTO so that it could export textile products to EU states on agreed concessional terms. The package was announced for three years term and offered the grant of 20 percent reduction in taxes and duties. Major items on the list were raw materials.

As per the news reports, India and Bangladesh continue to oppose the package at the WTO meeting held on January 31, 2011. They argue that EU can directly help Pakistan in cash and humanitarian aid instead of trade concessions and that the concessions can affect their exports to Europe.

Overview:

The following report is a comparison of exports to EU-27, by Pakistan, India and Bangladesh in the textile and garment products on which trade concession are proposed. The report also compares total imports of EU from the world in the same items.

The objective of this short study is to determine the degree of competition between India, Bangladesh and Pakistan in the products proposed in the trade concessions. The report seeks to determine the claim of Bangladesh and India as to how much their exports will be effected if the trade concessions are approved.

By incorporating the EU's imports from the world in 64 items of textile and garments, out of the proposed 75, the report also tries to determine who much percentage these items constitute over EU's global imports, thus analyzing the fears of European textile producers that this package would have a negative effect on their production.

Findings:

- Bangladesh's opposition to the proposed EU trade package for Pakistan seems to have no basis as it has insignificant exports to the EU in home textiles, while it has virtually no exports in cotton yarns & fabrics as well as polyester and synthetic yarns and fabrics.
- Even in woven garments category, there seems to be little competition with Bangladesh as about half of the items under this category its exports are insignificant.
- In knitted garment category, Bangladesh's exports also seem to be little effected from the proposed lines.
- India's reservation to the concessions package also seem out of place considering its exports to EU in the items of woven garments seems not in competition.
- In few categories of knitted garments, India's exports to the EU are insignificant.
- India's exports in polyester and synthetic sectors are also very small in comparison with Pakistan's.
- In the present circumstances where there is global shortage of cotton and India is placing restrictions on its cotton exports, it seems that it's objections to restrict Pakistan's exports has political grounds.

Woven Garments (Chapter 62):

- Bangladesh woven garment exports to EU are more than 3 times higher than those of Pakistan's. While in comparison, India's exports are more than 4 times higher.
- Woven garment exports of Bangladesh constitute 6% share in total EU imports amounting to Euro 29 billion. While, Indian exports constitute 7% and Pakistan had 3% share in EU imports in 2009.
- The proposed 10 items in woven garment category are affecting 23% of Pakistan's total garment exports to the EU. While this figure only affects 5% of India's and 11% of Bangladesh's total woven garment exports respectively.
- In 5 out of 10 garment categories, Pakistan's exports are higher than those of Bangladesh or India.
- Overall, the 10 woven garment categories represent approximately 12% of the total EU garment imports from the world.
- Figures show that in 4 out of 10 woven categories, Bangladesh's exports total Euros 0.79 million. While in another category, it only exports Euros 0.59 million worth of goods.
- In women's denim trousers category, a major category for Pakistan, India's exports are only Euro 22 million while Pakistan's exports stood at Euro 69 million in 2009.

All figures are in million Euros

HS Codes	Description	Pakistan's Exports to EU in 2009	India's Exports to EU in 2009	BD's Exports to EU in 2009	EU total Imports
62019300	MEN'S OR BOYS' WIND JACKETS AND SIMILAR ARTICLES, OF MAN-MADE FIBRES (NOT KNITTED)	4.78	6.88	16.10	911.59
62034319	MEN'S OR BOYS' TROUSERS OF SYNTHETIC FIBRES (EXCL. KNITTED OR CROCHETED)	4.48	18.50	32.59	416.80
62042280	WOMEN'S OR GIRLS' ENSEMBLES, OF COTTON (NOT KNITTED)	4.89	2.17	0.11	23.85
62046231	WOMEN'S OR GIRLS' COTTON DENIM TROUSERS (NOT KNITTED)	69.00	22.24	100.47	1,323.00
62046290	WOMEN'S OR GIRLS' COTTON SHORTS (EXCL. KNITTED OR CROCHETED)	5.28	10.46	27.89	237.54
62079100	MEN'S OR BOYS' VESTS, SIMILAR ARTICLES OF COTTON (EXCL. KNITTED)	12.80	4.56	0.28	54.22
62089100	WOMEN'S OR GIRLS' VESTS, BRIEFS, PANTIES, AND SIMILAR ARTICLES OF COTTON (EXCL. KNITTED)	8.09	5.75	0.32	97.33
62114290	WOMEN'S OR GIRLS' GARMENTS, OF COTTON, N.E.S. (NOT KNITTED OR CROCHETED)	3.15	24.99	2.34	138.95
62114310	WOMEN'S OR GIRLS' APRONS, OVERALLS, AND OTHER OCCUPATIONAL CLOTHING, OF MAN-MADE FIBRES (EXCL. KNITTED)	3.23	1.44	0.59	85.25
62160000	GLOVES, MITTENS AND MITTS, OF ALL TYPES OF TEXTILE MATERIALS (EXCL. KNITTED)	8.27	3.90	0.04	138.50
	TOTAL	123.99	100.89	180.70	3,427.02
	% on which concessions are proposed	22.98%	4.61%	10.68%	11.65%
	Total EU Imports of Woven Garments in 2009	539.39	2,187.00	1,692.65	29,423.64
	% Share in EU imports	2%	7%	6%	-

Knitted Garments (Chapter 61):

- Bangladesh's total knitted garment exports to EU are more than 1.5 times higher than those of Pakistan's. While, India's exports are more than 3.2 times higher.
- Knitted garment exports of Bangladesh constitute 12% share in total EU imports of Euro 28 billion imports. While, Indian exports constitute 7% and Pakistan had 2% share in EU imports.
- Of the proposed 13 items in knitted garment category, are affecting 37% of Pakistan's total knitted garment exports to the EU. While it affects 22% of India's and 6% of Bangladesh's total exports respectively.
- In 8 out of 13 knitted garment categories, Pakistan's exports were already higher than those of its two regional competitors.
- Comparison shows that in 3 out of 13 knitted categories, Bangladesh had virtually no exports. While in two other categories, it only exports Euros 0.69 million worth of goods.
- Figures show that in 3 categories India's exports constitutes a combined total of Euro 1.84 million only.
- Overall, the 13 knitted garment categories represent approximately 17% of the total EU garment imports from the world.

All figures are in million Euros

HS Codes	Description	Pakistan's Exports to EU in 2009	India's Exports to EU in 2009	BD's Exports to EU in 2009	EU total Imports
61012090	MEN'S OR BOYS' WINDCHEATERS, AND SIMILAR ARTICLES OF COTTON, (KNITTED)	4.13	3.82	3.68	86.30
61033200	MEN'S OR BOYS' JACKETS AND BLAZERS OF COTTON, (KNITTED)	5.17	1.99	0.55	36.48
61034200	MEN'S OR BOYS' TROUSERS AND SHORTS OF COTTON, (KNITTED)	13.90	18.91	31.10	208.45
61072100	MEN'S OR BOYS' NIGHTSHIRTS AND PYJAMAS OF COTTON, (KNITTED)	3.40	70.13	22.59	199.82
61083100	WOMEN'S OR GIRLS' NIGHTDRESSES AND PYJAMAS OF COTTON, (KNITTED)	8.22	133.05	37.20	455.79
61099020	T-SHIRTS, AND OTHER VESTS OF WOOL OR FINE ANIMAL HAIR OR MAN-MADE FIBRES, (KNITTED)	4.45	34.75	24.19	1,098.45
61112090	BABIES' GARMENTS AND CLOTHING ACCESSORIES, OF COTTON, (KNITTED)	5.10	133.67	79.95	1,154.99
61121200	TRACK-SUITS OF SYNTHETIC FIBRES, KNITTED OR CROCHETED	4.03	0.42	1.47	143.11
61159500	FULL-LENGTH OR KNEE-LENGTH STOCKINGS, SOCKS AND OTHER HOSIERY, OF COTTON, (KNITTED), MEASURING PER SINGLE YARN < 67 DECITEX	41.91	15.52	1.52	850.01
61161020	GLOVES, IMPREGNATED, COATED OR COVERED WITH RUBBER, KNITTED OR CROCHETED	7.53	0.47	0	102.90
61161080	MITTENS AND MITTS, IMPREGNATED, COATED OR COVERED WITH PLASTICS OR RUBBER, (KNITTED)	14.39	1.53	0	106.29
61169200	GLOVES, MITTENS AND MITTS, OF COTTON, (KNITTED)	12.72	0.95	0	33.42
61169300	GLOVES, MITTENS AND MITTS, OF SYNTHETIC FIBRES, (KNITTED)	4.26	2.43	0.13	119.79
	TOTAL	129.22	417.64	202.38	4,590.80
	% on which concessions are proposed	37%	22%	6%	17%
	Total EU Imports of Knitted Garments in 2009	351.74	1,919.83	3,445.66	27,856.36
	% Share in EU Imports	2%	7%	12%	-

Home Textiles (Chapter 63):

- Bangladesh's share in home textile imports of EU was only 3% in 2009. India's share stood at 12% and Pakistan's share was 13% of the total Euro 6 billion EU imports.
- Bangladesh's total exports in the 8 proposed categories of home textiles stood at only Euro 37 million.
- Concessional categories of home textiles are affecting 26% of Pakistan's exports, 39% of India's and 17% of Bangladesh's total exports of home textiles to EU respectively.
- In only 2 out of 8 categories, Pakistan's exports higher than those of India's.
- The 8 proposed categories of home textiles represent 24% of the total EU's trade package.
- Overall, the proposed home textile categories represent approximately 39% of the total EU home textile imports of Euro 6 billion from the world.

All figures are in million Euros

HS Codes	Description	Pakistan's Exports to EU in 2009	India's Exports to EU in 2009	BD's Exports to EU in 2009	EU total Imports
63026000	TOILET LINEN AND KITCHEN LINEN, OF TERRY OR SIMILAR TERRY FABRICS OF COTTON (EXCL. DUSTERS)	98.10	110.24	16.81	685.50
63029100	TOILET LINEN AND KITCHEN LINEN OF COTTON (EXCL. OF TERRY FABRICS, DISHCLOTHS AND DUSTERS)	24.30	29.55	4.58	142.30
63039100	CURTAINS, OR BED VALANCES OF COTTON (EXCL. KNITTED)	28.17	56.36	5.58	134.72
63039290	CURTAINS, OR BED VALANCES OF SYNTHETIC FIBRES (EXCL. NONWOVENS, OR KNITTED)	18.49	15.49	2.22	385.64
63039990	CURTAINS, OR BED VALANCES OF TEXTILE MATERIALS (EXCL. OF COTTON AND SYNTHETIC FIBRES)	4.16	6.66	2.83	65.26
63049200	ARTICLES FOR INTERIOR FURNISHING, OF COTTON (EXCL. KNITTED), INCL. CURTAIN OR BED VALANCES, BEDSPREADS, LAMPSHADES AND ART	6.69	38.30	0.72	112.95
63071090	DISHCLOTHS, DUSTERS AND SIMILAR CLEANING CLOTHS, OF ALL TYPES OF TEXTILE MATERIALS (EXCL. KNITTED)	9.03	1.48	0.50	92.72
63079099	MADE-UP ARTICLES OF TEXTILE MATERIALS, INCL. DRESS PATTERNS, N.E.S. (EXCL. KNITTED)	19.45	24.41	3.32	805.39
	TOTAL	208.38	282.49	36.71	2,424.48
	Percentage on which concessions are Proposed	26%	39%	17%	39%
	Total EU Imports of Home Textiles in 2009	787.411	720.44	212.44	6,164.70
	% Share in EU Home Textiles imports	13%	12%	3%	-

Cotton Yarns & Fabrics (Chapter 52):

- Bangladesh had only 1% share EU imports in the 27 proposed categories of cotton yarn and fabrics. Bangladesh exported only Euro 0.82 million worth of goods to EU in 2009 under this category.
- In 2009, Pakistan's share stood at 17%, while India had a share of 13% in the total EU imports of cotton yarns and fabrics. EU's total imports in this category stood at Euro 2.3 billion.
- In 22 out of 27 proposed categories Pakistan's exports were higher than those of India's.
- Cotton yarns and fabrics category also represents 24% of the total proposed package, mainly consisting of raw material for the European textile and garment producers.

All figures are in million Euros

HS Codes	Description	Pakistan's Exports to EU in 2009	India's Exports to EU in 2009	BD's Exports to EU in 2009	EU total Imports
52051200	COTTON YARN, OF UNCOMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 2.5 Ne TO 0.8 Ne (EXCL. SEWING THREAD)	11.08	6.18	0	77.99
52052200	COTTON YARN, OF COMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 2.5 Ne TO 0.8 Ne (EXCL. SEWING THREAD)	13.94	31.06	0	80.47
52052300	COTTON YARN, OF COMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 3.1 Ne TO 4.2 Ne MN 43 TO MN 52 (EXCL. SEWING THREAD)	12.04	45.50	0	87.23
52052400	COTTON YARN, OF COMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 4.7 Ne TO 3.0 Ne MN 52 TO MN 80 (EXCL. SEWING THREAD)	10.87	24.84	0	59.93
52053200	MULTIPLE COTTON YARN, OF UNCOMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 2.5 Ne TO 0.8 Ne MN 14 TO MN 43 PER SINGLE YARN (EXCL. SEWING THREAD)	11.04	7.61	0	37.70
52054200	MULTIPLE COTTON YARN, OF COMBED FIBRES, CONTAINING >= 85% COTTON BY WEIGHT AND WITH A LINEAR DENSITY OF 2.5 Ne TO 0.8 Ne MN 14 TO MN 43 PER SINGLE YARN (EXCL. SEWING THREAD)	3.73	2.82	0	12.40
52081190	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 100 G/M ² , UNBLEACHED (EXCL. FABRICS OF BANDAGES, ETC.)	7.41	7.64	0	44.28
52081216	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 100 G TO 130 G/M ² , UNBLEACHED, WITH A WIDTH OF <= 165 CM	3.46	2.20	0	24.45
52081219	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 100 G TO 130 G/M ² , UNBLEACHED, WITH A WIDTH OF > 165 CM	29.30	5.17	0	59.79
52081300	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 200 G/M ² , IN THREE OR FOUR-THREAD TWILL, UNBLEACHED	7.97	1.85	0	27.75
52081900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 200 G/M ² , UNBLEACHED (EXCL. TWILL, INCL. PLAIN WOVEN)	20.05	5.17	0	61.24
52082190	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 100 G/M ² , BLEACHED (EXCL. FABRICS OF BANDAGES, ETC.)	4.27	0.98	0	16.50
52082219	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 100 G TO 130 G/M ² , BLEACHED, WITH A WIDTH OF > 165 CM	6.13	0.06	0	8.43
52082296	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 130 G TO 200 G/M ² , BLEACHED, WITH A WIDTH OF <= 165 CM	4.21	0.65	0	14.04
52082900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 200 G/M ² , BLEACHED (EXCL. TWILL, INCL. AND PLAIN WOVEN)	5.49	0.99	0	27.17
52083900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 200 G/M ² , DYED (EXCL. TWILL, INCL. PLAIN WOVEN)	5.23	3.44	0	69.89
52085100	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 100 G/M ² , PRINTED	3.31	0.58	0	11.96
52085200	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 100 G TO 200 G/M ² , PRINTED	13.16	1.99	0	40.83
52085990	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING <= 200 G/M ² , PRINTED (EXCL. TWILL, INCL. PLAIN WOVEN)	4.26	5.36	0	31.47
52091100	PLAIN WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , UNBLEACHED	9.18	3.08	0.03	23.08
52091200	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , IN TWILL, INCL. CROSS TWILL, UNBLEACHED	14.41	1.47	0	22.13

52091900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , UNBLEACHED (EXCL. TWILL, PLAIN WOVEN)	17.22	0.87	0.06	30.43
52092200	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , IN TWILL, INCL. CROSS TWILL, BLEACHED	3.69	0.39	0	17.16
52092900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , BLEACHED (EXCL. TWILL, AND PLAIN WOVEN)	4.91	0.58	0.06	12.44
52093200	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , IN TWILL, INCL. CROSS TWILL, DYED	3.68	2.92	0	20.31
52093900	WOVEN FABRICS OF COTTON, CONTAINING >= 85% COTTON BY WEIGHT AND WEIGHING > 200 G/M ² , DYED (EXCL. TWILL, INCL. PLAIN WOVEN)	7.27	2.93	0.73	71.69
52111200	WOVEN FABRICS OF COTTON, CONTAINING PREDOMINANTLY, BUT < 85% COTTON BY WEIGHT, MIXED WITH MAN-MADE FIBRES AND WEIGHING > 200 G/M ² , IN TWILL, INCL. CROSS TWILL, UNBLEACHED	3.78	0.05	0	4.44
	TOTAL	241.03	166.38	0.82	995.20
	% on which concessions are proposed	61%	53%	29%	42%
	EU Imports of Cotton Yarn & Fabrics exports in 2009	393.82	314.25	2.86	2,342.86
	% Share in EU's Cotton yarn & fabrics Imports	17%	13%	1%	-

Synthetic / Polyester Yarns & Fabrics (Chapter 54 & 55):

- Bangladesh's had virtually no share EU imports under these categories also.
- Out of the 6 items under these categories, India's share stood at 2% in synthetic and 5% in polyester, in comparison to its total exports to EU in these categories. Pakistan's stake was significantly higher at 56% and 33% respectively.
- The proposed items constitute only 2% in synthetic and 6% of polyester out of the total imports of EU from the world.
- Pakistan had 1% share the total EU imports in synthetic and 6% share in polyester imports under these chapters. India's share in imports stood at 4% and 8% respectively.
- Polyester & Synthetic yarns and fabrics category represents 5% of the total proposed package, mainly consisting of raw material for the European textile and garment producers.

All figures are in million Euros

HS Codes	Description	Pakistan's Exports to EU in 2009	India's Exports to EU in 2009	BD's Exports to EU in 2009	EU total Imports
54078100	WOVEN FABRICS OF YARN CONTAINING PREDOMINANTLY, BUT < 85% SYNTHETIC FILAMENT BY WEIGHT, INCL. MONOFILAMENT OF >= 67 DECITEX AND A MAXIMUM DIAMETER OF <= 1 MM, MIXED PRINCIPALLY OR SOLELY WITH WOOL, UNBLEACHED OR BLEACHED	4.89	0.02	0	7.78
54078200	WOVEN FABRICS OF YARN CONTAINING PREDOMINANTLY, BUT < 85% SYNTHETIC FILAMENT BY WEIGHT, INCL. MONOFILAMENT OF >= 67 DECITEX AND A MAXIMUM DIAMETER OF <= 1 MM, MIXED PRINCIPALLY OR SOLELY WITH WOOL, DYED	3.34	1.85	0	26.89
	TOTAL	8.23	1.87	0	34.67
	% Share on which concessions are proposed	56%	2%	-	2%
	EU Imports of Mixed Synthetic Yarn & Fabrics in 2009	14.63	79.28	0	1,921.51
	% Share in EU's mixed yarn & fabrics	1%	4%	-	-

55131120	PLAIN WOVEN FABRICS CONTAINING PREDOMINANTLY, BUT < 85% POLYESTER STAPLE FIBRES BY WEIGHT, MIXED PRINCIPALLY OR SOLELY WITH COTTON AND WEIGHING <= 170 G/M ² , UNBLEACHED OR BLEACHED, WITH A WIDTH OF <= 165 CM	6.27	0.04	0	23.61
55132100	PLAIN WOVEN FABRICS CONTAINING PREDOMINANTLY, BUT < 85% POLYESTER STAPLE FIBRES BY WEIGHT, MIXED PRINCIPALLY OR SOLELY WITH COTTON AND WEIGHING <= 170 G/M ² , DYED	9.97	0.10	0	25.07
55134100	PLAIN WOVEN FABRICS CONTAINING PREDOMINANTLY, BUT < 85% POLYESTER STAPLE FIBRES BY WEIGHT, MIXED PRINCIPALLY OR SOLELY WITH COTTON AND WEIGHING <= 170 G/M ² , PRINTED	10.48	0.12	0	13.20
55095300	YARN CONTAINING PREDOMINANTLY, BUT < 85% POLYESTER STAPLE FIBRES BY WEIGHT, MIXED PRINCIPALLY OR SOLELY WITH COTTON (EXCL. SEWING THREAD AND YARN PUT UP FOR RETAIL SALE)	11.19	7.53	0	43.28
	TOTAL	37.90	7.79	0	105.16
	% Share on which concessions are proposed	33%	5%	-	6%
	EU Imports of Synthetic Yarn & Fabrics in 2009	114.03	151.52	0.10	1,775.78
	% Share in EU's synthetic yarn & fabrics	6%	8%	-	



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