

# The EU Trade Concession Package: An Analysis

Compiled & Researched by  
PRGMEA

# Restrictive Quotas are Detrimental

## Products originating in Pakistan subject to annual duty free tariff quotas upon importation into the European Union

The products on which the measures are to apply are identified by their eight-digit CN codes. The description of this code can be found in Annex I to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff. The description of the CN code is given for information purposes only.

CN Code	Description	2012	2013
2207 1000	UNDENATURED ETHYL ALCOHOL, OF ACTUAL ALCOHOLIC STRENGTH OF $\geq 80\%$	80 000 tonnes	80 000 tonnes
52083900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON	1 685 tonnes	1 685 tonnes
52093900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON, WEIGHING MORE THAN 200 G/M2	3 002 tonnes	3 002 tonnes
61159500	PANTYHOSE, TIGHTS, STOCKINGS, SOCKS AND OTHER HOSIERY AND FOOTWEAR WITHOUT APPLIED SOLES, OF COTTON, KNITTED OR CROCHETED (EXCL. GRADUATED COMPRESSION HOSIERY, PANTYHOSE AND TIGHTS, WOMEN'S FULL-LENGTH OR KNEE-LENGTH STOCKINGS, MEASURING PER SINGLE YARN LESS THAN 67 DECITEX)	9 052 tonnes	9 052 tonnes
62046231	WOMEN'S OR GIRLS' COTTON DENIM TROUSERS AND BREECHES (OTHER THAN INDUSTRIAL AND OCCUPATIONAL)	7 571 tonnes	7 571 tonnes
62114290	WOMEN'S OR GIRLS' GARMENTS, OF COTTON	386 tonnes	386 tonnes
63026000	TOILET LINEN AND KITCHEN LINEN, OF TERRY TOWELLING OR SIMILAR TERRY FABRICS, OF COTTON	41 905 tonnes	41 905 tonnes
63029100	TOILET LINEN AND KITCHEN LINEN, OF COTTON, OTHER THAN OF TERRY TOWELLING OR SIMILAR TERRY FABRICS	9 997 tonnes	9 997 tonnes

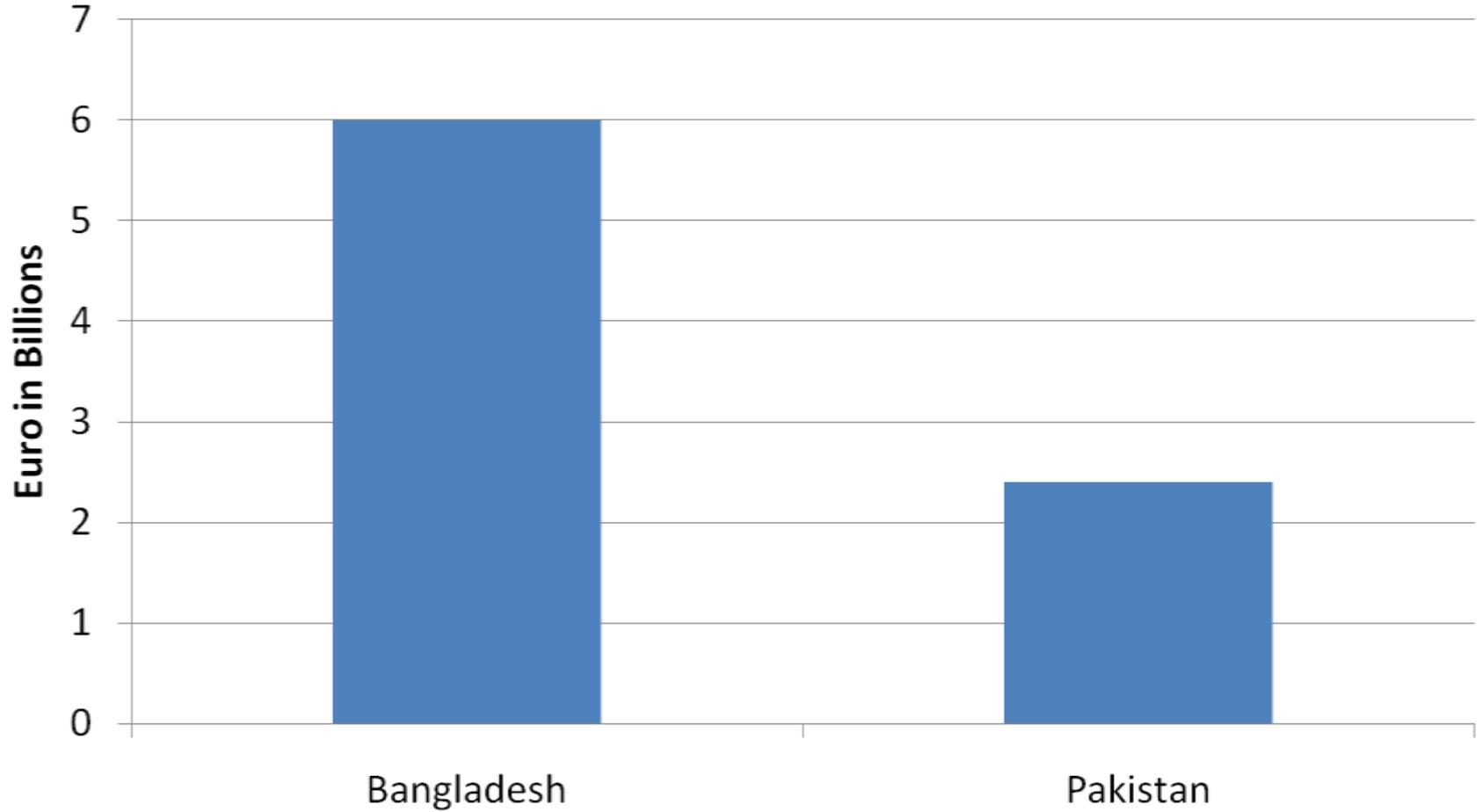
# Bangladesh's unjustified injury claim

CN Codes	Description	Pakistan's Exports to EU 2010	BD's Exports to EU 2010
52083900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON	Euro 4.6 mil	Negligible
52093900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON, WEIGHING MORE THAN 200 G/M2	Euro 8.9 mil	Negligible
61159500	PANTYHOSE, TIGHTS, STOCKINGS, SOCKS AND OTHER HOSIERY AND FOOTWEAR WITHOUT APPLIED SOLES, OF COTTON, KNITTED OR CROCHETED (EXCL. GRADUATED COMPRESSION HOSIERY, PANTYHOSE AND TIGHTS, WOMEN'S FULL-LENGTH OR KNEE-LENGTH STOCKINGS, MEASURING PER SINGLE YARN LESS THAN 67 DECITEX)	Euro 47.6 mil	Negligible
62046231	WOMEN'S OR GIRLS' COTTON DENIM TROUSERS AND BREECHES (OTHER THAN INDUSTRIAL AND OCCUPATIONAL)	Euro 83.4 mil	Euro 118.1 mil
62114290	WOMEN'S OR GIRLS' GARMENTS, OF COTTON	Euro 9.7 mil	Euro 35.2 mil
63026000	TOILET LINEN AND KITCHEN LINEN, OF TERRY TOWELLING OR SIMILAR TERRY FABRICS, OF COTTON	Euro 120.8 mil	Euro 17.7 mil
63029100	TOILET LINEN AND KITCHEN LINEN, OF COTTON, OTHER THAN OF TERRY TOWELLING OR SIMILAR TERRY FABRICS	Euro 25.4 mil	Euro 5.7 mil
	Total of 7 textile categories	Euro 300.4 mil	Euro 178.9 mil
	Total of All Textile Exports to EU	Euro 2.4 bil	Euro 6.0 bil

# Extent of Injury

CN Codes	Description	BD's Exports to EU 2010	Percentage
52083900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON	Negligible	Nil
52093900	OTHER DYED WOVEN FABRICS OF COTTON, CONTAINING 85% OR MORE BY WEIGHT OF COTTON, WEIGHING MORE THAN 200 G/M2	Negligible	Nil
61159500	PANTYHOSE, TIGHTS, STOCKINGS, SOCKS AND OTHER HOSIERY AND FOOTWEAR WITHOUT APPLIED SOLES, OF COTTON, KNITTED OR CROCHETED (EXCL. GRADUATED COMPRESSION HOSIERY, PANTYHOSE AND TIGHTS, WOMEN'S FULL-LENGTH OR KNEE-LENGTH STOCKINGS, MEASURING PER SINGLE YARN LESS THAN 67 DECITEX)	Negligible	Nil
62046231	WOMEN'S OR GIRLS' COTTON DENIM TROUSERS AND BREECHES (OTHER THAN INDUSTRIAL AND OCCUPATIONAL)	Euro 118.1 mil	2.0 %
62114290	WOMEN'S OR GIRLS' GARMENTS, OF COTTON	Euro 35.2 mil	0.6 %
63026000	TOILET LINEN AND KITCHEN LINEN, OF TERRY TOWELLING OR SIMILAR TERRY FABRICS, OF COTTON	Euro 17.7 mil	0.3%
63029100	TOILET LINEN AND KITCHEN LINEN, OF COTTON, OTHER THAN OF TERRY TOWELLING OR SIMILAR TERRY FABRICS	Euro 5.7 mil	0.1 %
	Total of 8 textile categories	Euro 178.9	3.0%
	Total of All Textile Exports to EU	Euro 6.0 bil	

# Textile & Garment Exports to EU



# HS Code Discrepancies

S.NO.	BUYER	TDAP GSP FORM REF. # & DATE	REMARKS
1	<b>C&amp;A</b>	632358 / 4 Nov 2011	They are importing with wrong 4-Digit HS Code 6203 instead of 62046231. Even the first three digits are wrong
2	<b>C&amp;A</b>	632357 / 4 Nov 2011	They are importing with wrong 4-Digit HS Code 6203 instead of 62046231. Even the first three digits are wrong
3	<b>Bershka</b>	600197 / 22 Sep 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
4	<b>Inditex</b>	641845 / 24 Nov 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
5	<b>Lindex</b>	632377 / 16 Nov 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
6	<b>Stradivarius</b>	590847 / 24 Aug 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
7	<b>Primark</b>	632342 / 4 Nov 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
8	<b>Arcadia</b>	611323 / 24 Sep 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
9	<b>Punto</b>	632379 / 17 Nov 2011	They are importing with 4-Digit HS Code 6204 instead of 62046231
10	<b>Esprit</b>	632368 / 11 Nov 2011	They are importing with wrong HS Code 62034231 instead of 62046231

# Unrealistic Ceilings

For ladies jeans, number one item for woven garment industry, the export ceiling has been set at 7,571 tons. If based on average garment weight of 700 grams per piece, the production comes about 9.46 million pieces/year which is equivalent to performance of a big denim jeans factory and Pakistan is performing far more than this quantity.

# Unrealistic Ceilings

EU will allow exports in quota items as per their own record based on EU Customs records, this will reduce Pakistan performance of categories like ladies jeans to only 30% of original and after the cap of just 20% we believe the quota of Pakistan will be reduced finished in first few months.

# Average Prices: No Competition

In 12 garment categories, Pakistan had the lower average unit price (AUP), implying Pakistani exporters targeting different market segment.

HS Code	Products	Pakistan 2010	Bangladesh 2010
62019300	Men's or boys' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres	Euro 15.11/kg	Euro 21.17/kg
62042280	Women's or girls' ensembles of cotton	Euro 7.04	13.77 /kg
62089100	Women's or girls' singlets, vests, and similar articles of cotton	Euro 4.89	5.97 /kg
62114290	Women's or girls' other garments of cotton	Euro 9.33	14.55 /kg
61012090	Men's or boys' anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, of cotton	Euro 7.45	10.52 /kg
61034200	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton	Euro 7.36/kg	9.11 /kg

# Average Prices: No Competition

HS Code	Products	Pakistan 2010	Bangladesh 2010
61083100	Women's or girls' nightdresses and pyjamas, of cotton	Euro 6.84/kg	Euro 8.10/kg
61112090	Babies' garments and clothing accessories, knitted or crocheted, of cotton	Euro 9.16/kg	Euro 12.40 /kg
61121200	Tracksuits, ski suits and swimwear, knitted or crocheted, of synthetic fibres	Euro 4.47/kg	Euro 8.07/kg
61159500	Other women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex, of cotton	Euro 5.68/kg	Euro 8.29/kg
61161020	Gloves, mittens and mitts, knitted or crocheted, impregnated, coated or covered with rubber	Euro 9.42/kg	Euro 10.90/kg
61169300	Gloves, mittens and mitts, knitted or crocheted, of synthetic fibres	Euro 11.16/kg	Euro 13.61/kg

# Bangladesh's Claim

Bangladesh's Commerce Secretary, Mr. Ghulam Hussain, in a recent interview to press claimed:

**“Bangladesh might lose \$ 10 million a year if Pakistan gets this facility”.**

# Bangladesh's Claim

**The Daily Star**

Wednesday, November 16, 2011

## Bangladesh sets conditions to EU's duty waiver for Pakistan

Star Business Report

Bangladesh has set some conditions regarding Pakistan's plea for duty benefit from EU for 75 of its products, said Commerce Secretary Ghulam Hussain yesterday.

Bangladesh will face tough competition mainly for eight garment items if Pakistan is allowed the duty-free facility to the EU.

Hussain explained the country's position to the journalists at a press briefing after a meeting with the garment exporters at his office.

"In EU-Pakistan tariff issue, Bangladesh had taken a middle position earlier, and it is still on. There is no change in our position regarding the issue," Hussain said.

He said the EU can allow the duty waiver excluding eight garment items as both Pakistan and Bangladesh are strong in the eight items.

Another condition is that if the EU wants to allow duty-free access to Pakistan, it should impose a cap after a certain rate of growth in export.

Pakistan as a developing country cannot claim the duty benefit but its plea came last year when the country faced devastating floods.

Hussain said: "Bangladesh might lose \$10 million a year if Pakistan gets the facility."

Mohamed Mijarul Quayes, foreign secretary, and Shafiqul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association, also spoke.

# Recommendations

- **Quotas / ceilings on categories are totally unacceptable as these would significantly reduce the impact on our exports. Some EU buyers had already increased buying in the proposed items in order to build the capacities and meet the minimum quality requirements.**
- **The proposed tariff lines should be monitored in 4-digit HS Codes, instead of 8-digit as almost 50-70% shipment from Pakistan were shipped either with 4 Digit H.S. Codes or even in wrong H.S. Codes.**