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NOT TOTALLY NAKED:
TEXTILES AND CLOTHING TRADE IN A
QUOTA FREE ENVIRONMENT

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Contents

	<i>Page</i>
<i>Abstract</i>	1
I. INTRODUCTION	1
II. QUOTA REGULATIONS IN TEXTILES AND CLOTHING TRADE	3
III. TARIFF PROTECTION IN TEXTILES AND CLOTHING TRADE	5
IV. TRADE EFFECTS OF QUOTA REMOVAL UNDER THE ATC	10
A. Simulation results of CGE-models	11
B. Trade effects of actual quota removals	13
V. POLICY OPTIONS FOR ADVERSELY AFFECTED EXPORTING DEVELOPING COUNTRIES	21
VI. CONCLUSIONS	24
REFERENCES	26
APPENDIX	
Annex table 1	28
Annex table 2	42

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Jörg Mayer
(United Nations Conference on Trade and Development)

Abstract

The impact of ATC-termination on the rise in China's market share in global textiles and clothing trade is likely to be lower than often suggested by CGE models because the models (i) neglect the industry structure and sourcing strategies of buyers; (ii) take insufficient account of current patterns of tariff protection, preference schemes, and rules-of-origin regulations that allow managing textiles and clothing trade after ATC-termination; (iii) assume smooth and overly rapid responses to changes in the trading environment particularly in quota-imposing developed countries; and (iv) ignore that achieving China's development objectives requires structural change towards production and exports of manufactures that are more skill-intensive than clothing.

I. INTRODUCTION

The international trading community is at last committed to lifting the remaining vestiges of quantitative restrictions in international trade of textiles and clothing. With the termination of the Agreement on Textiles and Clothing (ATC) at the end of December 2004, all textiles and clothing products will be fully subject to multilateral disciplines under the rules of the World Trade Organization (WTO). This will terminate the series of trade-distorting regimes that have governed textiles and clothing trade over some four decades and set an end to the status of textiles and clothing as the only sector of international trade in industrial goods that has remained outside multilateral rules since the conclusion of the Uruguay Round.

Termination of the ATC will strengthen the core principles of the multilateral trading system, namely transparency and non-discrimination. It will also lead to significant increases in global welfare as a result of more efficient resource allocation and a decline in consumer prices. However, the benefits of quota removal will be distributed unequally across individual countries because quotas are bilateral and the extent of their restrictiveness varies across countries. Exporters in countries with the internationally most competitive textiles and clothing industries will gain, while producers in countries that maintain import quotas until the end of 2004 and exporters in countries that have enjoyed quota-protected access to developed country markets are set to lose. The resulting adjustment pressure has led producer associations in some quota-imposing developed countries to demand extension of the ATC in one form or another. However, it should be noted that the commitment to termination of the ATC forms part of the single undertaking embodied in the Uruguay Round (UR) Agreements. Thus, it is not a separate issue for negotiation. Rather, changing the ATC would risk reopening and unravelling the UR Agreements, with potentially serious implications for the multilateral trading system.

Most quantitative assessments of the probable trade effects of ATC-termination rely on simulations based on computable general equilibrium (CGE) models. Their results generally indicate a very substantial rise in the share of China's exports to previously quota-protected developed country markets. India's market shares are also expected to rise, while those of other South Asian and some African countries are expected to decline. These simulation results have often been the base for demands to extend the application of quantitative regulations. The main objective of this paper is to

assess how realistic these simulation results are. This assessment is based on an analysis of the trade impact of the third stage of ATC-integration by the European Union (EU) and the United States (US) on 1 January 2002 and a discussion of likely reactions to the quota removal in the main importing and exporting countries.

The main argument of the paper is that the simulation results based on CGE-models overestimate the rise of China's market share in world exports of textiles and clothing following the removal of quantitative restrictions and, by implication, the adjustment pressure on adversely affected developing country exports, for four main reasons. First, the simulations take account only of cost-based considerations, neglecting the industry structure and sourcing strategies of buyers who are likely to continue diversifying the country origin of their supply.¹ Second, they take insufficient account of current patterns of tariff protection, preference schemes, and rules-of-origin regulations that have greatly influenced the distribution of market shares in EU and US imports and will allow managing textiles and clothing trade after ATC-termination. Third, they assume smooth and overly rapid responses to changes in the trading environment particularly in quota-imposing developed countries, while it is likely that these changes lead to the invocation of safeguard clauses or the initiation of anti-dumping measures to contain the rise in imports from China. Fourth, they take no account of the fact that, rather than by maximizing the current potential in clothing exports, mainland China's medium and long-term development goals may be better achieved by fostering structural change towards production and exports of manufactures that are more skill-intensive than clothing and by improving living conditions and purchasing power in rural areas, which is likely to boost domestic consumption of basic consumer goods (including apparel and other textiles) and provide a domestic outlet for the most price-competitive parts of local production.

The paper also shows that part of the recently observed significant rise in the market share of mainland China – which has spurred protectionist tendencies in the EU and the US – reflects a streamlining of trading procedures with the removal of middlemen in Hong Kong China SAR, Macao China SAR and Taiwan Province of China that used to channel apparel produced in mainland China to the world market. Regarding adversely affected exporting developing countries, possible measures to smooth adjustment pressure in the short run include negotiating less stringent rules of origin regulations in preferential trade agreements with the EU and the US in order to benefit more from tariff preferences, and, in the last instance, devaluing the exchange rate. But maintaining export competitiveness in the long term requires creating fully integrated domestic textiles and clothing industries, fostering productivity enhancing investment and improving trade infrastructure.

The remainder of the paper is structured as follows. Section II briefly discusses, first, the effects of quantitative restrictions on the geographical pattern of production and trade in the textiles and clothing sector and, then, the implementation process of quota removal under the ATC. Section III discusses tariff protection in the textile and clothing sector and the impact of preferential tariff regimes on the distribution of market shares among exporting countries. Section IV focuses on possible trade effects of ATC-termination by, first, briefly reviewing the results of CGE-model simulations that have been presented in the literature and, then, analyzing the trade effects of actual quota removal. This section also discusses likely reactions of buyers and policy makers in the main importing countries to ATC-termination. Section V looks at policy options for exporting developing countries that are likely to be adversely affected by quota removal. The last section summarizes the main findings and conclusions.

¹ This is a point also made by Nordås (2004).

II. QUOTA REGULATIONS IN TEXTILES AND CLOTHING TRADE

Many developing countries have a comparative advantage in the production of textiles and clothing, which often relies on relatively simple technology and a comparatively large input of low-skilled labour. These industries have led industrial development and created a wide range of production and employment opportunities across the developing world over the past five decades. However, the emergence of competitive developing-country producers of textiles and clothing and their growing market shares in international trade have caused the imposition of selective market access barriers by developed countries. In response to developing countries' increasing share of total world exports of textiles and clothing, developed countries have been seeking, since the early 1960s, special arrangements that would allow negotiating quantitative restrictions on a discriminatory basis, and hence escaping the general principle of non-discrimination under the rules of the General Agreement on Tariffs and Trade (GATT). Early negotiations eventually led to the Arrangement Regarding International Trade in Textiles (more commonly known as the Multi Fibre Arrangement, or MFA), in 1974. The essential aim of this complex set of quantitative restrictions was to allow expansion of developing country exports of textiles and clothing only insofar as it would not entail sizeable short- and medium-term adjustment costs, in particular unemployment, in importing (i.e. developed) countries.

The quota regulations of the MFA have inhibited export expansion by the most competitive exporters of textiles and clothing. But whenever textiles and clothing quotas became binding constraints for the exports from one country, export capacities started to be built up in, at that time, unconstrained countries, and when they in turn became restrained, activities started to be developed again elsewhere. MFA quotas have thus encouraged the geographical dispersion of textiles and clothing production allowing some smaller countries to take first steps towards export-oriented industrialization.

However, it is difficult to disentangle this dispersion effect of MFA quotas from the development-related evolution of comparative advantage. For example, the shift of labour-intensive activities in textiles and clothing away from the first-tier newly industrializing economies (NIEs) towards other Asian countries has clearly also reflected industrial upgrading in the NIEs, associated with wage increases and a move in production and export patterns towards more technology-intensive goods. In addition, preferential market access for developing countries through regional trade agreements with developed countries has greatly influenced the distribution of market shares among developing countries. Technological innovations that have made it economically profitable to split production processes and move labour-intensive production stages to geographically close low-wage economies, while keeping the more skill-intensive design and marketing segments in higher-wage economies, have often supported the creation of such regional trade agreements.

One consequence of the evolution of a wide range of garment suppliers in the world economy is that a number of, often small, developing countries have come to depend heavily on these products for their export earnings. For example, in 2000–2001 textiles and clothing accounted for a very large share of the merchandise exports (sometimes exceeding 80 per cent) of Bangladesh, Cambodia, the Lao People's Democratic Republic, Macao China SAR, Nepal, Pakistan and Sri Lanka, and for a sizeable share of the non-fuel merchandise exports of Qatar and the United Arab Emirates.² This high export dependence could have considerable adverse effects on these countries' trade balances if the quota removal reverses the geographical dispersion of textiles and clothing production and leads global

² For further detail, see UNCTAD *Handbook of Statistics 2003*, table 4.2D.

buyers to concentrate sourcing on a smaller number of countries. However, where textiles and clothing exports have a large import content and a low share of domestic value added, the effect of a decline in exports on a country's net foreign-exchange position will tend to be small.

The MFA formally governed quantitative restrictions on textiles and clothing trade until 1994 when it was succeeded by the Uruguay Round Agreement on Textiles and Clothing (ATC). The ATC defines three successive stages for integration of textiles and clothing products into the rules of the GATT 1994, and for the acceleration of growth rates for remaining quotas so as to make the still existing quota restrictions less and less binding (see table 1). This integration process culminates in the elimination of all quantitative restrictions by 2005.³ Once products are integrated into the GATT 1994, in principle, only the provisions of GATT Article XIX (i.e. Emergency Action on Imports of Particular Products) and the Agreement on Safeguards will be applicable to them. In the mid-1990s, the ATC was perceived as one of the major achievements of the Uruguay Round and its implementation was expected to account for a sizeable share of the anticipated welfare benefits of the Round.⁴ Moreover, it was expected that the three-stage phasing out of quantitative restrictions would ensure a smooth transition in both importing and exporting countries to the termination of the ATC.

Table 1
Integration of textiles and clothing into GATT under the ATC

<i>Date</i>	<i>Minimum volume integrated^a (Per cent)</i>	<i>Accumulated volume integrated (Per cent)</i>	<i>Growth rate of remaining quotas^b (Per cent)</i>
1 January 1995 (Stage I)	16	16	16
1 January 1998 (Stage II)	17	33	25
1 January 2002 (Stage III)	18	51	27
1 January 2005 (Full integration)	49	100	

Source: UNCTAD (1994).

a The percentage shares are based on 1990-import volumes.

b These growth rates are applied to previously agreed growth rates so that, for example, an initially agreed rate of 3 per cent rises to 3.48 in stage I.

In practice, all minimum requirements under the ATC have been met, and those countries/regions that applied quotas under the Agreement in 1995 (Canada, the European Union, Norway and the United States) have also met the growth-rate-increase requirement. However, the overall elimination of restrictions has been modest.⁵ The most recent major review of the implementation of the ATC (WTO, 2001a) notes that during the three stages Canada, the European Union and the United States have eliminated only 165 of the 1,271 quantitative restrictions (i.e. roughly 13 per cent) carried over from the MFA (see table 2). Moreover, in implementing the ATC, importing countries have considerable flexibility in selecting the articles for GATT integration at each stage, even though they have to include products from each of the four types of textiles (i.e. tops and yarns, made-ups, fabrics, and clothing) in each of the four liberalization stages. As a result, the quota-imposing countries chose to

³ For a detailed discussion of the MFA and the ATC, see UNCTAD 1994, Chapter V.

⁴ The estimates vary widely but some studies estimate the annual welfare gains from ATC-implementation to account for almost two-thirds of the total welfare gains resulting from the Uruguay Round (see OECD, 2003: Annex table 2).

⁵ An exception is Norway that phased out all its restrictions between 1996 and 2001. For details on which country integrated what kind of product and on which date, see WTO (2003a:19).

integrate first those products that either were not under quota, had highly underutilized quotas (i.e. quota redundancy), or were low-unit-value items. By contrast, they deferred integration of the most sensitive articles, such as higher value-added clothing items, until the end of the transition period. Taken together, the products integrated during the three stages are likely to account for less in value terms than expressed in volume (on which the integration schedule is based) implying that the bulk of clothing items, which represented roughly 20 to 30 per cent of the quota-imposing countries' import volumes in 1990, will become integrated only on 1 January 2005. This implies that little liberalization of items with substantial trade potential has actually taken place, and that there is the risk that full integration on 1 January 2005 will cause an adjustment shock in both exporting and importing countries.

Table 2
Integration during stages I–III under the ATC

	<i>Canada</i>	<i>European Community</i>	<i>United States</i>	<i>Memo item: Total</i>
Quantitative restrictions carried over from MFA	295	218	758	1271
Quantitative restrictions eliminated in stage I	6	0	0	6
Quantitative restrictions eliminated in stage II	23	14	14	51
Quantitative restrictions eliminated in stage III	27	27	43	97
Quantitative restrictions to be eliminated on 1 January 2005	239	167	701	1107
<i>Memo items:</i>				
Percentage share of all MFA-quantitative restrictions eliminated before 1 January 2005	19.0	23.4	7.5	12.9
Percentage share of MFA-quantitative restrictions on clothing eliminated before 1 January 2005	7.0	6.0	6.5	

Source: WTO (2001a:219–221) and author's calculations.

III. TARIFF PROTECTION IN TEXTILES AND CLOTHING TRADE

The current WTO rules establish that all quantitative restrictions on imports of textiles and clothing be eliminated by 2005. By contrast, they do not provide for obligations to reduce tariffs. The reduction of tariffs on textiles and clothing imports is part of the ongoing Doha Round negotiations on industrial tariffs. This means that, while marking an important step towards complete trade liberalization, the removal of quantitative restrictions does not imply unconstrained trade in textiles and clothing.

The level of tariffs on textiles and clothing has frequently remained high even after the reductions implemented as a result of the Uruguay Round commitments. In the major developed countries, the average level of tariffs on manufactured goods taken as a group is on average about only half that applied on textiles, and about one-third to one-fourth that applied on clothing, as shown in table 3. The table also shows that large developing country exporters of textiles and clothing and major countries in Central and Eastern Europe also apply higher tariffs on imports of textiles and clothing than on average in the manufacturing sector, but the proportional difference between tariffs levels in the different sectors in these countries is much smaller than in the main developed countries. Moreover, the textiles and clothing sector is subject to a very large number of tariff peaks in the leading developed country importers of these products, as well as in the developing countries and countries in Central and Eastern Europe shown in the table. Taken together, the relatively high average level and the large number of tariff peaks in the textiles and clothing sector imply that the level of protection in the main importing developed countries will remain sizeable even after quota removal, at least until the conclusion of the Doha Round negotiations on industrial tariffs.

Table 3
Applied tariffs on selected product groups, simple averages by importer, 2003

	<i>Manufactures</i>		<i>Textiles</i>		<i>Clothing</i>	
	<i>Simple averages</i>	<i>Share of tariff lines above 15%</i>	<i>Simple averages</i>	<i>Share of tariff lines above 15%</i>	<i>Simple averages</i>	<i>Share of tariff lines above 5%</i>
Developed countries						
Australia (2004)	5.6	6.7	10.1	4.0	19.7	68.0
Canada	4.2	7.8	8.5	7.9	14.3	65.4
European Union (2002)	1.3	0.6	2.8	0.0	3.8	0.0
Japan	3.2	10.1	5.6	3.9	12.1	37.6
United States (2004)	3.3	4.2	6.9	4.4	10.3	20.6
Developing countries						
Brazil	14.7	45.0	17.1	86.7	20.0	100.0
China (2004)	9.7	15.1	11.4	11.4	17.0	86.7
India (2001)	30.8	93.5	29.3	98.3	34.0	95.9
Malaysia (2002)	8.0	30.3	14.3	57.0	14.6	53.1
Mexico	18.5	51.3	21.5	87.4	34.3	98.2
Republic of Korea	7.8	0.4	9.5	0.0	12.5	0.0
Taiwan Province of China	5.7	3.4	8.8	3.4	11.9	14.3
Thailand (2001)	14.6	51.6	17.0	70.1	35.3	84.4
Tunisia	24.5	65.8	31.3	83.7	41.3	96.0
Turkey	1.7	0.6	2.9	0.0	5.4	0.0
Countries in Central and Eastern Europe						
Czech Republic	5.0	1.4	6.5	2.9	8.4	1.6
Poland	2.4	3.5	2.4	3.7	8.2	46.7
Romania (2001)	10.7	22.1	14.9	41.6	21.9	63.6

Source: UNCTAD and World Bank, *World Integrated Trade Solution database*.

Notes: Manufactures refers to Standard International Trade Classification (SITC) 5–8 less 68; textiles refers to SITC 65; clothing refers to SITC 84.

However, due to the widespread use of preferential arrangements there is significant variation in the level of applied tariffs that exporters to the main developed country markets actually face. In addition to schemes that grant preferences to a relatively wide range of countries – including through non-reciprocal preferential arrangements such as the Generalized System of Preferences (GSP), the successive Lomé Conventions and their successor, the Cotonou Agreement, and the Africa Growth and Opportunity Act (AGOA) – there has been rapid growth in recent years in the number of regional preferential trade agreements (PTAs) through which the EU and the US grant preferences to a relatively small number of developing countries or countries in Central and Eastern Europe. In such PTAs, beneficiary countries often gain considerable advantage over non-members in market access and higher market shares than would prevail under fully non-discriminatory conditions.

The impact of PTAs on trade flows depends on the preference margin for beneficiary countries and on regulations that determine the utilization of preferences. Preference margins can be assessed by the difference between most-favoured-nation (MFN) tariffs and effectively applied tariffs; the lower the effectively applied tariffs compared to the MFN tariffs, the higher the preference margins. Table 4 shows that import-weighted effectively applied tariffs by the EU and the US on textiles and clothing imported from their respective partners in regional PTAs are lower than they are for those imported from non-member developing countries, and that they are significantly lower than MFN tariffs. It also shows that among the non-member economies in the table there are few that do not enjoy tariff preferences from other schemes. The European Union accords preferences under the GSP to Bangladesh, China, India, Viet Nam, and the ASEAN-4, and under the EU-African, Caribbean and Pacific (ACP) Partnership, i.e. the Cotonou Agreement, to Kenya, Lesotho, Mauritius, and South Africa. Moreover, the EU has a free trade agreement with Mexico, which entered

into force on 1 July 2002 and whose tariff preferences have been gradually phased in. The United States also accords GSP-preferences to most of the “other economies” listed in the table, notable exceptions being Bangladesh, China, and Viet Nam; Kenya, Lesotho, Mauritius, and South Africa qualify for the apparel benefits under the African Growth and Opportunity Act (AGOA).⁶

Table 4
Textiles and clothing imports of the European Union and the United States and related import-weighted tariffs, by origin
(Per cent)

	<i>Textiles</i>					<i>Clothing</i>				
	<i>MFN tariffs</i>	<i>Effectively applied tariffs</i>	<i>Import shares</i>			<i>MFN tariffs</i>	<i>Effectively applied tariffs</i>	<i>Import shares</i>		
			<i>1995</i>	<i>2000</i>	<i>2002</i>			<i>2002</i>	<i>1995</i>	<i>2000</i>
Imports of the European Union from:										
<i>Countries with preferential market access under regional preferential trading agreements^a</i>										
Eastern Europe	7.7	0.0	3.6	5.5	6.8	11.9	0.0	9.9	11.0	11.8
North Africa	8.3	0.0	0.5	0.5	0.8	11.9	0.0	6.6	6.7	7.0
Turkey	8.6	0.0	2.5	4.1	4.6	11.8	0.0	6.7	7.3	8.6
<i>Other economies</i>										
Bangladesh	6.9	0.0	0.2	0.3	0.3	12.1	0.0	1.9	3.3	3.4
China	8.9	6.8	2.6	4.1	4.9	10.7	8.1	7.7	10.6	11.9
India	7.8	6.2	3.4	4.0	3.8	10.7	8.1	3.9	3.3	3.4
Kenya	7.7	0.0	0.0	0.0	0.0	11.7	0.0	0.0	0.0	0.0
Lesotho	7.2	0.0	n.a.	0.0	0.0	12.2	0.0	n.a.	0.0	0.0
Mauritius	8.5	0.0	0.0	0.0	0.0	11.5	0.0	0.8	0.9	0.7
Mexico	7.3	1.3	0.2	0.1	0.1	10.2	2.1	0.0	0.0	0.1
Viet Nam	9.3	7.2	0.0	0.1	0.2	11.6	9.2	0.6	1.1	0.9
ASEAN-4	7.3	5.7	2.6	2.9	2.5	10.3	8.0	4.2	4.7	3.8
NIEs	7.7	7.7	2.2	3.7	3.2	11.5	11.5	8.1	8.5	6.9
South Africa	5.4	1.5	n.a.	0.2	0.3	11.8	3.8	n.a.	0.1	0.1
Imports of the United States from:										
<i>Countries with preferential market access under regional preferential trading agreements^a</i>										
Mexico	7.6	0.0	7.0	9.8	9.6	12.3	0.7	7.0	13.1	11.6
<i>Other economies</i>										
Bangladesh	6.2	6.0	0.7	0.6	0.7	11.6	11.6	2.7	3.4	3.0
China	6.9	6.9	11.7	12.2	15.8	9.1	9.1	14.9	13.3	15.2
India	6.0	5.6	6.3	7.6	8.0	11.6	11.4	3.3	3.2	3.3
Kenya	8.4	n.a. ^b	0.0	0.0	0.0	10.8	n.a. ^b	0.1	0.1	0.2
Lesotho	8.7	n.a. ^b	n.a.	0.0	0.0	12.6	n.a. ^b	n.a.	0.2	0.5
Mauritius	8.4	n.a. ^b	0.0	0.0	0.0	11.1	n.a. ^b	0.5	0.4	0.4
South Africa	6.5	n.a. ^b	n.a.	0.2	0.2	12.9	n.a. ^b	n.a.	0.2	0.3
Turkey	9.3	9.2	1.9	2.8	3.1	11.5	11.4	1.7	1.7	1.9
Viet Nam	8.5	8.5	0.0	0.0	0.1	12.6	12.6	0.0	0.1	1.5
ASEAN-4	9.2	9.0	8.6	7.7	6.8	11.8	11.7	16.1	12.1	11.0
Eastern Europe	6.6	6.2	1.2	0.7	0.8	12.1	12.0	0.7	0.6	0.6
NIEs	9.7	9.7	14.4	12.7	11.7	12.4	12.4	22.2	15.0	12.8
North Africa	5.9	5.9	0.1	0.0	0.0	11.5	11.5	0.1	0.2	0.2

Source: Author's calculations based on UNCTAD and World Bank, *World Integrated Trade Solution* database.

Note: *Eastern Europe* includes Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. *North Africa* includes Morocco and Tunisia. *NIEs* includes Hong Kong China SAR, Republic of Korea, Singapore, and Taiwan Province of China. *ASEAN-4* includes Indonesia, Malaysia, the Philippines, and Thailand.

^a For the types of trade agreements see WTO (2003b:18) and WTO (2004:20–23).

^b See text note 6.

⁶ The tariff preferences granted by the United States under AGOA on textile products of Harmonized System (HS) Chapters 61–63 are not included in the TRAINS database (i.e. the source of the tariff data in the WITS (World Bank World Integrated Trade Solution) database on which table 4 is based) because of the complexity of the regulations that govern their application.

These differences in preference margins confer to the exporting members of the regional PTAs a competitive edge of between 5 and 10 per cent over exporting non-member countries. This goes a long way in explaining why the shares of North African and Eastern European countries and Turkey in textiles and clothing imports of the EU have grown sometimes considerably over the past decade and why their performance compares well even to countries which are known to have a competitive edge in these products. Even for such a strong competitor as China, textiles and clothing exports rose, on average, only at rates comparable to those in countries with preferential market access. It is also notable that the performance of the Eastern European countries and Turkey is much less impressive in the US market, where they do not benefit from the same preferential treatment. Similarly by virtue of its membership of the North American Free Trade Agreement (NAFTA), Mexico's performance in the US clothing market is much more impressive than that of other developing country exporters and that of its own exports in the EU market.

It is also interesting to note that between 2000 and 2002 Bangladesh was able to maintain its shares in clothing imports by the EU, where it enjoys tariff preferences under the GSP, while it experienced a decline in its share in clothing imports by the US, where it faces MFN-tariffs. By contrast, African countries that qualify for apparel benefits under AGOA maintained, or even substantially increased, their shares in clothing imports by the US, while they fared less well in the EU market.

In addition to the margin of preferences, the rules governing access to those preferences, especially rules of origin, influence the extent to which accorded preferences can actually be utilized and translated into higher exports. Given the discriminatory nature of preferential arrangement, rules of origin are required to differentiate between products from beneficiary countries and non-beneficiary countries. They set requirements for the origin of imported materials and minimum domestic value content of exports. The more restrictive rules of origin are, the greater are incentives for producers to use local materials. As a result, restrictive rules of origin shift sourcing away from lowest-cost intermediate goods producers from the rest of the world towards those in member countries of the preferential arrangement or, in the extreme case, domestic producers.

There are no internationally accepted standards for the setting of rules of origin. This means that the same importing country can vary rules of origin between trading arrangements and specific products. A restrictive setting, for example, does not allow manufacturers in exporting countries to claim origin status for products incorporating components from a third country. By contrast, less restrictive settings grant origin status to inputs coming from a third country that is member of the same PTA (as in NAFTA), to inputs coming from a country of the same explicitly defined regional group of countries which enjoys regional cumulation of origin (as under the GSP regulations of the EU), or allow for global sourcing of inputs as long as the apparel is totally assembled in the beneficiary country. This latter, and most favourable, regulation has helped least developed countries in sub-Saharan Africa to substantially expand their clothing exports to the US under the so-called "third country fabric rule" of AGOA. In particular, it has been a driving force of the strong rise in clothing exports by Lesotho to the United States, while Mauritius and South Africa whose clothing exports face more restrictive rules of origin have been less successful in this respect (table 4).⁷

⁷ Kenya has not succeeded in raising its market share in US imports in spite of enjoying favourable rules of origins under AGOA. For a detailed discussion of the impact of different regulations regarding rules of origin in AGOA on the export performance of beneficiary countries, see Mattoo, Roy and Subramanian (2003).

Table 5
Applied tariffs on selected textile and clothing products, simple averages by stage of processing, most recent year available

	Cotton			Man-made filaments					Man-made staple fibres			Garments			
	Processing stage			Processing stage					Processing stage			Processing stage			
	I	II	III	I	I	III	III	III	I	II	III	I	I	III	III
	5203	5205	5208	5404	5405	5605	5606	5609	5503	5509	5512	5903	5906	6113	6210
Developed countries															
Australia (2004)	0.0	4.9	14.4	4.8	5.0	0.0	2.5	9.7	0.0	4.8	14.2	11.9	8.4	11.9	14.8
Canada (2003)	2.1	3.4	4.8	4.0	5.7	3.6	3.5	12.7	1.9	5.6	8.2	4.8	6.3	7.9	10.5
European Union (2002)	0.0	1.4	3.0	1.7	2.2	1.7	1.9	2.1	2.0	1.6	3.0	2.4	2.7	3.7	4.1
Japan (2003)	0.0	3.4	5.4	4.6	4.2 ^a	2.8	2.6	2.2	5.9	4.7	7.4	2.5	2.5	11.8	12.6
United States (2004)	4.0	7.0	7.9	2.3	5.1	9.0	7.4	2.5	3.3	9.2	11.5	3.3	1.9	4.7	4.6
Developing countries															
Brazil (2003)	9.5	14.0	18.0	12.4	12.0 ^a	18.0	18.0	18.0	12.4	15.5	15.6	16.0	16.0	20.0	20.0
China (2004)	47.2	5.0	10.0	8.0	5.0	8.1	8.1	10.0	5.0	7.7	16.6	10.0	11.7	18.3	18.1
India (2001)	31.5	18.6	32.9	19.4	20.0	20.0	20.0	35.0	20.0	20.0	31.1	25.0	35.0	32.0	31.9
Korea, Republic of (2002)	1.0	8.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	8.0	13.0	13.0
Malaysia (2002)	0.0	8.5	17.8	9.0	8.3	0.0	0.0	5.0	2.4	7.7	16.4	25.8	0.0	14.6	13.4
Mexico (2003)	13.0	18.0	20.2	16.8	16.0	18.0	17.0	15.5	11.0	18.0	18.0	17.3	20.5	35.0	35.0
Taiwan Province of China (2003)	0.0	4.0	9.7	4.0	4.0 ^a	8.0	8.7	10.8	1.6	4.0	9.7	8.5	10.6	12.2	12.1
Thailand (2001)	0.0	9.7	18.0	9.2	0.0	9.4	9.6	17.6	9.4	9.1	18.7	9.3	18.3	27.7	46.7
Turkey (2003)	0.0	2.1	4.0	1.4	0.0	2.1	2.5	1.6	2.4	1.6	2.5	3.5	2.1	6.6	7.1
Central and Eastern European countries															
Czech Republic (2003)	2.5	5.4	7.1	3.4	4.0	0.0	6.2	5.8	4.6	6.5	4.3	5.7	4.8	5.8	7.5
Poland (2003)	0.0	2.2	1.8	2.2	6.0 ^a	1.8	1.6	1.2	4.5	3.1	2.2	2.7	1.6	18.0	13.2

Source: UNCTAD and World Bank *World Integrated Trade Solution* database.

Notes: The countries shown are the 20 largest merchandise importers in 2001 (except Switzerland, for which no comparable data are available, and Hong Kong China SAR and Singapore, for which all tariffs are zero), accounting for a total of 87.6 per cent of world merchandise imports. I = unprocessed, II = semi-processed, III = processed product. The numbers below the processing stages are the Harmonized System codes for the respective product: **Cotton:** 5203 = cotton, carded or combed; 5205 = cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale; 5208 = woven fabrics of cotton, containing 85 per cent or more by weight of cotton. **Man-made filaments:** 5404 and 5405 = synthetic and artificial monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1mm; strip and the like of synthetic and artificial textile materials of an apparent width not exceeding 5mm; 5605, 5606 and 5609 metallized and gimped yarn and articles of yarn of heading 5404 or 5405. **Man-made staple fibres:** 5503 = synthetic staple fibres, not carded, combed or otherwise processed for spinning; 5509 = yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale; 5512 = woven fabrics of synthetic staple fibres, containing 85 per cent or more by weight of synthetic staple fibres. **Garments:** 5903 and 5906 = textile fabrics impregnated, coated, covered or laminated with plastics, and rubberized textile fabrics; 6113 and 6210 = garments, made up of knitted or crocheted fabrics of heading 5903, 5906 or 5907, and garments, made up of fabrics of heading 5602, 5603, 5903, 5906 or 5907.

^a Most-favoured-nation tariff.

In addition to tariff levels and preferences, tariff escalation characterizes the tariff structures of importing countries. Tariffs escalate when they show a higher level on semi-processed and processed products than on unprocessed products or raw materials. Tariff escalation biases exporting countries' production patterns towards lower value added products and thus are an obstacle to technological upgrading. In order to analyze tariff escalation in the textiles and clothing sector, table 5 groups simple averages of effectively applied tariffs by stages of processing for the world's most important importers of merchandise goods to reveal the change in tariffs along the production chain for cotton, man-made filaments, man-made staple fibres, and garments.⁸ The table shows that all countries in the table apply tariff escalation. However, there is wide variation in the extent of tariff escalation both across countries and across products. For example, in Australia, Japan, Malaysia, Thailand and Turkey tariff escalation is particularly strong in the production chain for the selected cotton product, while in Canada, Mexico and Poland the proportional difference across processing stages is particularly strong for the selected garment. Taken together, the table clearly shows the presence of tariff escalation in textiles and clothing trade.

The comparatively high level of tariffs and the presence of tariff escalation on textiles and clothing imports in the main developed countries clearly harm export opportunities of developing countries. But it is likely that after the removal of quantitative restrictions, tariff protection will temper adjustment pressure in these importing countries in a way that is consistent with the rules of the multilateral trading system. The above evidence also shows that giving preferential market access to some selected exporting countries and associated different degrees of restrictiveness in rules of origin have allowed the major importing developed countries to "manage" the distribution of market shares in textiles and clothing imports, even though this form of "import market share management" has probably been less effective than the imposition of quantitative restrictions. However, tariff preferences are eroded by a reduction in MFN tariffs. Indeed, addressing remaining tariff protection in industrial products, including textiles and clothing, is a key issue on the negotiating agenda of the Doha Round. But realistic scenarios of progress in the Doha Round negotiations on industrial tariffs imply that any agreement in this area will not become effective before 2007. Thus, as a result of persistent high tariffs and tariff escalation in the sector, currently preferred suppliers are likely to continue enjoying their preferential edge over non-preferred suppliers for some years. This should cushion the impact of ATC-termination on preference-receiving countries while reducing the potential benefits for non-preferred suppliers. However, there is the risk that neither developed countries that maintain high import tariffs nor countries that benefit from tariff preferences will have much incentive to participate actively in multilateral negotiations on market access liberalization for industrial goods and that, instead, they may work towards a continued separate treatment of the textile and clothing sector in the multilateral trading system.

IV. TRADE EFFECTS OF QUOTA REMOVAL UNDER THE ATC

Given the distortionary effects of quantitative restrictions on the pattern of international trade and production, their removal leads to significant adjustment pressure. Inference on the impact of ATC-termination on trade and production in the textile and clothing sector may be gained from simulation results of CGE models, which concentrate on changes in relative prices, or from the effects of actual quota removals in the past, which reflect the entire gamut of factors that impact on patterns of trade

⁸ The chosen products are those for which different processing stages can be identified most clearly. The textiles and clothing sector includes over 150 subgroups at the 4-digit level of the Harmonized System and a detailed examination of tariff escalation in the entire sector is thus beyond the scope of this paper.

and production. This section briefly reviews the results of model simulations that have been presented in the literature before analyzing in more detail the effects of liberalization by the US and the EU for the third stage of ATC-integration on 1 January 2002.

A. Simulation results of CGE-models

Several studies have made quantitative assessments of the probable trade effects of ATC-termination. Most of these studies, which are reviewed, for example, in OECD (2003) and USITC (2004), rely on computable general equilibrium models and data of the mid-1990s, but they differ with respect to the chosen modelling approach, sets of behavioural (e.g. elasticity values) and structural (e.g. constant or increasing returns to scale) hypotheses, as well as in their focus on the impact of trade reform at the regional or global level.⁹ Despite these differences, the results consistently indicate that ATC-termination will lead to sizeable increases in global welfare and in trade of textiles and, particularly, clothing.

The simulation results also indicate an unequal distribution of liberalization benefits across different countries. In general, they suggest that developed-country importers will concentrate sourcing activities on the most competitive developing-country suppliers at the expense, especially, of those developing countries that foreign investors from quota-constrained countries have used as export platforms. Reflecting widespread agreement that MFA quotas have curbed exports from Asian developing countries relatively more than from other countries, quota removal will allow massive expansion of production and exports of textiles and clothing in Asia – particularly China and, less so, India. For example, according to the simulation results of Ianchovichina and Martin (2001) and Spinanger (2003), China will experience a doubling in its textiles and clothing exports and account for close to 50 per cent of world exports of these products. The results in Nordås (2004) indicate that both India and China will almost double (to 9 per cent and 29 per cent, respectively) their market shares in clothing imports by the EU, and experience a three- to four-fold increase (to 15 per cent and 50 per cent, respectively) in their market shares in clothing imports by the US. According to these simulation results, other developing countries whose exports have largely gone to quota-restricted markets will experience a strong decline in market shares. For example, the findings in Mlachila and Yang (2004) indicate a decline in Bangladesh's clothing exports by 6 to 38 per cent, depending on the model assumptions. The rise in market shares of the most competitive developing-country suppliers is also expected to lead to a decline in export market shares for those developing countries that have benefited from regional PTAs, such as Mexico for exports to the US and North Africa, Turkey and Central and Eastern European countries for exports to the EU. Regarding the impact on developed countries, the results indicate a rise in welfare, as a result of lower consumer prices and a more efficient allocation of resources, in spite of a significant decline in production and employment and a rise in imports, particularly of clothing.

While such simulation exercises may be useful to indicate broad directions of change, they should be interpreted in light of the underlying assumptions. For example, Nordås (2004) points out that the simulation results are driven by changes in relative prices, while they do not capture the influence of time and distance as trade barriers. Vertical specialization has become an important characteristic of the industry structure in textiles and clothing, with the capital- and technology-intensive stages of production undertaken in one (high-wage) country and the labour-intensive production stages in

⁹ These analyses represent the restrictiveness of import quotas as price wedges. In their simulations they use estimates of export tax equivalents to measure the degree of restrictiveness of a quota, and hence the likely impact of its removal.

another (low-wage) country. This implies that the inputs embodied in the final product are shipped between different production locations several times and that total production costs are sensitive to the geographical distance between these locations.¹⁰ At the same time, the widespread adoption in the retail sector of “lean retailing” implies that the supply of garments is continuously adjusted to consumer tastes. This requires more frequent re-stocking of garments in smaller quantities as opposed to the traditional stocking of the store before the season and clearance sales at the end of the season. Short lead times and a high degree of production flexibility thus have become factors that impact on an exporter’s competitiveness, in addition to low production costs. Taking account of these factors, Nordås (2004) argues that the beneficial effects particularly for China and the adverse effects of quota removal for countries that are geographically close to the EU or the US and/or face only low or zero tariffs for their exports to these markets are likely to be much lower than indicated by the results of CGE simulations.

The simulation results based on GTAP models also suffer from being based on an incomplete reflection of actual trade protection patterns. The basic GTAP-dataset is benchmarked to 1997 and thus reflects tariffs actually applied in 1997.¹¹ This implies that the simulations do not take due account of up-to-date tariff protection, preferences, or rules-of-origin regimes of PTAs. In addition, the models assume that resources released from one sector flow towards other activities without major disruptions, so that no serious short or medium-term adjustment costs would result from quota removal in either exporting or importing countries.¹² This implies the assumption of an overly rapid and smooth response to quota removal. Regarding exporting countries, it implies incomplete account of production capacity constraints and wage increases following the rise in demand for low-skilled workers in textiles and clothing industries. Regarding importing countries, it implies that CGE simulation results generally indicate that the quota-imposing countries experience a substantial increase in welfare from quota removal under the ATC, while these countries had been among the initiators of the MFA. Hence, this assumption makes it difficult to understand why quotas have been maintained for so long and why the process of quota removal has not proceeded more rapidly (see also OECD, 2003:20).¹³

Evidence for the EU and the US indeed shows that adjustment costs in the form of labour shedding has been considerable. Employment in the textiles and clothing sector declined at an average annual rate of 5.4 per cent in the United States and 2.6 per cent in the EU during the period 1995–2000, i.e. the first half of the implementation period of the ATC (Commission of the European Communities, 2003: 30–31). In 2001 and 2002, the pace of the decline in employment continued unabated in both the EU

¹⁰ This also means that trade driven by vertical specialization is particularly sensitive to tariffs, which explains the advantage of trading in regional PTAs between major importers, such as the European Union and the United States, with their neighbouring, low-wage countries.

¹¹ While Ianchovichina and Martin (2001) use an earlier version of the GTAP model that relies on protection rates based on tariffs in (or near) 1995, Spinanger (2003) improves on the protection structure of the basic GTAP model by including all tariff cuts that had been agreed in the Uruguay Round negotiations whether or not they had already been implemented in 1997. Nordås (2004:25) assesses the impact of ATC-termination through “a simulation where the quotas are eliminated and all other parameters and resource endowments are kept constant.”

¹² In the long run, quota removal is likely to lead to substantial welfare gains from lower consumer prices, more efficient resource allocation, and an increase in the development of higher value-added activities in the importing developed countries.

¹³ Another problem regards the apparent misclassification of some wearing apparel items as textiles in the GTAP database. As revealed by the product concordance tables in the UNCTAD and World Bank *World Integrated Trade Solution* database (<http://wits.worldbank.org>), the GTAP database classifies as textiles some items (T-shirts, singlets and other vests; jerseys, pullovers, cardigans, waistcoats and other similar articles; and panty hose, tights, stockings, socks and other hosiery) that fall under headings 6109, 6110 and 6115 of the Harmonized System (HS) and that are designated in both HS and the Standard International Trade Classification (SITC) as wearing apparel (see also Ahmad (2004:2)). An assessment of the influence of this classification issue on the simulation results is beyond the scope of this paper.

(Commission of the European Communities, 2003:31) and the US (Nordås, 2004:10). This decline in employment in the garments sector has probably been due to a combination of factors, apart from being an immediate consequence of quota removal. Regarding the United States, for example, Institut Français de la Mode (2004:240) explains that only few textile companies have developed exports, invested in growth markets in developing countries, or entered successfully the profitable market of technical textiles where competition from low-cost countries is low.

But independently of what impact the removal of quantitative restrictions has actually had on employment in the garments industries of the major importing countries, concerns about the negative impact of ATC-termination has led industry and trade associations in many countries to call for an extension of quantitative restrictions. For example, 36 textile and clothing trade associations from 23 countries or regions attending the Brussels Summit of Fair Trade in Textile and Clothing in June 2004 released a communiqué which “expressed support for a three-year extension of textile and apparel quotas, the implementation of automatic safeguard mechanisms to prevent disruptive surges of textile and clothing imports, and expedited and effective remedies to unfair trading practices employed by certain major suppliers.”¹⁴

B. Trade effects of actual quota removals

Given the limitations of CGE simulations, this section looks at changes in trade flows in the aftermath of three events of actual quota removal in order to assess the probable impact on trade flows of ATC-termination, namely Sweden’s abolition of quantitative restrictions in 1991 and their re-imposition in 1995, and quota removal for the third stage of ATC-integration by the US and the EU in 2002.

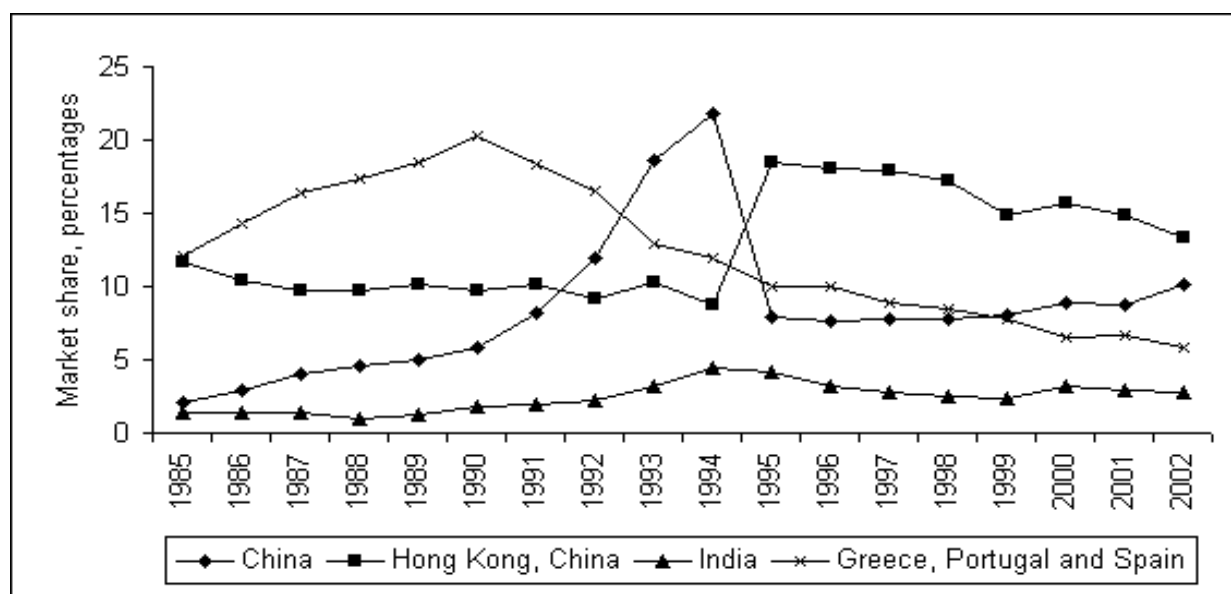
China’s share in Sweden’s clothing imports more than tripled after Sweden had eliminated all quotas on textiles and clothing in 1991, as shown in figure 1. When Sweden re-imposed import quotas in 1995 on joining the EU, China’s market share fell back to close to its pre-1991 level, and since then has remained largely unchanged. India’s market share experienced a similar, albeit much less spectacular, trend. The fact that in 1995 the market share of Hong Kong China SAR rose by almost the same margin as mainland China’s market share fell is likely to indicate that part of the apparel goods produced in mainland China are channelled through middlemen in Hong Kong China SAR when exporters from mainland China face quantitative restrictions.

The United States abolished quantitative import restrictions on twelve apparel categories for the third stage of ATC-integration on 1 January 2002: babywear (239), cotton dressing gowns and bathrobes (350), gloves of man-made fibres (631), brassieres (649), dressing gowns and bathrobes of man-made fibres (650), silk gloves (831), silk men’s coats (833), silk women’s coats (835), silk dresses (836), silk woven skirts (842), and silk trousers (847).¹⁵ These twelve categories account for about 8 per cent of United States imports of MFA-categories in terms of value, and about 4 per cent in terms of volume.

¹⁴ Brussels Communiqué by the Istanbul Declaration Partners in the Global Alliance for Fair Trade in Textiles and Clothing, Brussels, 17 June 2004. Available on the internet at http://www.itkib.org.tr/Res800/diger/AnasayfaSureli/istanbul_deklarasyon/w-5-Ist%20Dek-BRUKSEL-Summit-EN.pdf.

¹⁵ Institut Français de la Mode (2004:290). For a detailed list see WTO (2000).

Figure 1
Origin of Sweden's imports of clothing, selected economies, 1985–2002



Source: Author's calculations based on the UN/DESA *Commodity Trade Statistics* database.

Note: Clothing refers to Standard International Trade Classification, Revision 2, division 84.

In 2002, the year following the removal of quotas, US imports from China in these twelve categories increased by a factor of about 2.7 in terms of value, and by a factor of about 5.2 in terms of volume (table 6). However, from the Greater China area (including mainland China, Hong Kong China SAR, Macao China SAR, and Taiwan Province of China) taken together these imports increased by a much more modest 40 per cent in terms of value and 95 per cent in terms of volume. This implies that, while the unit value of these imports coming from mainland China almost halved, for imports coming from the Greater China area it declined only by about one-fourth. Similarly to the Swedish example above, a likely explanation for this is that part of the rise in China's market share was due to a bypassing of middlemen in Hong Kong China SAR, Macao China SAR and Taiwan Province of China and exporting directly from China. Thus, part of the decrease in the unit value of China's exports is likely to reflect the disappearance of handling charges previously imposed by middlemen. The fact that the difference in the growth rate of imports from mainland China and the Greater China area, as well as the difference between the unit values of imports from these origins, was much smaller between 2002 and 2003 supports this argument. As explained by Institut Français de la Mode (2004:289)

If one looks at the actual implementation and functioning of the quotas system [in China], one must realise that the system has been extremely lucrative for many intermediaries, such as local agents, subsidiaries, traders but also principals and buying offices, who could handle its complexities and helped ... production oriented firms on the Mainland ... sell their capacities, especially in apparel. Those intermediaries are located on the Mainland, in Hong Kong and in other outposts of Chinese decision-makers, like Taiwan. Therefore, whenever they may be bypassed by international buyers, better (i.e. lower) prices can be obtained.

While the bypassing of middlemen can explain part of the rise in US imports originating from mainland China and the decline in their unit value, there has clearly been a genuine rise in exports from mainland China. Indeed, the fact that the decline in the unit value of US imports coming from a Chinese origin was much larger than that of US imports from the rest of the world points to fierce

Table 6
Growth in market shares and unit values, US imports of apparel categories liberalized for third stage of ATC-integration, by origin and category, 2001–2003

Categories	Share in total US imports of the 12 categories 2001–2003 average (Per cent)	Mainland China	Greater China area	Rest of World	Mainland China	Greater China area	Rest of World
		Growth rate of import value 2001–2002 (Per cent)			Growth rate of import value 2002–2003 (Per cent)		
		(1)	(2)	(3)	(4)	(5)	(6)
239 Babywear	38.2	297.5	35.5	-15.3	80.8	55.8	-16.6
350 Cotton dressing gowns	6.7	247.6	95.8	-9.9	76.7	67.2	-10.3
631 Gloves of man-made fibres	2.6	47.5	4.3	-16.6	89.7	50.1	.6
649 Brassieres	26.7	235.3	93.2	7.0	52.3	46.6	-17.2
650 Dressing gowns of man-made fibres	3.8	281.9	47.3	-14.6	47.5	43.6	-18.6
831 Silk gloves	0.1	40.8	43.5	-38.4	60.6	61.0	50.3
833 Silk men's coats	0.4	61.0	71.3	-13.1	484.7	440.0	40.0
835 Silk women's coats	1.9	44.3	2.6	-33.3	112.2	108.8	9.2
836 Silk dresses	1.9	14.8	-11.4	-37.0	67.2	68.3	-26.3
840 Silk woven shirts	7.4	143.2	38.4	-18.3	99.1	76.7	-14.5
842 Silk skirts	1.4	38.9	11.3	-27.6	158.7	152.5	25.8
847 Silk trousers	8.9	78.8	42.1	-11.2	248.4	227.9	-9.5
<i>Memo item: Total 12 categories</i>		166.0	40.4	-8.8	100.5	80.8	-15.0
		Growth rate of import volume 2001–2002 (Per cent)			Growth rate of import volume 2002–2003 (Per cent)		
239 Babywear	47.0	825.8	86.2	-8.8	104.8	78.1	-17.3
350 Cotton dressing gowns	15.7	523.6	255.7	7.2	105.0	98.6	5.4
631 Gloves of man-made fibres	3.9	260.0	34.1	-31.4	111.9	49.5	-15.9
649 Brassieres	9.4	618.0	118.4	7.4	56.8	47.9	-20.1
650 Dressing gowns of man-made fibres	8.4	571.2	130.5	0.6	82.0	80.3	-21.1
831 Silk gloves	0.2	57.9	60.7	-0.1	46.6	44.7	-1.4
833 Silk men's coats	0.1	289.2	284.0	-12.6	465.2	455.5	35.1
835 Silk women's coats	1.4	132.4	41.3	-25.7	179.9	177.0	-6.8
836 Silk dresses	2.2	75.6	33.9	-34.2	88.2	91.7	-37.1
840 Silk woven shirts	4.7	257.1	83.1	-14.3	113.5	96.9	-16.8
842 Silk skirts	0.8	110.5	65.1	-29.7	225.7	222.5	42.2
847 Silk trousers	6.0	133.6	86.6	-8.9	308.6	281.4	-1.9
<i>Memo item: Total 12 categories</i>		417.4	95.1	-5.6	118.8	97.2	-13.5
		Growth rate of unit value 2001–2002 (Per cent)			Growth rate of unit value 2002–2003 (Per cent)		
239 Babywear		-57.1	-27.3	-7.2	-11.7	-12.5	0.8
350 Cotton dressing gowns		-44.3	-45.0	-15.9	-13.8	-15.8	-14.9
631 Gloves of man-made fibres		-59.0	-22.2	21.6	-10.5	0.4	20.8
649 Brassieres		-53.3	-11.5	-0.4	-2.9	-0.9	3.7
650 Dressing gowns of man-made fibres		-43.1	-36.1	-15.1	-19.0	-20.4	3.2
831 Silk gloves		-10.8	-10.7	-38.3	9.6	11.3	52.5
833 Silk men's coats		-58.7	-55.4	-0.5	3.5	-2.8	3.7
835 Silk women's coats		-37.9	-27.4	-10.2	-24.2	-24.6	17.2
836 Silk dresses		-34.6	-33.8	-4.2	-11.1	-12.2	17.2
840 Silk woven shirts		-31.9	-24.4	-4.6	-6.7	-10.2	2.8
842 Silk skirts		-34.0	-32.6	3.0	-20.6	-21.7	-11.6
847 Silk trousers		-23.5	-23.9	-2.5	-14.7	-14.0	-7.7
<i>Memo item: Total 12 categories</i>		-48.6	-28.0	-3.4	-8.4	-8.3	-1.8

Source: Author's calculations based on data from United States Department of Commerce, Office of Textiles and Apparel.

competition among Chinese producers for export market shares after quota removal.¹⁶ This surge in China's clothing exports may even have led to a glut in the US market for the liberalized categories as indicated by the, albeit small, decline in the unit value of US imports from the rest of the world.

The strong growth in US imports in the twelve liberalized categories from China led to a more than five-fold rise in mainland China's market share between 2001 and mid-2004 to reach almost 60 per cent on average for these categories, in terms of both value and volume (table 7). This development is very much in line with the CGE simulation results reported above. However, this rise in the average market share masks substantial variation in both the level and the change in market shares across the twelve categories. Seven of the twelve categories (accounting for 22 per cent of US imports in the twelve categories in terms of value and for 16 per cent in terms of volume) regard products made of silk for which China has abundant domestic supply of fibre inputs and a century-old tradition of production and export activities. As a result, it may not come as a surprise that after quota removal mainland China's market share rose to over 70–80 per cent for most of these seven categories. The other five categories regard comparatively standardized products for which cost competitiveness plays a key role. While it is difficult to quantify precisely the impact of the bypassing of middlemen on the rise in mainland China's market shares, the genuine rise in exports from mainland China may have implied roughly a doubling of its market share. It rose, for example, to about 50 per cent for babywear (category 239) and to a more modest 25 per cent for brassieres (category 649), as shown in annex table 1. However, given that the clothing categories yet to be liberalized are neither predominantly silk products nor standardized clothing items, it is unlikely that the rise in China's market share in US imports after ATC termination will be as large as for the twelve categories liberalized in 2002. Cost competitiveness is comparatively less important for export success in high-value clothing and fashion-related items. Suppliers who can respect very short lead times, partly because of geographical proximity, have a competitive edge in fast-moving fashion articles, such as women's clothes, for which quota removal has been limited.

Moreover, the United States negotiated a market access agreement with China, which became part of China's Protocol of Accession to the WTO. The agreement includes a textile-specific safeguard provision allowing the imposition of quotas on imports of textiles and clothing from China that cause or threaten to cause market disruption. This agreement expires only at the end of 2008.¹⁷ In December 2003, the United States actually implemented import quotas on China's exports of five categories, three of which had been liberalized in 2002, namely brassieres (category 649) and dressing gowns (categories 350 and 650).¹⁸ Annex table 1 shows that during the first half of 2004 China's market shares for these three categories remained at the levels reached in 2003. This indicates that the United States have, and are willing to use, a policy instrument that effectively limits mainland China's exports to unilaterally established levels.

¹⁶ According to Yeung and Mok (2004), the reduction in import tariffs and the opening up of distribution channels in China following its accession to WTO has led to increased competition between foreign-funded firms and locally-funded small and medium-sized enterprises (SMEs). They also note that, in 1998, the Chinese Government implemented a restructuring, downsizing and efficiency policy which has led to a strong decline in the number of firms. These factors combined have accelerated the process of industrial restructuring and may have led some Chinese firms to export a larger share of their output at low prices.

¹⁷ Moreover, quota elimination may lead to a further rise in the number of anti-dumping investigations, even though at the Doha Ministerial Conference, delegates agreed that for the two years following the complete abolition of MFA quotas, WTO Members would exercise restraint in the use of anti-dumping measures against textiles and clothing exports previously subject to quotas (WTO, 2003:19).

¹⁸ *Textile Asia*, January 2004, p. 99.

Table 7
Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
by origin, 1995–2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	28.4	27.8	27.3	27.3	24.6	25.1	23.2	31.7	49.7	57.6
China	11.8	12.0	14.1	13.2	12.8	11.7	10.3	26.7	46.5	55.1
Hong Kong China SAR	10.1	9.1	6.4	7.4	6.5	7.9	7.9	2.4	1.6	1.6
Macao China SAR	1.7	2.3	2.6	2.6	2.2	2.3	2.3	0.9	0.5	0.4
Taiwan Province of China	4.7	4.4	4.2	4.1	3.3	3.2	2.6	1.6	1.1	0.6
Other Asia										
Bangladesh	3.1	3.0	2.9	3.4	3.3	3.9	4.4	3.1	2.2	1.7
India	0.7	0.7	1.1	1.3	1.6	2.2	2.7	2.9	2.7	2.8
Indonesia	3.4	3.3	3.1	3.9	5.0	6.1	7.3	6.4	5.3	4.5
Korea, Republic of	2.5	2.2	1.8	2.0	2.8	2.6	2.2	1.9	1.2	0.8
Malaysia	1.5	1.3	1.3	1.3	1.7	1.9	2.2	2.1	1.2	1.1
Pakistan	0.3	0.4	0.7	0.7	0.7	1.1	1.2	1.1	0.7	0.6
Philippines	11.6	10.0	8.3	6.7	6.1	5.4	6.1	4.4	3.2	2.6
Sri Lanka	2.3	2.9	3.2	3.4	3.5	3.8	4.2	4.2	3.0	2.2
Thailand	4.4	4.7	4.8	6.3	7.6	8.9	9.3	8.1	5.8	4.7
Viet Nam	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.9	1.3
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Mexico	6.8	8.9	10.3	9.8	11.3	9.1	7.9	6.1	3.7	3.4
<i>Volume-based market shares (per cent)</i>										
Greater China area										
China	10.4	9.7	10.4	9.6	8.9	7.8	6.4	28.9	50.7	58.8
Hong Kong China	8.8	8.5	6.4	7.1	6.6	8.2	8.2	2.3	1.6	1.4
Macao China SAR	1.6	2.0	2.3	2.4	2.0	2.0	1.8	0.9	0.7	0.6
Taiwan Province of China	6.4	6.2	5.9	5.6	4.9	4.7	3.9	2.4	1.5	0.8
Other Asia										
Bangladesh	5.7	5.3	5.4	6.0	6.1	6.4	7.1	5.1	3.4	2.4
India	0.6	1.0	1.1	1.3	1.5	1.9	2.5	2.6	2.2	2.6
Indonesia	3.6	3.6	3.4	4.3	4.7	5.8	6.8	5.5	4.5	4.1
Korea, Republic of	1.6	1.4	1.2	1.5	2.3	2.1	1.8	1.4	0.8	0.7
Malaysia	1.5	1.2	1.1	1.2	1.6	1.7	2.1	1.9	1.0	0.9
Pakistan	0.8	1.0	1.6	1.9	2.1	3.2	3.5	3.2	1.9	1.8
Philippines	13.0	11.0	8.7	7.3	6.8	6.4	6.8	4.7	3.1	2.3
Sri Lanka	2.3	2.6	2.9	3.0	2.9	2.9	3.2	2.8	2.0	1.7
Thailand	4.7	5.2	5.4	7.0	9.3	10.0	10.3	8.4	5.6	4.2
Viet Nam	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.6	1.1	1.6
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Lesotho	0.3	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1
Mauritius	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Mexico	5.7	8.3	10.4	9.6	10.5	8.4	6.9	4.9	2.3	1.9
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	4.9	5.2	5.6	5.6	5.7	5.7	5.9	3.0	2.8	3.1
Hong Kong China	5.0	4.5	4.1	4.3	3.9	3.6	3.6	3.5	2.9	3.7
Macao China SAR	4.7	4.6	4.6	4.4	4.4	4.4	4.6	3.5	2.3	2.0
Taiwan Province of China	3.2	3.0	3.0	3.0	2.7	2.6	2.5	2.2	2.3	2.2
Other Asia										
Bangladesh	2.3	2.4	2.2	2.3	2.2	2.4	2.3	2.0	2.0	2.2
India	4.5	3.2	3.9	3.9	4.3	4.4	4.0	3.7	3.8	3.5
Indonesia	4.0	3.8	3.8	3.8	4.3	4.0	4.0	3.8	3.6	3.6
Korea, Republic of	6.8	6.6	6.2	5.3	4.8	4.8	4.5	4.3	4.3	4.2
Malaysia	4.4	4.5	5.0	4.4	4.3	4.2	3.8	3.6	3.7	3.8
Pakistan	1.9	1.7	1.8	1.5	1.3	1.3	1.3	1.1	1.2	1.1
Philippines	3.9	3.8	3.9	3.8	3.6	3.2	3.3	3.1	3.1	3.6
Sri Lanka	4.5	4.6	4.6	4.7	4.9	5.0	4.9	4.9	4.6	4.3
Thailand	4.0	3.8	3.7	3.6	3.3	3.4	3.3	3.2	3.2	3.6
Viet Nam	2.4	2.3	3.1	3.0	3.3	4.6	0.8	1.8	2.5	2.6
Sub-Saharan Africa										
Kenya	1.9	3.0	2.1	2.4	2.0	3.7	1.2	1.6	2.3	2.9
Lesotho	1.2	1.5	2.2	2.8	3.0	1.4	2.1	2.5	1.9	1.5
Mauritius	7.8	6.0	4.6	5.0	6.1	4.1	3.7	2.3	2.8	2.2
South Africa	3.2	3.6	4.0	3.6	5.2	3.8	3.0	2.6	3.1	2.8
Mexico	5.1	4.5	4.1	4.2	4.3	4.2	4.2	4.1	4.9	5.7

Source: Author's calculations based on data from US Department of Commerce, Office of Textiles and Apparel (OTEXA).

a Data for 2004 are from January to June.

Regarding changes between 2001 and 2003 in the market shares of Mexico and the other Asian countries listed in table 7, the data show a decline for all countries on average for the twelve categories, as well as for most of the individual categories (annex table 1). The only exceptions are India whose market shares remained on average unchanged¹⁹ and Viet Nam whose share in US imports has strongly increased and by mid-2004 reached about 1.5 per cent in the categories liberalized in 2002. The rise in Viet Nam's market share follows the entry into force of the US-Viet Nam Bilateral Trade Agreement in December 2001, which extended MFN-tariff rates to US imports of Viet Nam goods, and of the bilateral textile agreement in May 2003, which provides for quotas on Viet Nam's shipments of textiles and apparel to the United States (USITC, 2004:1-14).²⁰ However, all of the countries that had lost market shares gained them back during the first half of 2004 in at least one of the three categories where the United States have imposed import quotas on China. The shifts in market shares documented in table 7 also show that the regulations governing Mexico's preferential access to the US market under NAFTA may be insufficient to preserve the competitiveness of Mexican exporters after quota removal. Changes in the market shares of the African countries in the table are difficult to assess because of their very low level. However, the more detailed data in annex table 1 show that Lesotho's market shares rose in several of the liberalized categories (particularly so in dressing gowns, i.e. category 650) in both 2003 and the first half of 2004, while this is not the case for the other African countries in the table. This difference is likely to reflect the fact that Lesotho enjoys liberal rules of origin regulations and thus more fully benefits from its market access preferences under AGOA. Indeed as shown in Annex table 1, both Kenya and Lesotho that benefit from the "third-country-fabric rule" substantially increased its market share in US imports of "total apparel". This contrasts with the stagnant market shares of Mauritius and South Africa that do not qualify for this liberal rules-of-origin status.²¹

Quantitative restrictions for eleven categories were affected by the third stage of ATC-integration in the EU on 1 January 2002 (WTO, 2001b:3): gloves (10), underwear (18), parkas (21), nightwear (24), women's or girls' skirts (27), pile fabrics (32), synthetic filament fabrics (33), fabrics of continuous artificial fibres (36), fabrics of continuous staple fibres (37), babywear (68), and tracksuits (73). Table 8 shows that the value of imports from mainland China rose, sometimes very substantially, for all these categories in the year following liberalization, as well as, with one exception, in the year thereafter.²² However, the table also shows that the growth rates of imports originating in the greater China area was, on average for both 2002 and 2003, about half that for mainland China alone. Hence, similarly to the two examples discussed above, part of the increase in the value of EU-imports from China reflects substitution of imports from mainland China that had previously been channelled through Hong Kong China SAR, Macao China SAR, or Taiwan Province of China.

¹⁹ This deviates from the results of CGE simulations where quota removal leads to a strong increase in India's market shares.

²⁰ The increase in US apparel imports from Viet Nam appears to be related more closely to these bilateral agreements than to the removal of product-specific import quotas for ATC-implementation. As shown in Annex table 1, between 2001 and mid-2004 Viet Nam's share in US apparel imports has risen strongest for "total apparel" on aggregate, followed by "total MFA categories" and the twelve categories liberalized by the United States in 2002. This is in sharp contrast to the respective growth rate in China's market shares, which is most rapid for the twelve liberalized categories and slowest for "total apparel" on aggregate.

²¹ However, the difference in rules-of-origin status was not the only factor that determined the stronger supply response in Kenya and Lesotho as compared to Mauritius and South Africa. As noted by Gibbon (2003), textiles and clothing industries in the latter two countries had a well-established domestic or EU-oriented production structure. By contrast, Lesotho's production activities in this sector were built up afresh with the specific purpose of serving the US market.

²² Publicly available data for the EU, such as through the WITS database, report import volumes in several different units so that it is not possible to calculate market shares on the basis of import volumes.

Table 8
Growth in EU import values of apparel categories liberalized for third stage of ATC-integration,
by origin and category, 2001–2003

Categories	Share of category in total EU-imports of the 11 categories, 2001–2003 average (Per cent)	Growth rate of import value 2001–2002			Growth rate of import value 2002–2003		
		Mainland China	Greater China area		Mainland China	Greater China area	
			Rest of World	Rest of World		Rest of World	
		(2)	(3)	(4)	(5)	(6)	(7)
10 Gloves	3.6	51.0	22.4	7.4	33.0	16.3	8.4
18 Underwear	7.6	22.6	10.0	2.2	27.7	9.7	-10.7
21 Parkas	26.6	208.5	97.1	-5.5	58.5	43.2	-13.9
24 Nightwear	9.6	14.1	5.8	0.1	35.0	21.7	-1.6
27 Skirts	17.3	44.0	36.6	12.1	56.9	14.2	-1.6
32 Pile fabrics	5.0	151.5	99.2	5.9	-12.1	-16.7	-12.4
33 Synthetic filament fabrics	1.8	54.2	2.2	12.5	14.7	-7.9	-11.8
36 Continuous artificial fibre	4.0	40.8	44.0	-2.2	-24.9	-25.2	-30.9
37 Artificial fabrics	5.0	4.2	-20.4	-16.7	5.5	-6.7	-24.7
68 Babywear	16.2	18.5	12.6	-0.3	41.4	8.4	-14.3
73 Tracksuits	3.3	60.5	38.3	-20.6	28.5	20.2	-13.0
<i>Memo item:</i>							
Total 11 categories	100.0	69.5	39.3	-0.3	43.7	21.8	-10.7

Source: Author's calculations based on data from UNCTAD and World Bank *World Integrated Trade Solution* database.

Note: Greater China area includes mainland China, Hong Kong China SAR, Macao China SAR, and Taiwan Province of China.

Evidence on the evolution of market shares in EU imports of all liberalized eleven categories taken as a group between 1995 and 2003 supports the above finding regarding traffic re-orientation following quota removal (table 9). It also shows that countries with preferential market access to the EU-market through regional trading arrangements (such as Turkey and the Eastern European and North-African countries listed in the table) succeeded in maintaining their market shares. This suggests that the regulations through which the EU grants tariff preferences to these countries have helped shield them from competitive pressure from China. The evidence also shows that the substantial drop in market shares between 2001 and 2003 for Bangladesh, Indonesia, Republic of Korea, and Thailand marks an acceleration rather than the beginning of a decline in market shares that had been at work at least since 1997. This indicates that factors other than quota removal and the ensuing rise in China's market share have been an important determinant of these countries' market shares. Finally, regarding the African countries in the table the more detailed data in annex table 2 show that Mauritius has maintained its market shares in a number of categories, such as nightwear and babywear, but experienced a decline in market shares in categories such as underwear and tracksuits. However, this decline started several years earlier and as such cannot be attributed solely to the rise in China's market share following quota removal in the concerned categories.

Column 1 in table 8 shows that the weight of the different categories in the total varies widely indicating that the average numbers reported in table 9 may be driven by specific developments in just one or a few of them. Annex table 2, which reports the evidence shown in table 9 for each of the eleven categories separately²³, indeed shows that the decline in Bangladesh's average market share is

²³ The categories are distinguished at the 6-digit level of the Harmonized System. At this level of aggregation, baby gloves can be included in either gloves (category 10) or, as done in this paper, babywear (category 68). Including baby gloves in category 10 raises the growth rate of EU-imports in this category from mainland China between 2001 and 2002 to about 380 per cent while, given the much larger size of category 68, the growth rate of EU-imports of babywear from China is hardly affected.

Table 9
Market shares in EU imports of categories liberalized for third stage of ATC-integration, by origin, 1995–2003
(Per cent)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Greater China area	14.2	15.8	16.6	16.4	18.5	21.4	20.8	26.8	33.4
China	7.6	9.1	9.9	10.0	11.9	13.5	13.8	21.7	31.8
Hong Kong China SAR	5.0	5.2	4.9	4.8	5.1	6.2	5.5	4.3	1.0
Macao China SAR	0.7	0.8	0.8	0.6	0.5	0.7	0.6	0.3	0.2
Taiwan Province of China	0.8	0.8	1.0	0.9	0.9	1.0	0.9	0.5	0.3
Other Asia									
Bangladesh	1.0	1.4	1.7	1.7	1.6	1.6	1.4	1.1	1.0
India	2.9	2.8	2.8	3.0	3.6	4.2	4.4	4.0	4.3
Indonesia	4.0	3.7	4.1	3.9	3.7	3.8	3.4	2.2	1.8
Korea, Republic of	1.6	1.4	2.0	2.0	1.7	1.9	1.6	1.0	0.9
Malaysia	0.9	0.9	1.0	0.8	0.8	0.7	0.6	0.5	0.5
Pakistan	1.2	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.2
Philippines	0.8	0.8	0.7	0.5	0.4	0.4	0.4	0.3	0.3
Sri Lanka	1.1	1.1	1.2	1.5	1.5	1.5	1.4	1.3	1.4
Thailand	1.8	1.8	1.6	1.6	1.6	1.5	1.5	1.1	0.9
Turkey	6.7	6.6	6.6	6.8	6.5	6.1	6.3	6.8	6.8
Eastern Europe									
Czech Republic	1.1	1.0	1.0	1.0	0.9	0.9	1.0	1.1	1.2
Poland	2.3	2.4	2.0	2.1	1.9	1.8	1.8	1.5	1.5
Romania	1.5	1.6	1.8	2.1	2.1	2.5	3.1	3.3	3.9
North Africa									
Morocco	2.7	2.6	2.4	2.4	2.3	2.3	2.6	2.6	2.1
Tunisia	2.3	2.4	2.1	2.4	2.5	2.4	2.8	2.8	2.5
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.1	0.1
South African Customs Union	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Author's calculations based on data from UNCTAD and *World Bank World Integrated Trade Solution* database.

Notes: Market shares based on values measured in US dollar. Greater China area includes mainland China, Hong Kong China SAR, Macao China SAR, and Taiwan Province of China. Rest of world corresponds to extra-EU partners excluding Greater China area. South African Customs Union includes Botswana, Lesotho, Namibia, South Africa, and Swaziland.

largely due to parkas (category 21). Between 2001 and 2003, Bangladesh lost almost two-third of its market share in this category, which accounts for about one-fourth of the import value of all eleven categories taken together. However, the table also points to the already mentioned longer-term trend of declining market shares since 1997. Evidence for the other individual categories show that Bangladesh actually succeeded in raising its market shares in a number of them, including those that have large markets, such as skirts, babywear and nightwear. This indicates that quota removal has not led to a decline in the competitiveness of Bangladesh's exporters of clothing across all liberalized categories.

Taken together, these three examples of the trade effects of actual quota removal give some indication as to how buyers and policymakers in the major importing countries may react to ATC-termination in January 2005. Similarly to the CGE-model simulation results discussed above, they indicate that buyers in the major textile and clothing importers will substantially reduce the number of countries they source from and that China's market shares are likely to rise substantially. However, there are several factors on the part of major importing countries which are likely to limit the extent to which China will expand its market shares.

First, to reduce the risk associated with overdependence of sourcing from one country, the major buyers are likely to expand imports from other low-cost countries, particularly in South Asia. For example, India has a large and relatively low-cost labour force, a large domestic supply of fabrics and offers a wide range of textile and clothing products. As already mentioned, the results of CGE-simulations indicate that India would be among the countries that benefit most from ATC-termination. Annex table 1 also shows that India's share in US imports of the total apparel category rose by one-third between 2001 and mid-2004, although from a relatively low base of about 3 per cent. By contrast,

India was less successful in raising its market share in the clothing categories liberalized by the US or the EU for the third stage of ATC-integration in 2002. Taken together, this evidence shows that it is unlikely that after ATC-termination India's share in world exports will rapidly reach the levels suggested by CGE-simulation results.

Second, contrary to the three stages of ATC-integration, termination of the ATC will imply the liberalization of fashion and other high-value items. The presence of tariff escalation implies that remaining tariff protection may be particularly high for those items. Moreover, the logistical advantage of being geographically close to the EU or US markets will confer a competitive edge to suppliers in neighbouring countries of fast-moving fashion and high-value items, for which buyers choose suppliers in terms of reliable delivery and short lead times. Labour-cost considerations play a comparatively smaller role in these sectors.²⁴

Third, the recent re-imposition by the United States of quotas on imports from China in previously liberalized categories has stopped the rise in China's market shares in US imports in these categories. Regarding the possibility of similar actions taken by the European Union, it is noteworthy that in its report to the Commission of the European Communities, the High Level Group "considers that the use of safeguards should remain a possible option" (Commission of the European Communities, 2004a:35). This shows that policymakers in the main importing countries have, and are willing to use, unilaterally-determined measures designed to limit a rise in China's market share in textiles and clothing trade (see also UNCTAD, 2004:10–13).

V. POLICY OPTIONS FOR ADVERSELY AFFECTED EXPORTING DEVELOPING COUNTRIES

The impact of ATC-termination on trade in textiles and clothing will differ across exporting developing countries. This raises the question as to how strong adjustment pressure is actually likely to be for adversely affected individual countries and what policy options they have to smooth adjustment, particularly in the period immediately following quota removal. In the long run, adjustment pressure is clearly lowest for those exporting countries that have competitive vertically-integrated production capacity and efficient trade facilitation networks (such as infrastructure and communication systems). However, building such conditions takes time. While it may be argued that the date of ATC-termination has been known for many years allowing potentially adversely affected exporting developing countries to smooth adjustment by gradually phasing in necessary measures over a period of time, recent calls for an extension of the quota regime show that such measures have apparently not been taken or that their effectiveness is deemed insufficient.²⁵

Regarding the strength of adjustment pressure, most studies implicitly assume that China will strive to maximize its market share in world exports of textiles and clothing. One reason to support this assumption is the fact that the Chinese economy needs to create a large number of jobs to employ those newly arriving on the labour market (including migrants) and that the textile and clothing sector provides valuable employment opportunities.

²⁴ While air shipment becomes more economical for higher value goods, making physical proximity less vital, it is not clear whether this change in transport mode could make sourcing high value goods with short lead and fast turn-around times from China actually more economical than sourcing by US-buyers from Mexico and Central America and by EU-buyers from Central European, Middle Eastern or North African suppliers.

²⁵ For example, the meeting of the WTO Council for Trade in Goods on 1 October 2004 started discussions on post-ATC adjustment-related issues with a view to avoiding "unintended effects of quota removal".

However, beyond this there are several reasons to doubt that the Chinese economy is poised for an unrestrained rise in its textile and clothing exports. Firstly, the Central Government gives high priority to comply with international trading rules and, thus, will seek to eliminate excess competition and abolish overcapacity in order to avoid being subject to discriminatory trade policy measures. This would help ensuring a stable, transparent and predictable trading environment for Chinese exporters. The above evidence has shown that part of the decline in the unit values of clothing exports from China is likely the result of fierce competition among Chinese exporters. But it is precisely such declines in prices that are likely to be used as evidence in initiations of anti-dumping investigations. On the other hand, achieving the Central Government's goal to improve living conditions and purchasing power in rural areas is likely to boost domestic consumption of basic consumer goods, including apparel and other textiles, which would provide a domestic outlet for the most price-competitive parts of local production.

Secondly, it is not clear whether fully exploiting the export market potential in textiles and clothing is in the developmental interest of China. Based on a Heckscher-Ohlin trade model that concentrates on relative endowments of labour, land, and human capital, Mayer and Wood (2001) show that China's comparative advantage is not in low-skill-labour-intensive production, such as clothing, but in manufacturing sectors with a higher skill content.²⁶ Compared to other countries including China, important clothing exporters from South Asia such as Bangladesh, India, and Pakistan have an unusual combination of low levels of both skill per worker and land per worker that gives these countries a strong comparative advantage in labour-intensive manufactures, which use little of either skill or land per unit of labour. Moreover, since there has been little change in the relative endowment positions of country groups relative to one another, there is little reason to anticipate a large move of South Asian countries away and of China towards a comparative advantage in labour-intensive manufactures. Instead, rising income in China is likely to be associated with rising wages for low-skilled workers so that the share of skill-intensive items in China's manufactured exports is likely to rise. It is interesting to note in this context that according to Harney (2004) wages in China's export industries are indeed rising and that this may jeopardize the international competitiveness of Chinese exporters of labour-intensive manufactures.

Thirdly, adversely affected exporting countries that are part of preferential trading arrangements with the EU or the US can counter adjustment pressure from quota removal by negotiating more liberal rules of origin. Allowing producers to procure imported production inputs from globally lowest-cost sources would substantially increase the value of available preferences in those countries that do not have a competitive vertically-integrated production capacity. However, this would be a desirable policy option only for the immediate period following quota removal for two main reasons. Firstly, liberal rules of origin may compromise the development of integrated production structures within developing countries and thus undermine one of the key objectives of granting tariff preferences to developing country exporters, namely to maximize the developmental impact of trade on development and to ensure that it is not just low-added activities that are undertaken in the developing countries. However, the pressing issue here is not stimulating long-term economic development but how to avoid a sudden loss in the ability of domestic firms to compete in overseas markets and deprive the country

²⁶ Contrary to most other Heckscher-Ohlin models, this model omits capital (physical and financial) from the list of resources. The reason is that capital, though of vital importance as an input to production, is now highly mobile among countries, so that it cannot plausibly be regarded as a resource of which a large fixed "endowment" gives some countries a comparative advantage in the production and export of capital-intensive goods. Using such a modified resource-endowment model also allows avoiding calculating capital stocks, whose measurement is fraught with difficulties. The basic GTAP-model, by contrast, considers capital as a fixed endowment, which raises some doubt as to whether it takes sufficient account of basic factor-endowment determinants of comparative advantage.

of much of its, even low value-added, activities and employment opportunities. Secondly, care should be taken that reinforcing the utilization of tariff preferences does not undermine progress in multilateral trade negotiations on the reduction of MFN tariffs in textiles and clothing.

Bangladesh is often seen to be one of the hardest hit among all clothing exporting developing countries because the country's exports to non-quota-restricted markets have been negligible (see, for example, Mlachila and Yang, 2004). Thus, ATC-termination may cause potentially large adverse effects on the country's balance of payments and employment opportunities. Some of the adjustment pressure facing Bangladesh would be removed, for example, if the US extended GSP-preferences to Bangladesh's exports of textiles and clothing or if the EU went ahead with the proposed targeting in granting GSP preferences to the countries that most need it (Commission of the European Communities, 2004b). Doing so would confer a competitive edge to exporters from Bangladesh over some of their strongest competitors coming from, for example, China and India.

However, Bangladesh's market share in textile and clothing imports in some of the categories liberalized by the EU and the US in 2002 has been declining for many years. Similar evidence has led some to argue that addressing structural problems was a priority area in Bangladesh's adjustment efforts. For example, Mlachila and Yang (2004:21–22) note that, while unit labour costs are about 20–30 and 30–40 per cent lower than in India and China, respectively, Bangladesh has not been able to fully exploit its labour cost advantage because of low productivity. According to these authors, defective and insufficient infrastructure – particularly regarding electricity supply, telecommunications, and container handling at its main port – imposes a critical constraint on export oriented industries, such as textiles and clothing. A rise in productivity relative to its competitors is clearly the best solution to this problem. However, doing so would to a large extent depend on improvements in infrastructure, which are slow in materializing. By contrast, a real currency depreciation large enough to be understood by the business community as a signal that the Government wants Bangladesh to remain competitive in garments is the only policy measure that the Government can control and that immediately improves the competitiveness of domestic exporters. However, it is clearly not a measure without risk. For example, the effectiveness of real currency depreciations would be sharply reduced because of the high import content of Bangladesh's exports. Moreover, it would need to be accompanied by restrictive monetary and fiscal policies, in order to limit the inflationary impact of the currency depreciation, and by measures to improve labour productivity in the clothing sector and smooth adjustment pressure on the non-tradeable sector.²⁷ But perhaps most importantly, while currency devaluation may be a good solution for the Bangladeshi export-oriented business community, it is clearly not a desirable solution from a global point of view because of the risk of initiating a process of competitive devaluations. Hence, it should be considered only as a means of last resort.

²⁷ If the GDP-ratio of debt denominated in foreign currency is high, currency devaluation can have strong adverse effects on the sustainability of a country's external position. However, according to the World Bank *Global Development Finance* database Bangladesh's public external debt does currently not exceed about 30 per cent of GDP.

VI. CONCLUSIONS

Termination of the Agreement on Textiles and Clothing at the end of 2004 will mark a move of great importance towards strengthening the core principles of the multilateral trading system. While global welfare will rise, the benefits of quota removal will be distributed unequally across individual countries. This will trigger adjustment pressure for producers in the main quota-imposing importing developed countries and for exporters from developing countries that have enjoyed quota-restricted access to these markets. While a quota free environment for textile and clothing trade does not leave policy makers unarmed, ATC-termination paves the way for them to deal with adjustment pressure according to the rules of the multilateral trading system.

Simulation results of CGE-models often point to a very rapid and sizeable rise in the share of mainland China in the global textile and clothing market, as well as to a substantial increase in the share of India. Evidence on the trade impact of quota removal for the third stage of ATC-integration by the EU and the US indicates that a rapid rise of India's market share is unlikely to occur but also that the market share of mainland China is indeed set to rise substantially in a post-quota trading environment. However, this evidence shows that the impact of ATC-termination on the rise in market share of mainland China is likely to be at the lower end of the range of effects suggested by CGE models. The reasons for the higher end of the range being less likely are that the models (i) neglect the industry structure and sourcing strategies of buyers who are likely to continue diversifying the country of origin of their supply, (ii) take insufficient account of current patterns of tariff protection, preference schemes, and rules-of-origin regulations that have greatly influenced the distribution of market shares in EU and US imports and will allow managing textiles and clothing trade after ATC-termination; (iii) assume smooth and overly rapid responses to changes in the trading environment particularly in quota-imposing developed countries that are likely to invoke safeguard clauses or initiate antidumping measures to contain the rise in imports from mainland China; and (iv) take no account of the fact that, rather than by maximizing the current potential in clothing exports, mainland China's medium and long-term development goals may be better achieved by fostering structural change towards production and exports of manufactures that are more skill-intensive than clothing and by improving living conditions and purchasing power in rural areas, which is likely to boost domestic consumption of basic consumer goods (including apparel and other textiles) and provide a domestic outlet for the most price-competitive parts of local production. Moreover, under quota restrictions much of mainland China's clothing production has been exported through middlemen and recorded as exports from Hong Kong China SAR, Taiwan Province of China, or Macao China SAR. Thus, part of the observed significant rise in the market share of mainland China reflects a streamlining of trading procedures.

However, this does not imply that nothing should be done to smooth the adjustment pressure that, nonetheless, will materialize for some exporting developing countries. Creating competitive vertically-integrated production capacity and efficient trade facilitation networks is clearly the best option to deal with adjustment pressure in the long run. In the meantime, preserving tariff preferences and negotiating rules of origin that would allow input procurement from globally lowest-cost sources would maintain the competitive edge of exporting developing countries that have preferential trading arrangements with the EU or the US over exporters from other countries, a strategy recently adopted by Mauritius.²⁸ However, maintaining tariff preferences and granting more favourable rules of origin

²⁸ The United States intend to grant Mauritius the "third country fabric" exemption under AGOA, i.e. AGOA's most favourable rules of origin regime, retroactively for one year from 1 October 2004 to 30 September 2005 with renewal opportunities for three more years (see: <http://www.agoa.info>).

with a view to smoothing adjustment pressure in the immediate post-quota period is likely to be a desirable option only for a limited period of time so as not to jeopardize progress in multilateral trade negotiations towards reducing MFN-tariffs in the textile and clothing sector. Adversely affected exporting developing countries for which such measures appear insufficient to stem short-term adjustment pressure and erosion of a large part of their countries' employment opportunities might consider currency depreciation. However, the required size of currency depreciation would be associated with several drawbacks for the depreciating country itself and risk triggering a spiral of competitive devaluation in other countries.

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APPENDIX

Annex Table 1
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Babywear (category 239)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	31.1	30.7	28.1	26.4	23.8	24.9	23.4	32.8	47.7	53.8
China	7.9	8.1	8.2	7.2	7.8	7.0	6.4	26.2	44.3	51.7
Hong Kong China SAR	11.5	10.9	8.3	8.4	7.5	9.9	10.9	3.3	1.5	0.8
Macao China SAR	3.1	4.5	5.4	4.8	3.5	3.3	3.0	1.3	0.7	0.5
Taiwan Province of China	8.5	7.2	6.2	6.0	5.0	4.7	3.1	2.0	1.3	0.8
Other Asia										
Bangladesh	2.9	3.5	4.5	4.4	4.0	4.2	5.1	4.0	3.4	2.8
India	0.3	0.6	1.1	1.0	1.2	2.0	2.5	3.0	2.7	3.4
Indonesia	3.1	2.9	2.9	4.1	4.2	5.8	7.2	5.8	4.9	3.1
Korea, Republic of	2.5	2.5	2.7	3.0	4.9	4.5	3.5	3.5	2.1	1.2
Malaysia	2.6	2.5	2.7	2.8	3.9	3.7	4.2	4.6	2.8	2.7
Pakistan	0.3	0.3	0.4	0.6	0.7	1.0	0.9	0.8	0.5	0.5
Philippines	20.8	17.0	14.8	11.8	9.9	8.2	8.9	6.7	4.7	3.6
Sri Lanka	3.1	2.6	3.7	3.4	3.2	3.0	3.8	3.0	2.2	1.7
Thailand	9.4	9.8	10.0	12.8	15.6	15.5	15.6	13.8	10.5	9.0
Viet Nam	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.5	1.6	2.7
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1
Mauritius	0.2	0.2	0.3	0.1	0.0	0.1	0.1	0.1	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2
Mexico	2.7	4.4	5.0	5.3	5.9	5.2	4.9	3.7	2.1	1.7
<i>Volume-based market shares (per cent)</i>										
Greater China area	29.4	27.6	24.3	22.4	19.8	21.7	19.7	33.3	51.9	57.7
China	6.8	6.2	5.4	4.2	4.3	3.8	3.2	27.4	48.9	55.9
Hong Kong China SAR	11.3	10.3	8.0	8.0	7.4	10.3	10.9	2.9	1.4	0.8
Macao China SAR	2.3	3.3	4.0	3.6	2.3	2.2	2.0	0.8	0.3	0.3
Taiwan Province of China	9.0	7.7	6.9	6.6	5.7	5.4	3.6	2.3	1.2	0.8
Other Asia										
Bangladesh	4.4	5.2	6.3	6.2	5.1	5.6	6.8	5.0	3.8	3.0
India	0.3	0.7	1.0	1.0	1.1	1.9	2.7	2.8	2.5	3.0
Indonesia	2.9	2.6	2.5	3.6	3.9	5.3	6.5	5.2	4.2	2.5
Korea, Republic of	1.6	1.6	1.7	2.1	3.6	3.3	2.6	2.3	1.2	0.8
Malaysia	2.2	1.9	1.8	2.1	2.7	2.7	3.2	3.2	1.9	2.0
Pakistan	0.5	0.7	0.9	1.2	1.5	2.1	1.8	1.5	0.9	0.9
Philippines	20.4	16.1	14.0	11.0	9.3	8.1	8.8	6.6	4.2	3.2
Sri Lanka	2.7	2.4	3.4	3.0	2.8	2.5	3.2	2.2	1.6	1.0
Thailand	9.5	9.8	10.1	13.0	16.5	16.8	17.5	14.8	10.3	9.0
Viet Nam	0.0	0.0	0.2	0.1	0.1	0.0	0.1	0.6	1.3	2.2
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.7	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1
Mauritius	0.2	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.0	0.0
South Africa	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1
Mexico	3.3	5.8	7.2	7.5	9.0	6.5	5.7	4.1	2.3	1.8
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	3.9	4.5	5.2	5.7	5.6	5.6	5.9	2.5	2.2	2.4
Hong Kong China SAR	3.4	3.6	3.6	3.5	3.1	3.0	3.0	3.0	2.6	2.6
Macao China SAR	4.5	4.6	4.6	4.4	4.7	4.6	4.7	4.3	5.4	5.2
Taiwan Province of China	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.3	2.7	2.7
Other Asia										
Bangladesh	2.2	2.3	2.4	2.4	2.4	2.3	2.3	2.1	2.2	2.3
India	3.0	3.0	3.6	3.1	3.4	3.3	2.8	2.8	2.7	2.9
Indonesia	3.6	3.7	3.9	3.7	3.4	3.3	3.3	3.0	2.9	3.3
Korea, Republic of	5.0	5.2	5.4	4.6	4.2	4.2	4.1	4.1	4.2	4.1
Malaysia	4.0	4.3	5.0	4.5	4.4	4.2	4.0	3.8	3.6	3.4
Pakistan	1.8	1.3	1.5	1.6	1.5	1.5	1.5	1.4	1.3	1.3
Philippines	3.4	3.6	3.6	3.5	3.3	3.1	3.1	2.7	2.8	2.9
Sri Lanka	3.9	3.8	3.7	3.7	3.6	3.8	3.6	3.6	3.5	4.3
Thailand	3.3	3.4	3.4	3.3	2.9	2.8	2.7	2.5	2.5	2.6
Viet Nam	1.8	2.3	3.1	3.0	3.3	3.0	0.7	2.2	3.0	3.1
Sub-Saharan Africa										
Kenya	2.0	n.a.	2.5	2.3	n.a.	5.6	n.a.	1.9	2.2	2.9
Lesotho	1.2	1.5	2.2	2.8	3.0	2.5	3.4	2.6	2.7	2.4
Mauritius	4.5	4.5	4.4	4.8	4.2	3.6	5.6	3.0	3.1	3.0
South Africa	2.3	2.5	4.0	3.9	5.6	4.7	3.3	2.6	3.3	3.4
Mexico	2.8	2.6	2.3	2.3	2.1	2.5	2.6	2.4	2.3	2.4

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Cotton dressing gowns (category 350)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	12.2	14.3	12.6	14.5	14.7	11.6	12.2	23.1	35.9	37.4
China	5.1	6.8	8.0	7.1	6.7	4.1	6.0	20.1	33.0	33.2
Hong Kong China SAR	4.9	5.9	2.4	4.8	4.7	4.5	4.1	1.5	1.3	1.8
Macao China SAR	1.1	0.5	0.7	1.3	2.0	2.1	1.3	0.7	1.1	1.4
Taiwan Province of China	1.1	1.1	1.5	1.3	1.3	0.9	0.8	0.8	0.5	0.9
Other Asia										
Bangladesh	3.2	2.7	4.2	3.8	4.5	3.9	2.9	2.2	2.1	1.8
India	1.1	1.8	1.4	1.6	1.6	1.7	1.4	1.7	1.4	2.3
Indonesia	2.1	2.0	1.9	1.2	1.0	1.6	2.5	1.9	2.6	4.4
Korea, Republic of	0.1	1.1	0.5	0.9	0.8	0.5	0.5	0.2	0.4	0.4
Malaysia	0.7	0.3	0.2	0.2	0.5	0.7	0.6	0.2	0.2	0.7
Pakistan	2.3	2.5	4.6	4.1	5.3	7.0	8.2	7.2	5.5	7.1
Philippines	1.0	1.9	0.9	1.2	2.2	2.0	2.2	1.5	1.3	1.3
Sri Lanka	0.5	0.6	0.4	0.5	0.2	0.2	0.7	1.8	2.3	4.1
Thailand	0.2	0.4	0.8	0.8	2.7	3.4	1.9	1.0	1.6	1.6
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.8	2.3
Sub-Saharan Africa										
Kenya	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.1	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	2.8	4.5	6.1	7.0	6.8	5.3	4.4	3.9	0.8	0.7
<i>Volume-based market shares (per cent)</i>										
Greater China area	11.5	14.7	11.3	14.3	13.7	9.4	10.5	27.9	42.2	40.5
China	4.7	6.7	6.8	6.4	5.8	3.4	5.3	24.9	38.8	36.3
Hong Kong China SAR	4.7	6.0	2.4	5.1	4.4	3.3	3.5	1.4	1.5	1.6
Macao China SAR	0.8	0.7	0.6	1.4	2.1	1.8	0.9	0.7	1.2	1.7
Taiwan Province of China	1.3	1.3	1.5	1.5	1.3	0.9	0.8	1.0	0.7	0.9
Other Asia										
Bangladesh	7.4	6.8	8.4	8.2	9.1	7.7	6.6	4.4	3.5	2.3
India	1.2	2.2	1.6	1.8	1.6	1.5	1.3	1.7	1.2	3.0
Indonesia	3.9	4.0	3.5	2.2	1.3	2.0	3.6	3.4	4.2	7.3
Korea, Republic of	0.1	0.9	0.5	0.6	0.6	0.4	0.5	0.1	0.3	0.4
Malaysia	0.8	0.4	0.2	0.3	0.6	0.9	0.8	0.3	0.2	0.6
Pakistan	3.0	2.7	4.6	5.7	7.6	10.2	12.2	9.5	5.5	6.6
Philippines	1.3	2.8	1.3	1.8	3.0	3.7	3.0	1.6	1.3	1.1
Sri Lanka	0.5	0.5	0.4	0.5	0.2	0.2	0.9	2.6	2.7	4.4
Thailand	0.2	0.9	1.5	1.7	5.3	4.9	2.4	0.9	1.5	1.3
Viet Nam	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.6	1.1	2.1
Sub-Saharan Africa										
Kenya	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	0.1	0.0	0.2	n.a.
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Mexico	4.4	7.2	8.6	9.3	8.3	7.2	5.1	3.7	0.7	0.5
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	2.7	2.6	2.7	2.4	2.3	2.3	2.0	1.1	1.0	0.9
Hong Kong China SAR	2.6	2.5	2.3	2.1	2.1	2.6	2.2	1.6	1.0	1.1
Macao China SAR	3.1	2.0	2.8	2.1	1.8	2.2	2.5	1.3	1.0	0.8
Taiwan Province of China	2.2	2.2	2.3	1.9	2.0	1.9	1.8	1.1	0.9	1.0
Other Asia										
Bangladesh	1.1	1.0	1.2	1.0	1.0	1.0	0.8	0.7	0.7	0.8
India	2.3	2.1	1.9	1.9	2.0	2.2	2.0	1.5	1.3	0.7
Indonesia	1.4	1.3	1.3	1.2	1.5	1.5	1.3	0.8	0.7	0.6
Korea, Republic of	4.9	3.3	2.3	3.4	2.4	2.6	1.8	2.6	1.6	1.1
Malaysia	2.0	2.0	1.9	1.5	1.5	1.5	1.4	1.1	1.2	1.2
Pakistan	1.9	2.3	2.3	1.6	1.4	1.3	1.2	1.1	1.2	1.0
Philippines	1.9	1.7	1.6	1.5	1.4	1.0	1.4	1.4	1.2	1.2
Sri Lanka	2.5	3.1	2.3	2.2	1.9	1.9	1.4	1.0	1.0	0.9
Thailand	2.3	1.0	1.2	1.0	1.0	1.3	1.4	1.5	1.2	1.2
Viet Nam	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.1	0.7	0.9	1.1
Sub-Saharan Africa										
Kenya	1.4	n.a.	2.1	2.4	n.a.	n.a.	n.a.	n.a.	1.0	1.1
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	1.1	1.1	1.0	0.8	n.a.
Mauritius	2.6	n.a.	2.5	n.a.	n.a.	1.8	1.3	0.9	1.4	1.0
South Africa	n.a.	n.a.	9.8	n.a.	n.a.	1.0	0.5	n.a.	0.7	0.9
Mexico	1.6	1.6	1.6	1.7	1.6	1.4	1.5	1.5	1.3	1.3

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Gloves of man-made fibres (category 631)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	53.3	62.9	57.3	51.1	47.5	50.6	52.5	58.0	67.1	51.2
China	18.6	26.6	25.7	18.6	15.8	20.5	22.8	35.7	52.2	44.0
Hong Kong China SAR	4.3	4.0	2.5	1.7	1.9	2.4	1.5	0.5	0.5	0.8
Macao China SAR	0.9	0.3	0.3	0.6	0.3	0.8	0.8	0.0	0.0	0.1
Taiwan Province of China	29.5	32.0	28.7	30.2	29.6	26.9	27.3	21.8	14.3	6.3
Other Asia										
Bangladesh	2.8	2.4	2.0	2.4	3.0	3.1	2.8	1.3	0.5	0.6
India	0.0	0.0	0.2	0.4	0.0	0.0	0.0	0.1	0.0	0.1
Indonesia	1.8	3.7	3.4	5.9	5.8	6.4	6.8	3.4	2.0	0.9
Korea, Republic of	2.2	1.8	2.7	3.0	3.5	3.6	3.8	6.0	6.4	10.6
Malaysia	0.3	0.3	0.8	0.7	0.4	1.2	0.9	1.4	3.2	2.2
Pakistan	0.1	0.2	0.2	0.4	0.6	1.5	1.6	1.1	2.1	4.2
Philippines	28.9	14.6	13.6	13.0	12.1	8.0	7.8	5.4	5.4	3.2
Sri Lanka	0.3	0.7	2.1	4.4	4.1	4.8	3.5	6.4	3.4	4.3
Thailand	1.2	1.0	0.7	1.8	2.4	1.3	1.4	0.4	0.4	0.4
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6	3.5
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	2.5	5.6	9.8	7.3	9.9	9.7	10.8	9.7	5.4	15.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	48.6	48.7	46.1	41.1	38.9	39.4	39.0	55.6	69.0	55.8
China	8.7	8.9	8.9	6.2	5.5	7.3	7.4	28.3	49.9	43.7
Hong Kong China SAR	4.4	4.3	3.4	2.4	2.7	3.9	2.4	0.7	0.9	1.2
Macao China SAR	1.5	0.3	0.3	0.6	0.3	0.4	0.7	0.0	0.0	0.1
Taiwan Province of China	33.9	35.2	33.4	31.9	30.3	27.7	28.5	26.6	18.2	10.9
Other Asia										
Bangladesh	13.4	8.5	6.6	5.4	9.0	6.8	7.0	3.7	1.3	2.4
India	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.2
Indonesia	2.6	4.6	4.1	8.4	6.8	6.8	6.6	2.6	1.9	0.3
Korea, Republic of	1.7	1.0	1.6	2.0	1.5	1.7	2.0	4.2	4.0	8.1
Malaysia	0.4	0.5	0.5	0.7	0.9	0.6	1.0	0.9	1.7	0.9
Pakistan	0.1	0.3	0.6	0.8	1.3	2.4	2.3	1.1	1.9	4.5
Philippines	15.9	14.3	10.9	9.1	7.6	6.7	5.0	4.5	4.4	4.3
Sri Lanka	0.4	0.9	2.9	4.8	4.9	6.1	4.7	4.6	2.7	3.0
Thailand	1.7	1.9	1.3	1.9	2.2	2.7	3.8	2.3	2.5	2.0
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.7	1.4
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	3.1	6.4	12.1	10.3	13.3	14.4	16.9	13.4	7.1	13.0
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	5.7	7.6	8.6	8.1	6.4	5.9	6.7	2.8	2.5	2.8
Hong Kong China SAR	2.6	2.4	2.2	1.9	1.6	1.3	1.4	1.7	1.4	1.9
Macao China SAR	1.5	2.4	3.2	2.4	2.1	4.2	2.8	12.7	3.9	3.5
Taiwan Province of China	2.3	2.3	2.6	2.5	2.2	2.1	2.1	1.8	1.9	1.6
Other Asia										
Bangladesh	0.6	0.7	0.9	1.2	0.8	1.0	0.9	0.8	0.8	0.6
India	1.3	n.a.	8.2	13.5	n.a.	43.8	15.5	1.8	3.6	0.7
Indonesia	1.9	2.1	2.4	1.9	1.9	2.0	2.3	2.8	2.4	7.0
Korea, Republic of	3.5	4.8	5.1	4.1	5.2	4.4	4.2	3.1	3.8	3.6
Malaysia	2.1	1.2	4.5	2.7	1.0	4.1	1.9	3.3	4.4	6.3
Pakistan	1.8	1.7	0.8	1.2	1.0	1.3	1.6	2.2	2.7	2.6
Philippines	4.8	2.6	3.7	3.8	3.5	2.5	3.4	2.6	2.9	2.0
Sri Lanka	2.0	1.8	2.2	2.5	1.8	1.7	1.6	3.1	2.9	3.9
Thailand	1.9	1.4	1.6	2.5	2.5	1.0	0.8	0.4	0.4	0.5
Viet Nam	1.1	1.2	1.4	3.7	n.a.	n.a.	1.4	0.9	1.9	6.8
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	2.1	2.3	2.4	1.9	1.7	1.4	1.4	1.6	1.8	3.2

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Brassieres (category 649)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	5.4	5.8	6.5	7.2	7.1	8.2	10.3	17.1	26.8	25.8
China	2.8	3.2	3.9	3.9	3.8	4.0	5.3	15.4	25.1	23.5
Hong Kong China SAR	1.7	1.7	1.8	1.8	1.4	1.3	1.3	0.6	1.0	1.6
Macao China SAR	0.8	0.9	0.7	1.3	1.5	1.9	2.6	0.5	0.2	0.1
Taiwan Province of China	0.1	0.1	0.1	0.2	0.5	1.0	1.0	0.6	0.5	0.6
Other Asia										
Bangladesh	0.0	0.2	0.1	0.3	0.5	0.7	0.6	1.0	0.3	0.7
India	0.0	0.0	0.0	0.0	0.1	0.6	1.0	1.0	1.6	1.5
Indonesia	3.3	3.3	3.1	4.1	6.7	7.7	8.3	8.5	9.5	10.0
Korea, Republic of	0.2	0.3	0.4	0.3	0.8	1.0	0.4	0.2	0.2	0.3
Malaysia	0.5	0.3	0.3	0.3	0.5	0.7	0.8	0.5	0.4	0.3
Pakistan	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	8.4	8.1	5.1	3.9	4.0	3.8	4.1	3.3	3.8	4.4
Sri Lanka	2.0	3.4	3.9	4.6	4.4	5.5	6.0	6.1	5.7	5.1
Thailand	2.5	2.4	1.4	3.2	4.2	7.2	8.3	7.4	6.5	7.2
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	20.8	24.4	26.1	25.9	26.6	21.8	18.1	12.7	11.0	11.0
<i>Volume-based market shares (per cent)</i>										
Greater China area	7.2	8.1	9.0	9.1	8.7	10.9	13.3	23.8	36.7	37.3
China	3.1	3.5	4.3	3.8	3.2	2.9	3.5	20.7	33.7	34.0
Hong Kong China SAR	2.8	3.0	3.6	3.3	2.4	2.3	2.7	1.2	1.7	2.0
Macao China SAR	1.0	1.5	1.0	1.8	2.3	3.5	4.8	0.9	0.4	0.3
Taiwan Province of China	0.3	0.2	0.1	0.4	0.8	2.1	2.3	1.1	0.9	1.0
Other Asia										
Bangladesh	0.0	0.3	0.2	0.7	1.2	1.8	1.6	2.3	0.8	1.3
India	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.5	0.7	0.7
Indonesia	3.7	4.2	4.8	6.0	9.1	9.4	10.5	10.3	10.3	11.8
Korea, Republic of	0.1	0.1	0.1	0.2	0.8	0.6	0.4	0.2	0.2	0.2
Malaysia	0.3	0.2	0.2	0.2	0.2	0.4	0.4	0.3	0.3	0.2
Pakistan	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	12.4	10.7	6.9	5.2	5.6	5.3	5.5	4.3	4.7	4.4
Sri Lanka	1.3	1.6	2.1	2.7	2.3	2.6	3.0	3.2	2.9	2.5
Thailand	2.2	2.3	1.4	2.8	4.5	7.2	8.3	8.0	6.8	7.3
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	18.9	23.4	26.1	25.5	24.7	20.5	16.5	10.7	8.7	8.3
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	6.3	6.7	7.6	9.0	10.7	12.9	15.1	7.0	6.8	6.3
Hong Kong China SAR	4.2	4.1	4.2	4.7	5.3	5.1	5.0	4.4	5.2	7.3
Macao China SAR	5.3	4.4	5.6	6.2	5.7	5.2	5.3	5.8	5.0	5.2
Taiwan Province of China	2.6	4.6	5.4	5.1	5.6	4.5	4.3	5.0	5.4	5.1
Other Asia										
Bangladesh	2.9	5.1	6.2	3.4	4.0	3.8	3.7	4.2	3.9	5.1
India	10.6	3.0	34.3	6.1	20.1	23.1	21.8	19.5	19.5	20.2
Indonesia	6.1	5.8	5.5	5.9	6.6	7.8	7.9	7.8	8.4	7.8
Korea, Republic of	21.2	23.5	26.2	13.5	9.5	14.1	10.1	9.9	12.4	10.7
Malaysia	10.2	11.9	10.7	14.0	18.8	17.1	19.8	14.6	14.3	11.1
Pakistan	3.7	3.5	3.8	4.4	0.8	1.0	1.8	1.0	1.9	3.4
Philippines	4.7	5.6	6.1	6.6	6.4	6.7	7.3	7.3	7.4	9.2
Sri Lanka	10.7	15.3	15.5	14.8	17.7	19.7	19.9	18.2	18.1	18.4
Thailand	8.0	7.5	8.4	10.0	8.5	9.5	10.0	8.7	8.7	9.0
Viet Nam	2.9	2.9	1.0	0.7	0.8	23.9	28.0	8.3	10.8	13.8
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.6	31.5	12.0
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.3	2.8	3.4	0.8
Mexico	7.6	7.7	8.3	8.8	9.7	10.1	10.9	11.2	11.6	12.0

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Dressing gowns of man-made fibres (category 650)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	29.1	28.1	29.2	22.5	21.8	24.1	22.8	33.8	47.3	46.8
China	12.7	12.8	12.4	10.3	9.5	9.2	7.9	30.4	43.7	41.7
Hong Kong China SAR	10.0	6.7	5.7	3.5	4.9	6.1	5.7	0.9	1.0	1.4
Macao China SAR	0.7	2.1	3.0	1.4	1.0	2.2	2.4	0.9	0.9	2.0
Taiwan Province of China	5.7	6.5	8.1	7.4	6.4	6.7	6.8	1.6	1.7	1.7
Other Asia										
Bangladesh	1.1	0.9	1.1	3.0	4.5	1.9	3.9	3.4	2.2	2.2
India	0.2	0.7	1.5	1.8	1.3	0.7	0.8	0.9	0.4	0.6
Indonesia	4.3	2.8	3.1	4.7	3.9	3.4	2.7	0.8	1.4	1.7
Korea, Republic of	3.1	1.5	0.8	0.9	1.3	0.9	1.7	0.3	0.1	0.6
Malaysia	1.6	0.9	0.9	1.0	1.2	1.6	2.5	1.7	0.7	0.2
Pakistan	1.2	2.1	2.9	3.0	2.2	4.0	4.2	5.3	3.6	3.6
Philippines	8.2	8.8	4.6	4.5	4.9	5.8	6.2	2.9	3.5	5.2
Sri Lanka	6.3	10.3	10.3	8.2	8.6	8.5	8.3	7.6	5.7	6.5
Thailand	0.1	0.4	0.0	0.3	0.6	0.6	0.9	0.6	0.2	0.7
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	3.6	2.7
Sub-Saharan Africa										
Kenya	0.2	0.0	0.0	0.0	0.0	0.0	0.3	0.6	0.0	0.1
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6
Mauritius	0.0	0.0	0.2	0.3	0.0	0.0	0.1	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Mexico	7.9	8.9	12.3	13.7	14.7	14.8	10.9	7.7	2.9	4.8
<i>Volume-based market shares (per cent)</i>										
Greater China area	22.0	21.6	22.1	16.6	16.5	17.1	15.5	29.5	48.9	50.0
China	10.7	9.9	8.7	6.8	6.4	5.9	4.8	26.4	44.2	45.0
Hong Kong China SAR	6.8	5.6	5.7	3.5	4.7	4.6	4.3	1.1	1.9	2.0
Macao China SAR	0.4	1.2	1.9	0.9	0.7	1.8	1.7	0.8	1.1	1.4
Taiwan Province of China	4.2	4.9	5.9	5.3	4.7	4.7	4.7	1.2	1.7	1.6
Other Asia										
Bangladesh	1.9	1.4	1.4	4.0	4.8	2.1	3.9	3.5	3.1	3.0
India	0.3	1.2	2.2	2.6	1.9	0.7	1.1	1.2	0.5	0.6
Indonesia	4.6	3.4	3.8	5.2	3.4	2.9	2.0	0.7	1.4	1.0
Korea, Republic of	2.0	0.9	0.6	0.7	1.0	0.9	1.2	0.2	0.2	1.2
Malaysia	2.0	1.1	1.1	1.0	1.2	1.6	3.4	2.6	0.7	0.2
Pakistan	2.4	4.3	5.4	6.0	4.6	8.4	8.7	10.0	6.0	5.1
Philippines	7.1	6.5	3.3	3.3	5.0	6.5	6.5	3.2	4.3	4.9
Sri Lanka	5.0	8.3	8.0	6.8	6.7	6.5	5.7	5.0	3.2	3.2
Thailand	0.1	0.3	0.0	0.4	0.9	0.7	0.9	0.6	0.2	0.4
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	2.8	2.5
Sub-Saharan Africa										
Kenya	0.2	0.0	0.0	0.0	0.0	0.0	0.5	0.7	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.8
Mauritius	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Mexico	9.3	10.7	15.0	15.5	16.8	15.8	10.7	7.0	3.0	4.9
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	2.7	3.0	3.2	3.2	2.9	2.8	2.9	1.6	1.3	1.0
Hong Kong China SAR	3.3	2.8	2.3	2.1	2.1	2.4	2.3	1.1	0.7	0.7
Macao China SAR	4.3	4.2	3.5	3.1	2.8	2.2	2.4	1.7	1.0	1.6
Taiwan Province of China	3.1	3.1	3.1	2.9	2.7	2.6	2.5	1.9	1.4	1.2
Other Asia										
Bangladesh	1.3	1.4	1.7	1.6	1.9	1.7	1.7	1.4	1.0	0.8
India	1.4	1.4	1.5	1.5	1.4	1.9	1.3	1.1	1.1	1.0
Indonesia	2.1	1.9	1.8	1.9	2.3	2.2	2.3	1.6	1.4	1.8
Korea, Republic of	3.4	3.7	2.9	2.9	2.8	1.9	2.5	1.6	1.2	0.5
Malaysia	1.7	1.8	1.8	2.1	2.0	1.8	1.3	0.9	1.3	1.3
Pakistan	1.1	1.1	1.2	1.1	1.0	0.9	0.8	0.8	0.8	0.8
Philippines	2.6	3.1	3.1	2.9	1.9	1.6	1.7	1.3	1.1	1.2
Sri Lanka	2.9	2.9	2.9	2.6	2.5	2.4	2.5	2.2	2.4	2.2
Thailand	2.0	3.4		1.4	1.3	1.6	1.8	1.4	1.0	1.9
Viet Nam	n.a.	1.3	3.9	n.a.	n.a.	0.3	1.0	1.8	1.7	1.2
Sub-Saharan Africa										
Kenya	2.0	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.2	n.a.	3.4
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.1	0.8
Mauritius	n.a.	n.a.	3.6	3.2	2.2	1.7	2.0	17.7	n.a.	n.a.
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.1	0.3
Mexico	1.9	1.9	1.9	1.9	1.7	1.7	1.8	1.6	1.3	1.1

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk gloves (category 831)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	43.8	43.5	50.5	44.5	41.8	46.7	54.4	73.5	74.8	34.5
China	43.3	43.5	49.8	44.3	41.4	45.7	54.4	72.1	73.2	33.3
Hong Kong China SAR	0.0	0.0	0.4	0.0	0.0	0.0	0.0	1.0	1.0	1.2
Macao China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.5	0.0	0.3	0.2	0.5	1.0	0.0	0.4	0.6	0.1
Other Asia										
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Korea, Republic of	0.0	0.0	0.0	0.0	0.7	0.0	0.0	4.0	1.3	1.1
Malaysia	6.5	0.2	0.8	0.0	0.1	0.0	0.0	0.0	1.6	50.9
Pakistan	0.0	0.0	0.1	0.4	0.3	1.0	0.6	0.5	1.8	0.9
Philippines	37.5	48.6	25.5	32.5	29.2	12.1	6.0	2.5	1.7	0.5
Sri Lanka	1.0	0.3	0.7	0.0	0.2	1.6	2.9	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.1
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.2	0.2	0.4	0.4	0.3	8.5	3.8	0.2	0.6	0.0
<i>Volume-based market shares (per cent)</i>										
Greater China area	65.6	67.9	59.7	40.8	41.3	68.8	79.8	86.4	90.3	71.7
China	65.1	67.9	59.3	40.7	41.2	68.5	79.8	84.9	89.9	70.7
Hong Kong China SAR	0.0	0.0	0.4	0.0	0.0	0.0	0.0	1.4	0.3	1.0
Macao China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.4	0.0	0.1	0.1	0.0	0.2	0.0	0.1	0.2	0.1
Other Asia										
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Korea, Republic of	0.0	0.0	0.0	0.0	1.6	0.0	0.0	6.0	1.7	0.6
Malaysia	5.7	0.1	0.3	0.0	0.1	0.0	0.0	0.0	0.2	8.4
Pakistan	0.0	0.0	0.0	0.0	0.1	0.1	0.7	1.1	0.8	0.3
Philippines	25.8	29.4	30.3	51.7	44.5	15.9	4.9	1.4	1.0	0.5
Sri Lanka	0.4	0.0	0.0	0.0	0.1	0.1	1.0	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.4	0.2	0.2	0.1	0.2	4.8	2.5	0.0	0.0	0.0
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	1.4	1.4	1.2	1.2	1.1	0.9	0.9	0.8	0.9	0.9
Hong Kong China SAR	2.3	16.4	1.9	n.a.	n.a.	n.a.	24.1	0.7	4.1	2.2
Macao China SAR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Taiwan Province of China	2.4	n.a.	5.7	5.4	14.1	5.8	n.a.	3.7	4.0	2.3
Other Asia										
Bangladesh	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.2	n.a.
Indonesia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.5
Korea, Republic of	n.a.	n.a.	n.a.	n.a.	0.5	n.a.	n.a.	0.6	0.8	3.3
Malaysia	2.5	7.0	4.1	n.a.	1.0	n.a.	n.a.	n.a.	8.8	11.5
Pakistan	n.a.	n.a.	10.0	8.5	2.2	9.4	1.2	0.5	2.4	6.4
Philippines	3.1	3.5	1.2	0.7	0.7	1.0	1.6	1.7	1.8	1.8
Sri Lanka	5.6	13.1	21.7	n.a.	3.1	31.2	3.9	n.a.	1.8	117.6
Thailand	n.a.	n.a.	n.a.	10.8	n.a.	n.a.	n.a.	n.a.	3.9	4.5
Viet Nam	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	1.2	2.9	2.8	3.7	2.0	2.3	2.0	18.4	24.7	20.0

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk men's coats (category 833)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	21.0	12.6	8.9	5.7	11.5	7.1	5.1	9.6	29.0	13.7
China	9.7	9.7	7.2	4.9	10.9	5.3	4.8	8.5	27.7	13.5
Hong Kong China SAR	10.0	1.8	1.3	0.7	0.6	1.6	0.3	0.2	0.1	0.3
Macao China SAR	0.5	0.2	0.0	0.0	0.0	0.3	0.0	0.9	1.1	0.0
Taiwan Province of China	0.8	0.8	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other Asia										
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.8	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.3	0.1
Indonesia	6.1	5.8	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Korea, Republic of	1.5	0.0	0.1	0.0	0.8	0.3	0.1	0.0	0.1	0.2
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	1.0	1.0	0.3	0.8	0.1	4.0	2.1	1.1	0.1	0.3
Sri Lanka	0.0	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.1
Thailand	2.6	0.7	0.8	0.8	0.1	0.9	1.0	0.0	0.4	0.0
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Mexico	0.6	1.7	2.2	2.1	3.3	2.3	1.8	1.2	0.6	0.3
<i>Volume-based market shares (per cent)</i>										
Greater China area	30.2	22.1	15.8	10.7	20.0	62.1	19.6	51.7	81.5	46.3
China	14.6	17.7	13.5	9.7	19.3	32.8	18.9	50.5	81.0	46.0
Hong Kong China SAR	13.6	2.7	1.7	0.8	0.7	29.1	0.7	0.3	0.0	0.3
Macao China SAR	0.6	0.2	0.0	0.0	0.0	0.1	0.0	0.9	0.4	0.0
Taiwan Province of China	1.4	1.5	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Other Asia										
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	2.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.3	0.4
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Korea, Republic of	1.7	0.0	0.1	0.0	2.5	0.4	0.2	0.0	0.0	0.1
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	1.4	1.9	0.6	1.3	0.3	4.0	5.8	2.0	0.1	0.6
Sri Lanka	0.0	0.3	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.4
Thailand	3.1	0.9	0.9	1.1	0.2	0.8	1.9	0.0	0.1	0.0
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Mexico	0.5	1.8	2.7	2.8	5.3	1.7	6.1	1.0	0.2	0.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	9.8	9.3	10.6	10.3	12.7	1.6	6.0	2.5	2.6	5.4
Hong Kong China SAR	10.9	11.4	15.4	18.6	18.8	0.5	10.0	10.4	17.8	16.1
Macao China SAR	12.3	16.2	n.a.	n.a.	26.7	26.3	9.8	15.0	19.3	n.a.
Taiwan Province of China	8.3	8.8	12.3	7.4	n.a.	n.a.	n.a.	n.a.	2.9	9.9
Other Asia										
Bangladesh	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	6.1	24.6	n.a.	n.a.	n.a.	n.a.	11.7	8.7	8.7	5.3
Indonesia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.0
Korea, Republic of	12.5	15.9	20.8	8.1	7.3	9.3	9.4	2.2	21.9	25.7
Malaysia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Pakistan	4.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.4	14.1
Philippines	10.4	9.3	10.6	13.0	11.8	10.3	8.6	8.2	7.3	9.0
Sri Lanka	n.a.	5.4	26.1	6.7	n.a.	n.a.	n.a.	n.a.	2.0	4.2
Thailand	12.4	14.7	17.4	13.9	12.2	12.3	12.1	16.2	24.2	n.a.
Viet Nam	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.8	17.0	n.a.
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	18.4	15.6	16.1	15.5	14.0	13.5	6.9	16.5	28.2	42.0

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk women's coats (category 835)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	41.0	38.2	37.0	39.4	41.9	45.9	42.5	53.2	68.5	69.6
China	25.2	24.9	29.9	26.9	31.3	30.5	29.0	51.1	66.9	66.8
Hong Kong China SAR	15.0	12.0	6.1	9.1	8.6	14.5	12.4	1.8	1.5	2.6
Macao China SAR	0.1	0.2	0.8	2.7	0.6	0.7	0.3	0.1	0.0	0.1
Taiwan Province of China	0.6	1.0	0.3	0.7	1.3	0.2	0.7	0.2	0.1	0.2
Other Asia										
Bangladesh	0.7	0.5	2.1	6.4	2.6	6.6	3.7	3.4	1.7	0.4
India	0.3	0.9	1.2	1.0	0.5	2.0	1.9	2.4	3.0	1.8
Indonesia	3.7	2.9	2.9	3.9	4.2	5.3	6.9	3.6	2.2	2.7
Korea, Republic of	9.0	9.3	5.9	4.7	5.7	4.8	6.6	5.0	2.7	3.3
Malaysia	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	2.2	1.5	1.9	1.1	1.1	0.8	2.1	1.6	0.6	0.8
Sri Lanka	2.6	1.1	0.5	1.0	0.3	0.5	1.8	0.9	0.1	0.2
Thailand	1.3	2.6	6.3	3.4	5.1	6.9	6.4	4.1	2.2	4.2
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Mexico	0.2	0.2	0.8	0.2	0.7	0.9	0.2	0.5	0.2	0.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	36.5	32.2	33.5	36.7	40.7	44.1	42.5	58.4	80.7	85.0
China	24.8	21.7	27.0	23.0	29.1	28.4	25.1	56.7	79.1	82.8
Hong Kong China SAR	10.9	9.3	5.3	8.8	9.4	14.6	16.6	1.5	1.5	2.1
Macao China SAR	0.2	0.3	1.0	4.2	1.0	0.8	0.3	0.1	0.0	0.1
Taiwan Province of China	0.7	0.8	0.3	0.6	1.2	0.2	0.5	0.1	0.0	0.1
Other Asia										
Bangladesh	1.4	0.5	3.5	10.1	5.0	12.2	7.5	9.5	2.8	0.7
India	0.4	1.1	1.4	1.2	0.8	2.7	2.7	3.5	3.2	1.9
Indonesia	4.4	3.8	3.6	6.0	5.6	6.3	8.7	5.0	2.7	1.7
Korea, Republic of	5.0	5.0	3.1	2.2	2.9	1.9	3.2	1.9	1.1	1.5
Malaysia	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Philippines	2.3	0.9	1.1	0.9	0.9	0.8	1.8	0.9	1.1	0.5
Sri Lanka	4.0	1.7	0.9	1.7	0.6	1.0	3.6	1.6	0.1	0.2
Thailand	1.4	2.5	5.4	2.5	3.4	3.9	3.9	2.1	0.9	1.3
Viet Nam	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.6	1.3
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.2	0.2	0.9	0.4	1.9	2.0	0.7	1.2	0.6	0.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	7.0	7.5	7.2	6.8	6.9	5.6	6.5	4.1	3.1	2.8
Hong Kong China SAR	9.6	8.4	7.5	6.0	5.8	5.1	4.2	5.2	3.6	4.3
Macao China SAR	5.1	4.0	5.3	3.7	4.2	4.5	4.7	3.9	2.4	4.0
Taiwan Province of China	6.5	8.5	6.5	7.3	7.4	3.5	8.8	10.7	6.1	10.4
Other Asia										
Bangladesh	3.5	5.5	3.9	3.7	3.3	2.8	2.8	1.6	2.2	2.0
India	5.2	5.8	5.5	5.0	3.6	3.7	3.9	3.1	3.4	3.2
Indonesia	5.8	5.0	5.2	3.8	4.8	4.3	4.5	3.3	3.0	5.6
Korea, Republic of	12.4	12.1	12.4	12.8	12.5	13.1	11.6	11.5	8.6	7.7
Malaysia	6.6	n.a.	n.a.	7.6	16.9	20.3	n.a.	1.1	1.8	1.3
Pakistan	1.5	n.a.	2.0	2.0	2.7	7.9	2.0	3.9	2.9	0.4
Philippines	6.8	11.6	11.4	6.8	8.0	5.6	6.3	7.8	1.9	5.2
Sri Lanka	4.5	4.4	3.8	3.6	2.6	2.7	2.8	2.5	3.2	3.5
Thailand	6.4	6.8	7.6	7.7	9.6	9.2	9.2	8.7	9.3	11.2
Viet Nam	2.0	5.5	n.a.	n.a.	5.5	5.4	1.1	4.4	3.3	1.6
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	7.5	4.4	4.4	n.a.	n.a.	19.3	n.a.	3.3	8.7	16.7
Mexico	7.5	10.0	5.7	2.4	2.5	2.4	1.4	1.9	1.2	3.6

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk dresses (category 836)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	64.3	64.8	67.7	67.3	59.2	52.3	39.2	47.6	67.4	76.0
China	48.0	48.9	58.8	52.1	41.8	33.2	29.0	45.6	64.2	74.0
Hong Kong China SAR	14.8	14.4	8.0	12.4	16.2	18.2	9.7	1.7	2.9	2.0
Macao China SAR	0.2	0.2	0.1	1.0	0.7	0.6	0.4	0.2	0.0	0.0
Taiwan Province of China	1.3	1.4	0.9	1.7	0.5	0.2	0.1	0.0	0.2	0.0
Other Asia										
Bangladesh	0.4	0.7	1.1	2.0	2.4	4.7	8.5	6.2	4.0	1.6
India	0.3	1.7	0.6	1.6	1.9	5.4	6.1	5.3	3.7	5.2
Indonesia	0.5	1.8	0.6	3.7	4.9	6.0	8.1	10.9	6.2	2.4
Korea, Republic of	5.9	3.8	2.5	3.7	3.8	3.2	3.2	3.4	1.2	0.7
Malaysia	0.4	0.5	0.7	0.4	1.7	0.5	0.5	0.2	0.1	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.0
Philippines	3.3	1.2	1.4	0.8	3.2	3.6	7.6	4.8	1.6	2.1
Sri Lanka	1.1	2.6	2.3	2.3	4.4	6.0	3.9	2.8	1.3	0.5
Thailand	2.0	2.3	3.6	1.7	1.5	1.8	1.8	3.9	2.1	1.2
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	1.4
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.1	1.1	0.2	0.1	0.3	0.6	0.3	0.3	0.1	0.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	67.5	63.7	70.7	67.8	53.8	41.7	28.4	44.6	71.1	82.2
China	53.7	50.0	58.0	53.5	36.8	26.0	21.1	43.5	67.9	81.1
Hong Kong China SAR	12.3	12.6	11.8	11.6	15.8	14.8	7.0	1.0	3.0	1.1
Macao China SAR	0.2	0.1	0.1	1.1	0.8	0.6	0.3	0.2	0.0	0.0
Taiwan Province of China	1.4	1.0	0.8	1.7	0.4	0.3	0.0	0.0	0.1	0.0
Other Asia										
Bangladesh	1.4	2.1	2.0	4.7	5.4	9.6	16.1	13.2	6.9	2.7
India	0.7	2.8	0.7	1.7	2.1	5.4	7.2	5.8	4.0	5.0
Indonesia	1.1	1.6	0.6	4.1	6.0	8.7	9.1	12.5	6.3	2.0
Korea, Republic of	3.3	1.9	1.5	2.8	3.5	2.2	2.3	1.4	0.5	0.3
Malaysia	0.4	0.3	0.5	0.5	2.5	0.8	0.8	0.5	0.2	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.0
Philippines	3.6	1.6	0.8	1.1	4.0	4.9	8.2	4.9	2.7	1.9
Sri Lanka	1.3	3.9	3.0	3.1	5.7	8.0	5.2	4.1	1.8	0.5
Thailand	1.2	1.0	2.1	1.2	1.1	1.5	1.0	1.9	0.9	0.5
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.3
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.3	2.9	0.4	0.3	0.6	1.2	0.5	0.4	0.1	0.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	4.5	4.8	4.6	4.1	4.5	4.8	4.4	2.9	2.6	2.4
Hong Kong China SAR	6.1	5.6	3.1	4.6	4.1	4.6	4.4	4.9	2.7	4.7
Macao China SAR	5.3	7.2	4.4	3.9	3.7	4.2	5.0	3.1	7.8	5.0
Taiwan Province of China	4.8	6.6	4.8	4.3	4.8	3.4	4.9	4.1	5.0	19.3
Other Asia										
Bangladesh	1.6	1.6	2.4	1.8	1.7	1.8	1.7	1.3	1.5	1.5
India	2.4	3.0	4.4	4.1	3.7	3.7	2.7	2.5	2.5	2.7
Indonesia	2.5	5.7	4.3	3.9	3.3	2.6	2.9	2.4	2.6	3.1
Korea, Republic of	9.0	10.1	7.8	5.7	4.3	5.5	4.4	6.6	6.6	5.4
Malaysia	6.4	8.0	6.6	3.2	2.6	2.4	2.3	1.2	1.0	n.a.
Pakistan	n.a.	n.a.	4.8	n.a.	2.6	2.4	2.2	2.0	1.7	19.0
Philippines	4.7	3.7	8.0	3.1	3.2	2.7	2.9	2.7	1.5	3.0
Sri Lanka	4.2	3.3	3.4	3.1	3.1	2.8	2.4	1.8	1.9	2.6
Thailand	8.5	11.0	7.9	6.1	5.5	4.5	5.5	5.5	6.3	6.3
Viet Nam	7.1	n.a.	9.8	0.7	0.9	1.6	1.1	1.2	3.2	1.6
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	2.2	1.6	n.a.	10.1	n.a.	5.7	25.9	4.7
Mexico	2.7	1.9	1.6	1.7	2.1	2.1	2.0	2.0	2.6	2.6

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk woven shirts (category 840)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	46.6	50.1	59.0	53.4	45.6	43.2	38.8	51.8	68.9	73.8
China	15.6	20.9	37.5	24.4	20.5	17.4	18.4	43.1	64.7	70.7
Hong Kong China SAR	26.9	26.1	19.4	26.5	21.6	22.7	18.8	7.9	3.8	2.9
Macao China SAR	3.0	2.5	1.7	2.1	3.2	2.6	1.4	0.6	0.1	0.1
Taiwan Province of China	1.1	0.6	0.3	0.3	0.4	0.5	0.2	0.2	0.3	0.0
Other Asia										
Bangladesh	10.3	12.3	4.9	8.0	8.5	10.5	12.6	6.8	3.2	2.8
India	3.6	2.5	5.9	5.9	7.8	6.7	10.2	9.1	7.7	7.1
Indonesia	4.5	4.8	4.8	4.9	7.3	7.6	8.4	8.3	5.3	3.9
Korea, Republic of	5.5	4.0	1.9	1.4	2.2	1.8	2.3	1.0	0.2	0.2
Malaysia	2.0	2.1	1.4	0.5	0.7	0.7	0.6	0.2	0.3	0.2
Pakistan	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Philippines	7.3	4.7	4.2	5.1	6.4	5.1	4.5	2.8	1.7	0.9
Sri Lanka	2.9	4.2	3.0	4.9	5.4	5.8	5.1	5.1	2.1	1.2
Thailand	2.5	1.2	0.5	0.9	2.2	3.2	2.7	2.9	1.4	1.6
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.1
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.7	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.0	0.7	1.2	0.3	0.2	0.5	0.4	0.3	0.1	0.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	39.8	41.9	58.2	48.5	39.4	36.1	31.0	49.0	69.4	75.7
China	16.2	20.1	39.6	22.3	16.3	13.6	13.9	42.9	65.9	73.5
Hong Kong China SAR	20.1	19.2	16.5	23.5	19.0	19.7	15.6	5.6	3.1	2.0
Macao China SAR	2.7	2.2	1.8	2.5	3.7	2.4	1.3	0.4	0.2	0.2
Taiwan Province of China	0.8	0.5	0.2	0.2	0.3	0.4	0.2	0.1	0.2	0.0
Other Asia										
Bangladesh	17.9	19.2	7.5	15.7	16.9	17.9	21.2	11.2	4.8	4.0
India	3.8	2.9	4.7	5.0	7.4	6.3	8.9	8.7	8.1	7.1
Indonesia	5.3	5.6	5.9	5.4	8.2	9.8	10.7	10.1	5.9	3.9
Korea, Republic of	5.4	3.9	2.2	1.7	2.1	1.5	2.0	0.7	0.4	0.2
Malaysia	1.3	1.2	0.8	0.3	0.8	0.5	0.5	0.1	0.1	0.1
Pakistan	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0
Philippines	7.3	4.4	3.4	4.0	6.1	5.1	4.1	2.4	1.1	0.5
Sri Lanka	5.0	8.0	3.5	5.9	5.7	6.1	5.0	4.9	2.3	1.2
Thailand	2.1	1.1	0.5	0.7	1.5	2.3	1.6	1.7	0.8	0.9
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.7	1.2
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.4	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.1	1.2	2.3	0.5	0.3	0.6	0.7	0.3	0.1	0.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	6.2	6.5	6.5	7.4	7.9	7.5	7.6	5.2	4.8	4.6
Hong Kong China SAR	8.6	8.5	8.1	7.6	7.1	6.8	6.9	7.2	6.0	7.0
Macao China SAR	6.9	7.2	6.5	5.8	5.3	6.2	6.6	8.5	3.5	4.1
Taiwan Province of China	9.2	7.9	9.6	10.5	8.5	6.6	5.6	8.1	6.3	10.8
Other Asia										
Bangladesh	3.7	4.0	4.5	3.4	3.1	3.4	3.4	3.1	3.2	3.3
India	6.1	5.3	8.7	8.0	6.7	6.3	6.6	5.4	4.7	4.8
Indonesia	5.5	5.3	5.6	6.0	5.6	4.6	4.5	4.2	4.5	4.9
Korea, Republic of	6.5	6.4	5.9	5.9	6.7	7.2	6.4	7.0	2.5	7.2
Malaysia	10.0	11.0	12.4	9.0	6.1	8.3	7.7	9.8	11.2	11.2
Pakistan	4.2	5.2	4.0	3.5	4.3	1.8	3.5	3.7	3.8	3.4
Philippines	6.5	6.6	8.6	8.6	6.6	5.9	6.3	5.9	7.5	8.9
Sri Lanka	3.7	3.2	6.0	5.5	5.9	5.6	5.8	5.3	4.5	4.9
Thailand	7.6	6.8	6.2	8.6	9.2	8.1	9.6	8.6	8.8	8.4
Viet Nam	n.a.	n.a.	n.a.	1.4	5.1	2.1	1.8	1.5	4.5	4.6
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	3.7	2.9	2.1	1.9	3.3	11.8	0.4	n.a.
Mexico	4.5	3.8	3.7	3.7	4.5	4.6	3.9	3.9	3.5	4.5

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk skirts (category 842)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	51.7	55.4	58.3	55.3	58.4	58.9	50.4	61.0	75.8	82.8
China	28.1	36.5	47.9	45.4	49.2	51.7	37.9	57.2	72.9	81.0
Hong Kong China SAR	18.9	17.0	8.7	7.4	6.6	6.3	11.0	2.4	2.2	1.3
Macao China SAR	0.3	0.6	0.8	1.1	1.1	0.3	0.7	0.7	0.6	0.4
Taiwan Province of China	4.3	1.3	0.8	1.4	1.4	0.6	0.8	0.7	0.1	0.0
Other Asia										
Bangladesh	1.3	1.6	1.3	1.3	2.7	5.7	4.0	2.5	2.8	1.2
India	0.6	1.7	0.6	2.9	3.9	5.0	5.8	2.8	3.0	4.8
Indonesia	2.7	3.1	3.6	2.8	3.5	6.1	9.0	5.3	4.0	1.9
Korea, Republic of	9.7	7.2	4.3	4.0	4.0	3.1	2.1	2.6	1.7	0.7
Malaysia	3.3	0.9	0.1	0.2	0.6	0.0	0.0	0.2	0.0	0.0
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	2.5	2.6	3.9	1.9	2.0	1.8	2.1	2.7	0.5	1.0
Sri Lanka	2.9	2.2	1.0	1.4	1.2	2.0	2.1	3.1	1.6	0.4
Thailand	2.7	1.9	3.5	3.8	1.4	2.2	7.1	2.8	0.7	1.1
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.3
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.1	0.1	0.4	0.3	0.5	1.1	0.4	0.2	0.1	0.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	52.9	53.9	56.7	55.4	55.2	52.4	45.6	66.3	81.7	89.8
China	34.5	37.9	47.7	45.0	47.2	45.5	33.5	62.0	77.2	87.1
Hong Kong China SAR	14.7	14.5	7.4	7.8	5.5	6.0	10.9	1.9	2.3	1.6
Macao China SAR	0.4	0.6	0.8	1.1	1.1	0.3	0.6	2.0	2.2	1.1
Taiwan Province of China	3.3	0.9	0.7	1.5	1.3	0.6	0.7	0.4	0.1	0.0
Other Asia										
Bangladesh	4.5	4.5	3.4	2.8	6.2	11.6	8.9	3.5	4.7	1.8
India	1.1	2.4	1.2	3.2	4.5	6.4	5.9	3.3	1.7	2.2
Indonesia	2.9	3.9	4.1	3.6	5.3	9.2	13.2	7.4	4.1	1.7
Korea, Republic of	6.0	3.7	2.3	2.6	2.5	1.6	1.0	1.2	0.5	0.2
Malaysia	2.7	0.9	0.1	0.1	0.7	0.0	0.0	0.1	0.0	0.0
Pakistan	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	1.9	1.9	2.5	2.1	2.2	1.8	2.0	1.8	0.4	1.0
Sri Lanka	3.2	2.8	1.3	2.0	1.6	2.9	2.4	3.1	1.7	0.3
Thailand	2.8	1.8	2.9	3.0	0.9	2.1	4.5	1.5	0.3	0.3
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	1.0	0.3
Sub-Saharan Africa										
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.3	0.3	1.1	0.4	0.7	1.6	0.9	0.4	0.1	0.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	6.9	7.4	8.3	8.7	8.7	8.9	8.7	5.8	4.6	3.9
Hong Kong China SAR	10.9	9.0	9.8	8.1	10.1	8.2	7.8	8.0	4.6	3.4
Macao China SAR	6.9	8.2	8.3	8.6	8.0	7.6	8.3	2.0	1.4	1.7
Taiwan Province of China	11.1	10.9	8.9	8.3	9.4	8.0	9.5	11.7	8.1	4.2
Other Asia										
Bangladesh	2.3	2.7	3.2	4.0	3.6	3.9	3.5	4.4	2.9	2.9
India	5.1	5.4	4.0	7.6	7.1	6.1	7.5	5.3	8.5	9.2
Indonesia	7.7	6.2	7.3	6.7	5.5	5.2	5.3	4.5	4.7	4.6
Korea, Republic of	13.7	14.9	15.3	13.2	13.4	15.4	16.3	12.9	15.2	14.8
Malaysia	10.3	7.3	9.5	15.0	8.0	n.a.	6.4	10.0	24.5	8.5
Pakistan	2.3	n.a.	3.8	4.0	5.8	n.a.	3.6	n.a.	9.4	n.a.
Philippines	10.7	10.3	13.1	7.7	7.5	7.8	7.8	9.1	6.3	4.2
Sri Lanka	7.7	6.1	6.2	6.0	6.1	5.5	6.8	6.3	4.5	5.7
Thailand	8.1	8.2	9.9	11.0	13.1	8.5	12.2	11.5	11.4	14.5
Viet Nam	n.a.	n.a.	1.3	1.7	1.5	n.a.	2.6	1.5	4.4	4.8
Sub-Saharan Africa										
Kenya	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	n.a.	n.a.	n.a.	2.6	n.a.	3.0	42.0	n.a.	5.2	n.a.
South Africa	n.a.	n.a.	n.a.	n.a.	n.a.	19.8	4.0	n.a.	53.8	36.9
Mexico	3.7	2.9	3.2	7.4	5.7	5.2	3.2	3.4	4.1	4.1

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

Silk trousers (category 847)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	49.3	46.5	48.8	53.6	54.0	51.2	40.8	52.4	80.0	87.9
China	30.2	29.8	37.4	41.4	46.8	43.7	29.5	47.8	77.4	85.5
Hong Kong China SAR	14.0	14.2	8.8	9.4	5.7	6.3	9.9	3.2	1.9	2.0
Macao China SAR	0.8	0.7	0.4	0.5	0.4	0.4	1.0	1.4	0.6	0.2
Taiwan Province of China	4.3	1.8	2.1	2.3	1.1	0.9	0.4	0.1	0.1	0.1
Other Asia										
Bangladesh	7.8	6.5	4.0	4.4	5.0	8.3	7.5	4.8	2.1	0.9
India	1.1	1.1	1.2	2.4	3.3	4.9	4.8	7.2	3.1	1.6
Indonesia	4.8	6.1	4.2	4.1	4.9	7.0	11.0	6.6	2.9	2.3
Korea, Republic of	3.8	3.2	1.8	1.7	1.7	1.4	1.3	1.2	0.5	0.4
Malaysia	1.9	1.3	0.6	0.1	0.3	0.3	0.2	0.5	0.1	0.4
Pakistan	0.2	0.1	0.0	0.0	0.0	0.8	1.0	0.1	0.1	0.0
Philippines	4.8	2.6	1.0	0.9	1.4	1.5	3.5	2.0	0.5	0.7
Sri Lanka	1.5	2.4	1.0	1.0	0.9	0.4	0.8	2.2	1.2	0.2
Thailand	2.5	1.9	2.4	1.9	1.9	1.9	2.6	2.6	1.6	0.6
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.7
Sub-Saharan Africa										
Kenya	0.0	0.4	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.4	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.0	0.0
South Africa	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.0	1.3	5.5	1.7	1.9	1.1	0.4	0.8	0.1	0.1
<i>Volume-based market shares (per cent)</i>										
Greater China area	45.5	43.3	46.4	56.1	55.8	50.1	36.8	54.4	82.3	90.2
China	33.8	31.0	38.1	46.7	50.8	42.4	26.2	48.6	78.7	87.6
Hong Kong China SAR	8.5	10.7	6.6	7.5	4.0	6.4	9.6	2.4	1.9	2.0
Macao China SAR	0.5	0.5	0.3	0.4	0.2	0.2	0.5	3.3	1.6	0.6
Taiwan Province of China	2.7	1.2	1.4	1.6	0.8	1.1	0.5	0.0	0.1	0.1
Other Asia										
Bangladesh	13.2	11.2	7.0	7.5	9.2	12.5	11.4	8.9	3.6	1.5
India	0.9	1.2	1.4	2.3	2.9	3.4	4.0	5.6	2.1	1.2
Indonesia	6.2	8.9	6.5	5.8	6.4	11.7	15.9	10.1	4.6	3.1
Korea, Republic of	1.9	1.3	0.8	0.9	0.8	0.7	0.6	0.8	0.3	0.2
Malaysia	2.3	1.7	0.6	0.1	0.2	0.2	0.1	0.2	0.1	0.1
Pakistan	0.3	0.2	0.0	0.0	0.0	0.9	1.5	0.3	0.1	0.0
Philippines	6.1	2.7	0.5	1.0	1.3	2.8	5.6	3.1	0.9	1.1
Sri Lanka	1.7	3.0	1.2	1.0	1.0	0.5	0.8	1.4	0.7	0.2
Thailand	1.7	1.0	1.1	1.0	0.8	0.7	1.0	1.0	0.8	0.2
Viet Nam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.7
Sub-Saharan Africa										
Kenya	0.0	0.9	0.0	0.0	0.0	0.2	0.1	0.2	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.4	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0
South Africa	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.0	3.0	12.4	2.3	1.9	0.8	0.5	0.6	0.1	0.0
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	5.8	6.3	6.6	6.2	6.1	5.9	6.5	5.0	4.2	4.1
Hong Kong China SAR	10.7	8.8	8.9	8.7	9.5	5.6	5.9	6.6	4.2	4.2
Macao China SAR	9.4	9.5	9.2	9.5	10.5	9.5	10.3	2.1	1.6	1.8
Taiwan Province of China	10.4	10.0	10.2	9.8	9.4	4.9	5.6	9.4	7.5	5.2
Other Asia										
Bangladesh	3.8	3.8	3.9	4.0	3.6	3.8	3.8	2.7	2.5	2.7
India	8.1	6.1	5.7	7.3	7.6	8.3	6.8	6.4	6.3	5.6
Indonesia	5.0	4.5	4.4	5.0	5.1	3.4	4.0	3.3	2.7	3.2
Korea, Republic of	13.2	16.2	14.9	12.8	14.4	11.1	12.7	8.2	7.6	10.4
Malaysia	5.4	5.0	6.6	11.8	7.8	7.6	9.5	10.2	9.0	13.1
Pakistan	4.1	4.0	4.6	3.2	5.6	4.6	3.7	2.4	2.4	1.5
Philippines	5.1	6.3	12.8	6.5	7.4	3.1	3.6	3.3	2.3	2.6
Sri Lanka	5.9	5.3	5.5	6.9	6.5	4.8	6.0	7.7	7.4	6.3
Thailand	9.6	12.1	14.3	13.6	15.2	14.6	14.8	12.8	8.8	11.7
Viet Nam	2.3	1.1	1.2	n.a.	1.4	5.4	1.6	3.1	4.8	4.3
Sub-Saharan Africa										
Kenya	4.0	3.0	n.a.	n.a.	2.0	3.7	3.4	3.5	2.5	n.a.
Lesotho	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mauritius	7.2	5.6	8.3	11.7	16.0	11.2	9.0	10.9	10.5	n.a.
South Africa	4.9	6.6	4.3	3.1	12.0	20.4	3.4	n.a.	n.a.	21.7
Mexico	5.9	2.8	3.0	5.0	6.6	7.7	4.0	7.0	5.7	8.7

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Annex Table 1 (continued)
**Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
 by category and origin, 1995–2004**

	Total apparel									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
	<i>Value-based market shares (per cent)</i>									
Greater China area	30.3	28.5	26.7	24.6	22.9	21.3	20.8	21.4	22.6	22.7
China	10.2	10.4	10.5	8.9	8.6	7.9	8.2	9.8	11.9	13.0
Hong Kong China SAR	12.1	10.6	9.2	9.2	8.4	7.8	7.5	6.8	6.1	5.3
Macao China SAR	2.2	2.1	2.2	2.1	2.0	2.0	2.0	2.0	2.1	2.1
Taiwan Province of China	5.9	5.4	4.8	4.4	3.9	3.6	3.2	2.8	2.6	2.3
Other Asia										
Bangladesh	3.1	3.1	3.4	3.4	3.3	3.7	3.7	3.3	3.0	3.0
India	3.2	3.3	3.1	3.1	3.0	3.1	3.0	3.3	3.3	3.9
Indonesia	3.4	3.6	3.7	3.4	3.3	3.6	3.9	3.6	3.5	4.0
Korea, Republic of	4.7	3.8	3.5	3.9	4.1	4.0	3.9	3.6	3.0	2.7
Malaysia	1.9	1.8	1.5	1.5	1.5	1.4	1.3	1.3	1.1	1.1
Pakistan	1.6	1.5	1.4	1.4	1.4	1.6	1.6	1.5	1.7	1.7
Philippines	4.4	4.1	3.7	3.6	3.5	3.3	3.3	3.2	3.0	2.8
Sri Lanka	2.7	2.8	2.8	2.7	2.5	2.6	2.7	2.5	2.3	2.3
Thailand	3.0	2.9	2.9	3.0	3.0	3.2	3.2	3.0	2.8	2.6
Viet Nam	0.0	0.1	0.1	0.1	0.1	0.1	0.1	1.6	3.9	4.0
Sub-Saharan Africa										
Kenya	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4
Lesotho	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.6	0.6	0.7
Mauritius	0.6	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4
South Africa	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.2
Mexico	7.4	9.8	11.8	13.5	14.8	14.7	13.8	13.0	11.3	11.2
	<i>Volume-based market shares (per cent)</i>									
Greater China area	26.3	24.3	21.6	20.2	18.4	17.3	17.2	19.0	21.4	21.9
China	9.3	8.9	8.3	7.1	6.5	5.8	6.1	9.1	12.1	13.6
Hong Kong China SAR	8.9	7.9	6.5	6.7	6.0	5.7	5.7	4.8	4.2	3.5
Macao China SAR	1.7	1.6	1.6	1.6	1.5	1.6	1.7	1.8	2.0	2.1
Taiwan Province of China	6.5	5.9	5.2	4.8	4.5	4.2	3.8	3.3	3.1	2.7
Other Asia										
Bangladesh	5.6	5.5	5.9	5.8	5.5	6.0	6.0	5.4	4.8	4.7
India	2.8	3.1	2.8	2.8	2.7	2.5	2.5	2.9	2.8	3.5
Indonesia	3.4	3.4	3.5	3.4	3.1	3.3	3.7	3.4	3.3	3.9
Korea, Republic of	3.7	3.0	2.8	3.6	3.8	3.7	3.9	3.8	3.1	2.8
Malaysia	1.6	1.4	1.2	1.3	1.3	1.3	1.2	1.1	1.0	1.0
Pakistan	1.7	1.7	1.7	1.7	1.7	2.1	2.2	2.2	2.4	2.6
Philippines	5.0	4.6	3.9	3.7	3.6	3.3	3.4	3.2	2.9	2.6
Sri Lanka	3.0	2.9	2.8	2.6	2.4	2.5	2.5	2.3	2.1	2.1
Thailand	2.6	2.5	2.5	2.6	2.7	2.9	2.8	2.8	2.6	2.6
Viet Nam	0.1	0.1	0.1	0.1	0.1	0.2	0.2	1.8	3.9	3.8
Sub-Saharan Africa										
Kenya	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4
Lesotho	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.5	0.6	0.6
Mauritius	0.5	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.2	0.2
South Africa	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.2
Mexico	8.4	11.4	13.7	15.4	16.4	15.8	14.2	12.5	10.5	10.5
	<i>Unit values (US dollar per square metre)</i>									
Greater China area										
China	4.1	4.4	4.7	4.7	4.8	4.8	4.7	3.6	3.2	3.1
Hong Kong China SAR	5.1	5.1	5.3	5.1	5.1	4.9	4.6	4.7	4.7	4.8
Macao China SAR	4.9	4.9	5.3	4.9	4.9	4.5	4.2	3.6	3.4	3.2
Taiwan Province of China	3.4	3.4	3.5	3.4	3.1	3.1	2.9	2.7	2.7	2.7
Other Asia										
Bangladesh	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.0	2.0	2.0
India	4.3	3.9	4.3	4.2	4.1	4.5	4.3	3.7	3.8	3.6
Indonesia	3.8	4.0	4.1	3.8	3.8	3.9	3.7	3.4	3.5	3.3
Korea, Republic of	4.7	4.8	4.7	4.1	3.9	3.9	3.5	3.2	3.1	3.1
Malaysia	4.4	4.7	4.8	4.4	4.1	3.9	3.9	3.7	3.6	3.5
Pakistan	3.6	3.5	3.2	3.1	3.1	2.8	2.7	2.3	2.3	2.1
Philippines	3.3	3.4	3.6	3.7	3.5	3.6	3.4	3.3	3.4	3.4
Sri Lanka	3.3	3.5	3.7	3.9	3.8	3.6	3.7	3.6	3.6	3.6
Thailand	4.2	4.4	4.4	4.3	3.9	3.9	4.0	3.5	3.4	3.3
Viet Nam	1.3	1.8	1.8	1.7	1.7	1.6	1.7	2.8	3.2	3.4
Sub-Saharan Africa										
Kenya	2.6	2.6	3.0	3.3	3.1	3.5	3.5	3.6	3.6	3.6
Lesotho	3.6	4.3	4.1	4.2	4.3	4.1	4.2	3.8	3.8	3.8
Mauritius	4.1	4.8	5.4	6.3	6.0	6.2	5.8	5.4	6.0	5.9
South Africa	2.9	3.1	3.1	3.5	3.8	3.7	3.7	3.6	3.3	3.5
Mexico	3.3	3.2	3.2	3.3	3.3	3.3	3.4	3.4	3.5	3.4

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Annex Table 1 (concluded)
Market shares and unit values in US imports of apparel categories liberalized for third stage of ATC-integration,
by category and origin, 1995–2004

Total MFA categories										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
<i>Value-based market shares (per cent)</i>										
Greater China area	28.9	27.0	25.7	23.8	22.5	21.1	20.7	22.3	24.4	25.1
China	10.9	10.6	11.2	9.8	9.6	9.1	9.3	12.1	15.0	16.9
Hong Kong China SAR	10.0	8.8	7.6	7.7	7.0	6.6	6.3	5.6	4.9	4.2
Macao China SAR	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.7	1.6
Taiwan Province of China	6.3	6.0	5.2	4.7	4.2	3.8	3.5	3.1	2.8	2.5
Other Asia										
Bangladesh	2.5	2.6	2.8	2.8	2.8	3.1	3.1	2.8	2.5	2.4
India	3.7	3.8	3.7	3.8	3.7	3.8	3.7	4.1	4.1	4.7
Indonesia	3.0	3.3	3.5	3.3	3.1	3.3	3.6	3.2	3.1	3.3
Korea, Republic of	5.2	4.5	4.2	4.4	4.5	4.3	4.2	4.0	3.3	3.1
Malaysia	1.7	1.5	1.3	1.3	1.3	1.2	1.2	1.1	1.0	0.9
Pakistan	2.2	2.2	2.2	2.4	2.3	2.6	2.7	2.7	2.9	3.1
Philippines	3.9	3.7	3.4	3.4	3.4	3.2	3.2	2.8	2.6	2.4
Sri Lanka	2.3	2.5	2.5	2.5	2.3	2.3	2.4	2.1	1.9	1.8
Thailand	3.2	3.0	3.1	3.3	3.3	3.4	3.5	3.1	2.7	2.5
Viet Nam	0.0	0.1	0.0	0.0	0.1	0.1	0.1	1.3	3.2	3.2
Sub-Saharan Africa										
Kenya	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3
Lesotho	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.4	0.5	0.5
Mauritius	0.4	0.4	0.3	0.4	0.4	0.3	0.3	0.4	0.3	0.3
South Africa	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2
Mexico	6.9	9.2	11.0	12.3	13.5	13.5	12.7	11.9	10.3	10.0
<i>Volume-based market shares (per cent)</i>										
Greater China area	22.3	20.4	18.9	16.9	16.1	14.9	14.7	19.9	25.8	29.2
China	9.7	8.6	9.2	7.5	7.1	6.7	6.7	13.0	19.6	23.9
Hong Kong China SAR	5.4	4.7	3.8	3.9	3.6	3.4	3.3	2.5	2.1	1.7
Macao China SAR	0.9	0.8	0.8	0.9	1.0	0.9	0.9	0.8	0.9	0.8
Taiwan Province of China	6.4	6.3	5.2	4.6	4.4	3.8	3.7	3.6	3.2	2.7
Other Asia										
Bangladesh	3.3	3.3	3.3	3.3	3.2	3.4	3.6	3.0	2.6	2.4
India	4.1	4.6	4.3	4.2	4.0	3.8	3.8	4.0	3.9	4.2
Indonesia	3.0	3.2	3.7	3.8	3.2	3.2	3.5	3.2	2.7	2.9
Korea, Republic of	4.4	3.8	3.6	4.0	4.3	4.0	4.2	5.3	5.0	4.9
Malaysia	1.4	1.2	1.0	1.0	1.1	1.0	0.9	0.8	0.8	0.8
Pakistan	4.1	4.3	4.9	5.7	5.4	6.1	6.7	6.6	6.4	6.6
Philippines	3.3	3.3	2.9	3.1	3.2	2.8	2.8	2.1	1.9	1.5
Sri Lanka	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.5	1.2	1.1
Thailand	3.6	3.3	3.4	3.8	3.9	4.0	4.0	3.4	2.6	2.3
Viet Nam	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9	2.0	1.8
Sub-Saharan Africa										
Kenya	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2
Lesotho	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Mauritius	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
South Africa	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Mexico	8.5	11.6	13.3	13.7	14.5	14.4	13.1	11.3	9.3	9.1
<i>Unit values (US dollar per square metre)</i>										
Greater China area										
China	2.7	3.0	2.9	3.0	3.0	2.9	3.0	1.8	1.4	1.2
Hong Kong China SAR	4.5	4.5	4.7	4.5	4.4	4.2	4.0	4.2	4.3	4.2
Macao China SAR	4.9	4.9	5.3	4.5	3.8	3.8	3.9	3.6	3.4	3.2
Taiwan Province of China	2.3	2.3	2.3	2.4	2.1	2.2	2.0	1.6	1.6	1.5
Other Asia										
Bangladesh	1.8	1.9	2.0	2.0	1.9	1.9	1.9	1.7	1.7	1.7
India	2.2	2.0	2.0	2.1	2.1	2.2	2.1	1.9	1.9	1.9
Indonesia	2.5	2.5	2.2	2.0	2.2	2.3	2.2	1.9	2.1	1.9
Korea, Republic of	2.8	2.8	2.8	2.5	2.4	2.3	2.1	1.4	1.2	1.1
Malaysia	3.0	3.1	3.0	3.0	2.5	2.5	2.8	2.4	2.2	1.8
Pakistan	1.3	1.2	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.8
Philippines	2.8	2.7	2.8	2.6	2.4	2.5	2.5	2.5	2.6	2.6
Sri Lanka	2.6	2.7	2.8	2.8	2.6	2.6	2.7	2.7	3.0	3.0
Thailand	2.1	2.2	2.2	2.0	1.9	1.9	1.9	1.7	1.9	1.8
Viet Nam	1.4	1.8	1.8	1.7	1.6	1.4	1.5	2.7	3.0	3.1
Sub-Saharan Africa										
Kenya	2.2	2.5	2.8	3.3	3.1	3.5	3.5	3.4	3.6	3.6
Lesotho	3.6	4.3	4.1	4.2	4.3	4.1	4.2	3.8	3.8	3.8
Mauritius	4.1	4.8	5.4	6.2	6.0	6.1	5.8	5.4	6.0	5.8
South Africa	2.0	1.6	1.8	2.3	2.5	3.0	3.3	2.7	3.0	2.8
Mexico	2.0	1.9	1.9	2.1	2.1	2.0	2.1	2.0	2.0	1.9

Source: Author's calculations based on data from United States Department of Commerce, Office of Textiles and Apparel (OTEXA).

a Data for 2004 are from January to June.

Annex Table 2
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Gloves (category 10)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	27.3	30.2	34.9	31.0	30.0	31.1	27.2	29.9	31.4
China	12.3	15.1	19.5	17.0	18.2	19.9	18.0	24.4	29.3
Hong Kong China SAR	10.8	10.6	10.5	9.9	7.7	6.5	5.9	3.4	0.8
Macao China SAR	0.2	0.1	0.1	0.1	0.3	1.4	1.2	0.2	0.0
Taiwan Province of China	4.1	4.4	4.9	4.0	3.7	3.3	2.1	1.9	1.2
Other Asia									
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.7	0.6	0.6	0.9	1.0	1.1	1.6	1.6	1.6
Indonesia	1.0	1.2	1.5	1.4	1.7	1.3	1.3	1.2	1.0
Korea, Republic of	1.6	2.2	2.3	1.9	2.4	4.5	5.6	5.3	7.0
Malaysia	2.2	2.6	3.2	2.6	2.8	3.3	3.6	5.1	6.3
Pakistan	8.7	7.6	6.6	7.0	6.8	7.3	7.5	8.1	8.1
Philippines	1.3	0.8	1.3	1.4	1.1	1.0	1.4	0.8	0.4
Sri Lanka	4.4	4.5	9.1	10.9	10.5	8.7	8.0	5.9	7.4
Thailand	1.2	1.3	1.3	1.7	2.4	2.1	2.2	1.2	0.6
Turkey	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Eastern Europe									
Czech Republic	0.2	0.5	1.6	0.6	0.2	0.3	0.7	0.7	1.1
Poland	0.0	0.2	0.2	0.2	0.3	0.4	0.5	0.3	0.3
Romania	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
North Africa									
Morocco	0.3	0.4	0.3	0.4	0.3	0.4	0.4	0.3	0.2
Tunisia	1.3	1.4	1.0	1.3	1.4	1.1	1.8	1.9	2.1
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Underwear (category 18)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	27.4	27.6	27.2	25.2	25.9	26.4	25.1	26.5	30.7
China	15.3	16.4	16.9	17.0	18.0	17.5	18.6	21.9	29.6
Hong Kong China SAR	7.6	6.7	6.1	5.1	5.5	6.0	4.9	4.0	0.7
Macao China SAR	4.3	4.4	4.2	3.0	2.4	2.8	1.5	0.6	0.4
Taiwan Province of China	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other Asia									
Bangladesh	0.6	0.7	1.0	0.6	0.7	1.0	1.3	1.0	1.0
India	4.4	4.7	4.5	3.9	4.9	6.4	7.2	6.6	6.6
Indonesia	1.7	1.4	1.5	1.1	1.1	1.0	0.8	0.6	0.5
Korea, Republic of	0.2	0.1	0.1	0.3	0.5	0.8	0.7	0.3	0.1
Malaysia	0.5	0.4	0.3	0.3	0.1	0.1	0.1	0.0	0.0
Pakistan	5.0	4.3	4.1	3.7	3.8	4.0	4.1	3.8	3.9
Philippines	0.2	0.3	0.2	0.2	0.2	0.3	0.2	0.1	0.1
Sri Lanka	2.3	2.8	2.8	3.1	4.0	4.2	4.8	4.5	3.8
Thailand	1.1	1.0	1.0	0.9	0.8	0.9	0.9	0.7	0.7
Turkey	9.3	11.4	14.1	13.8	12.9	12.2	12.7	12.9	15.5
Eastern Europe									
Czech Republic	0.7	0.6	0.6	0.7	0.5	0.5	0.6	0.6	0.6
Poland	0.9	1.0	1.0	1.3	1.1	1.1	1.3	1.2	1.3
Romania	0.3	0.3	0.2	0.4	0.5	0.5	0.9	1.2	1.7
North Africa									
Morocco	3.2	2.4	3.0	3.1	3.4	2.1	2.6	3.5	2.3
Tunisia	2.8	3.6	4.0	4.8	4.7	4.5	5.5	6.5	5.4
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.7	0.5	0.5	0.3	0.2	0.2	0.1	0.1	0.1
South Africa	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0

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Annex Table 2 (continued)
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Parkas (category 21)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	22.2	23.3	21.6	19.2	21.2	23.0	21.8	36.8	49.2
China	10.3	11.8	10.9	9.9	11.9	11.6	12.2	32.1	47.6
Hong Kong China SAR	11.3	10.7	9.7	8.5	8.6	10.4	8.6	4.2	1.3
Macao China SAR	0.2	0.3	0.3	0.2	0.3	0.3	0.4	0.2	0.1
Taiwan Province of China	0.4	0.4	0.7	0.6	0.5	0.6	0.6	0.2	0.1
Other Asia									
Bangladesh	3.5	4.4	5.1	5.0	4.6	4.4	3.6	2.0	1.3
India	1.9	1.9	1.6	1.9	1.8	2.3	1.8	1.0	0.8
Indonesia	10.2	9.0	10.4	9.5	9.2	9.9	8.9	5.3	4.2
Korea, Republic of	2.5	1.8	2.5	3.3	2.9	2.9	2.1	1.0	0.6
Malaysia	0.5	0.5	0.6	0.5	0.3	0.3	0.3	0.2	0.1
Pakistan	0.3	0.3	0.2	0.3	0.2	0.2	0.3	0.4	0.4
Philippines	1.1	1.0	0.7	0.7	0.6	0.4	0.3	0.2	0.2
Sri Lanka	2.0	1.7	1.4	1.8	1.3	1.0	0.7	0.7	0.5
Thailand	2.9	2.4	1.9	2.3	2.2	1.9	1.9	1.2	0.7
Turkey	4.8	4.1	3.6	3.3	3.1	2.3	2.9	2.8	1.9
Eastern Europe									
Czech Republic	0.5	0.4	0.4	0.4	0.3	0.3	0.5	0.6	0.9
Poland	3.7	3.7	2.9	2.6	2.3	1.9	2.1	1.8	1.7
Romania	3.7	3.8	4.5	4.4	3.7	3.7	4.7	4.4	4.7
North Africa									
Morocco	2.3	2.2	1.5	1.3	0.8	0.8	1.3	1.4	0.7
Tunisia	2.0	2.0	1.7	1.7	1.6	1.6	2.3	2.2	1.3
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
South Africa	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Nightwear (category 24)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	12.5	13.7	12.3	14.4	16.7	19.7	18.3	19.2	22.7
China	8.8	10.0	9.2	11.0	13.2	15.4	14.8	16.7	22.0
Hong Kong China SAR	2.5	2.2	1.8	2.0	2.7	3.5	2.7	2.2	0.6
Macao China SAR	0.9	1.1	1.1	1.2	0.7	0.6	0.7	0.2	0.0
Taiwan Province of China	0.4	0.4	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Other Asia									
Bangladesh	0.5	0.4	0.3	0.5	0.5	0.7	0.8	1.1	1.4
India	8.2	9.3	9.2	11.3	13.7	15.4	15.3	14.1	15.2
Indonesia	2.5	2.2	1.6	1.9	1.6	1.5	1.5	1.0	1.1
Korea, Republic of	0.2	0.1	0.0	0.1	0.1	0.1	0.2	0.1	0.0
Malaysia	1.0	1.1	0.7	0.8	1.3	1.3	1.3	1.1	0.6
Pakistan	3.1	2.9	2.5	2.5	2.5	2.3	2.3	2.1	2.3
Philippines	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Sri Lanka	0.4	0.6	0.5	0.7	0.9	0.8	1.1	1.8	2.0
Thailand	1.1	1.2	0.8	0.8	0.8	0.9	0.7	0.9	0.8
Turkey	20.7	19.9	17.2	20.6	18.9	17.2	18.2	18.5	17.5
Eastern Europe									
Czech Republic	1.9	1.9	1.5	1.7	1.1	1.1	1.0	0.9	1.1
Poland	1.4	1.3	1.2	1.6	1.5	1.3	1.4	1.3	1.6
Romania	1.0	0.7	0.6	0.9	1.2	1.8	1.9	2.4	2.5
North Africa									
Morocco	1.5	1.3	1.1	1.3	1.7	1.5	2.0	1.7	1.7
Tunisia	2.0	2.0	1.9	2.5	2.3	2.2	1.9	2.4	2.1
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.3	0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Annex Table 2 (continued)
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Skirts (category 27)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	8.5	9.8	10.7	11.4	14.3	17.7	16.6	19.6	22.0
China	3.6	4.7	5.5	6.1	8.6	11.2	10.7	13.2	20.4
Hong Kong China SAR	4.4	4.6	4.6	4.7	5.1	5.9	5.5	5.9	1.1
Macao China SAR	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.4
Taiwan Province of China	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Other Asia									
Bangladesh	0.1	0.2	0.2	0.3	0.3	0.5	0.5	0.6	0.9
India	6.4	4.2	3.7	3.8	3.6	3.9	3.9	4.2	4.8
Indonesia	0.4	0.4	0.5	0.7	0.8	1.1	0.9	0.7	0.6
Korea, Republic of	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.2	0.1
Malaysia	0.3	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.1
Pakistan	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.4	0.6
Philippines	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Sri Lanka	1.1	1.3	1.2	1.2	1.0	1.3	1.1	1.0	1.1
Thailand	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.5
Turkey	6.2	5.8	5.6	6.7	6.5	6.7	7.1	9.6	9.9
Eastern Europe									
Czech Republic	1.4	1.3	1.0	1.0	0.9	0.8	0.8	0.8	1.2
Poland	6.8	7.1	6.3	7.0	5.7	4.9	4.9	3.5	3.2
Romania	2.7	3.4	3.8	4.8	5.2	6.2	7.5	7.4	9.0
North Africa									
Morocco	5.4	5.0	5.4	5.6	5.5	5.8	6.6	6.8	5.8
Tunisia	5.1	4.9	4.4	4.8	4.7	4.2	4.9	4.7	4.9
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.2	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.1
South Africa	0.0	0.0	0.1	0.2	0.1	0.1	0.0	0.0	0.0
	Pile fabrics (category 32)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	2.0	1.5	5.5	6.2	4.5	6.6	9.2	16.0	15.3
China	1.4	1.1	4.9	5.5	3.5	4.8	6.7	14.8	14.9
Hong Kong China SAR	0.5	0.3	0.3	0.5	0.6	0.5	1.5	0.6	0.3
Macao China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.1	0.1	0.3	0.2	0.4	1.3	1.0	0.6	0.1
Other Asia									
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.2	0.4	0.6	0.2	0.1	0.1	0.2	0.1	0.1
Indonesia	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Korea, Republic of	1.5	1.5	3.2	2.6	1.6	1.5	1.4	0.6	0.5
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.1	0.0	0.0	0.0	0.2	0.2	0.4	0.1	0.6
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sri Lanka	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkey	2.9	2.8	4.0	2.6	1.4	1.8	1.5	1.7	1.4
Eastern Europe									
Czech Republic	5.7	5.1	4.9	5.9	5.6	6.3	6.5	6.3	5.6
Poland	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.1
Romania	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1
North Africa									
Morocco	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1
Tunisia	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Annex Table 2 (continued)
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Synthetic filament fabrics (category 33)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	1.9	2.4	1.7	1.7	2.1	2.6	2.2	2.7	3.2
China	0.2	0.7	0.7	0.7	1.2	1.7	1.5	2.0	2.7
Hong Kong China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Macao China SAR	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	1.7	1.6	1.0	0.9	0.8	0.9	0.7	0.6	0.5
Other Asia									
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	2.8	1.6	2.5	2.4	2.0	2.3	2.1	2.2	0.6
Indonesia	0.4	0.4	0.4	0.3	0.3	0.2	0.3	0.3	0.1
Korea, Republic of	0.1	0.1	0.3	0.3	1.0	1.3	1.2	1.1	0.5
Malaysia	0.3	0.1	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Pakistan	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Philippines	0.2	0.3	0.3	0.5	0.6	0.9	1.0	0.8	1.0
Sri Lanka	0.1	0.2	0.4	0.4	1.1	2.0	1.9	1.0	0.2
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkey	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eastern Europe									
Czech Republic	0.7	0.5	0.8	1.3	2.0	1.7	1.7	2.2	2.0
Poland	0.0	0.1	0.1	0.1	0.1	0.4	0.2	0.2	0.2
Romania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Africa									
Morocco	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.8	0.8	1.1	1.7	2.3	3.3	2.2	2.9	2.0
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
	Continuous artificial fabrics (category 36)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	3.1	4.1	5.7	6.0	5.1	7.1	6.6	9.4	10.1
China	2.9	3.9	5.5	5.8	4.7	6.8	6.3	8.9	9.6
Hong Kong China SAR	0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Macao China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.1	0.1	0.1	0.2	0.4	0.3	0.2	0.5	0.5
Other Asia									
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.2	0.2	0.4	0.3	0.7	0.4	0.3	0.2	0.4
Indonesia	1.7	0.9	0.3	0.6	1.2	1.5	0.6	0.3	0.0
Korea, Republic of	4.6	3.8	5.6	5.0	4.4	5.0	3.9	3.6	4.0
Malaysia	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sri Lanka	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.1	0.1
Turkey	4.7	4.4	4.2	4.5	4.8	5.2	4.8	4.4	4.6
Eastern Europe									
Czech Republic	0.4	0.5	0.4	0.4	0.4	0.5	0.7	0.7	1.1
Poland	0.1	0.2	0.1	0.2	0.1	0.2	0.2	0.1	0.2
Romania	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.2
North Africa									
Morocco	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2
Tunisia	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Annex Table 2 (continued)
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Artificial fabrics (category 37)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	5.4	4.8	5.7	6.1	6.9	11.3	10.8	10.4	12.6
China	1.9	1.8	2.6	2.3	1.9	4.7	4.4	5.6	7.6
Hong Kong China SAR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Macao China SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	3.4	2.9	3.0	3.7	5.0	6.5	6.3	4.7	4.9
Other Asia									
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	0.3	0.4	0.5	0.3	0.4	0.5	0.4	0.4	0.5
Indonesia	4.8	3.9	3.1	3.0	2.6	1.8	1.4	0.9	0.8
Korea, Republic of	2.9	3.7	6.0	4.2	3.7	5.0	4.4	3.4	3.3
Malaysia	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Pakistan	0.8	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sri Lanka	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Thailand	0.7	0.5	0.5	0.3	0.3	0.3	0.4	0.3	0.2
Turkey	5.2	5.6	6.3	6.9	6.2	5.4	5.6	6.4	6.5
Eastern Europe									
Czech Republic	1.5	1.2	1.3	1.4	1.7	2.1	2.2	2.4	4.0
Poland	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.4
Romania	0.1	0.1	0.0	0.1	0.0	0.1	0.1	0.2	0.3
North Africa									
Morocco	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Tunisia	0.2	0.4	0.4	0.0	0.4	0.6	0.7	0.7	0.7
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Babywear (category 68)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	21.9	23.7	26.9	27.6	30.7	33.9	33.9	36.7	42.3
China	14.0	15.5	19.1	19.2	21.7	22.6	23.6	26.8	40.3
Hong Kong China SAR	6.4	6.8	6.3	7.0	7.8	9.5	8.9	9.1	1.4
Macao China SAR	1.3	1.1	1.0	1.0	0.8	1.4	1.2	0.6	0.5
Taiwan Province of China	0.2	0.2	0.4	0.3	0.4	0.4	0.3	0.2	0.1
Other Asia									
Bangladesh	0.6	0.5	0.7	0.7	0.8	1.1	1.2	1.2	1.4
India	2.1	2.8	3.4	3.8	4.4	5.1	6.2	6.6	7.1
Indonesia	2.4	2.5	2.6	2.4	2.3	2.1	1.8	1.3	1.2
Korea, Republic of	0.9	1.0	1.0	1.1	1.2	1.2	1.1	0.9	0.7
Malaysia	1.6	1.3	1.5	0.9	1.1	1.2	0.9	0.8	0.6
Pakistan	0.6	0.4	0.5	0.5	0.5	0.4	0.4	0.5	0.5
Philippines	1.7	1.9	1.7	1.2	1.0	0.9	0.8	0.6	0.8
Sri Lanka	1.1	1.0	1.2	1.4	1.4	1.7	1.3	1.5	1.4
Thailand	6.0	5.3	4.5	3.7	3.6	3.5	3.2	2.7	2.5
Turkey	4.7	4.7	5.4	5.8	5.0	4.9	5.3	5.8	5.8
Eastern Europe									
Czech Republic	0.5	0.5	0.4	0.5	0.4	0.3	0.4	0.3	0.4
Poland	1.6	1.5	1.4	1.4	1.3	1.2	1.1	0.8	0.6
Romania	0.5	0.5	0.6	1.0	1.2	1.5	2.6	2.4	2.8
North Africa									
Morocco	6.3	5.8	5.3	5.0	4.2	3.8	3.7	3.3	2.7
Tunisia	5.1	4.9	4.5	4.5	4.3	3.6	3.7	3.0	3.1
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.2	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.4
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Annex Table 2 (concluded)
Value-based market shares in EU-imports of apparel categories liberalized for third stage of ATC-integration
by category and origin, 1995–2003
(Per cent)

	Tracksuits (category 73)								
	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Greater China area	<i>18.3</i>	<i>19.0</i>	<i>18.7</i>	<i>20.3</i>	<i>19.8</i>	<i>21.7</i>	<i>23.3</i>	<i>34.6</i>	<i>42.2</i>
China	13.0	11.8	8.9	11.1	13.8	17.9	18.2	31.4	40.9
Hong Kong China SAR	3.0	4.3	3.7	4.8	3.5	1.8	2.2	2.1	0.4
Macao China SAR	0.6	1.0	2.2	1.4	0.7	0.4	1.5	0.6	0.7
Taiwan Province of China	1.8	1.9	3.9	3.0	1.8	1.6	1.3	0.5	0.2
Other Asia									
Bangladesh	0.9	3.5	4.4	4.9	4.6	4.1	2.8	2.1	1.7
India	0.3	0.6	0.5	0.6	1.1	0.7	0.9	1.1	2.2
Indonesia	6.7	7.3	7.8	10.0	9.3	11.2	11.4	7.2	3.3
Korea, Republic of	0.1	0.1	0.1	0.2	0.4	0.5	0.1	0.1	0.2
Malaysia	9.0	8.1	7.2	8.0	6.3	4.8	3.2	1.0	1.1
Pakistan	2.2	1.9	1.4	1.5	2.4	1.8	1.5	1.9	2.0
Philippines	6.0	5.2	3.8	2.9	1.9	1.8	1.8	1.4	1.6
Sri Lanka	0.5	0.6	0.4	0.6	0.3	0.2	0.2	0.4	0.4
Thailand	4.2	4.8	5.0	4.8	4.5	5.0	4.0	2.4	2.2
Turkey	7.7	5.8	4.6	5.1	4.7	4.6	4.5	5.4	9.5
Eastern Europe									
Czech Republic	0.4	0.1	0.1	0.3	0.3	0.1	0.1	0.3	0.1
Poland	0.9	0.9	0.5	0.4	0.5	0.4	0.5	0.4	0.5
Romania	0.7	1.0	1.1	1.5	0.9	1.4	2.0	2.8	3.0
North Africa									
Morocco	6.3	6.7	4.8	4.9	4.7	5.3	5.2	3.2	1.9
Tunisia	1.2	1.1	0.8	0.8	0.6	1.0	0.4	0.9	0.5
Sub-Saharan Africa									
Kenya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritius	0.4	0.5	0.6	1.1	0.2	0.2	0.1	0.0	0.0
South Africa	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Source: Author's calculations based on data from UNCTAD and World Bank *World Integrated Trade Solution* database.

Note: Market shares based on values measured in US dollar. The different categories include the following HS-codes:

- Category 10 (gloves): 611610, 611691, 611692, 611693, 611699.
- Category 18 (underwear): 620711, 620719, 620721, 620722, 620729, 620791, 620792, 620799, 620811, 620819, 620821, 620822, 620829, 620891, 620892, 620899.
- Category 21 (parkas): 620191, 620192, 620193, 620291, 620292, 620293.
- Category 24 (nightwear): 610721, 610722, 610729, 610791, 610792, 610799, 610831, 610832, 610839, 610891, 610892, 610899.
- Category 27 (skirts): 610451, 610452, 610453, 610459, 620451, 620452, 620453, 620459.
- Category 32 (pile fabrics): 580110, 580121, 580122, 580123, 580124, 580125, 580126, 580131, 580132, 580133, 580134, 580135, 580136, 580220, 580230.
- Category 33 (synthetic filament fabrics): 540720.
- Category 36 (continuous artificial fabrics): 540810, 540821, 540822, 540823, 540824, 540831, 540832, 540833, 540834.
- Category 37 (artificial fabrics): 551611, 551612, 551613, 551614, 551621, 551622, 551623, 551624, 551631, 551632, 551633, 551634, 551641, 551642, 551643, 551644, 551691, 551692, 551693, 551694.
- Category 68 (babywear): 611110, 611120, 611130, 611190, 620910, 620920, 620930, 620990.
- Category 73 (tracksuits): 611211, 611212, 611219.

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