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New Data Show China Approaching Monopoly in Quota-Free Apparel Categories

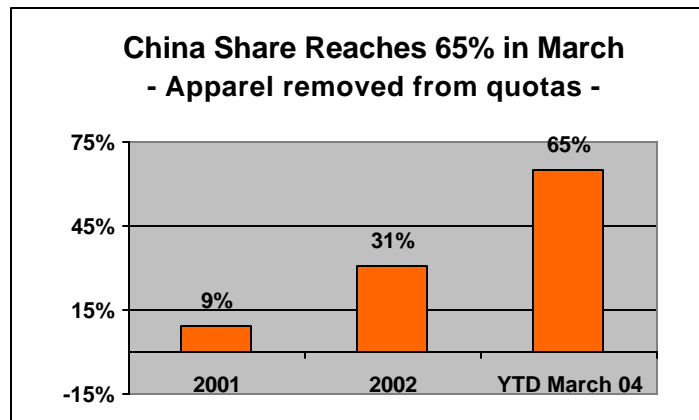
China Share Hits 65% Compared to 4% for Next Largest Supplier

Imports from China Increase by 794% in 28 Months

(Brussels) -- As the Summit on Fair Trade in Textiles and Clothing opened in Brussels, new data released by Summit organizers showed that China is approaching a monopoly position in apparel products removed from quota control.

In an update of an ongoing analysis of imports from China into the United States, the National Council of Textile Organizations (NCTO) released data showing the following:

- 1) Of the 25 apparel categories removed from quota control 28 months ago, **China has achieved a 65 percent share**, with the next largest supplier, Thailand, at only 4 percent.
- 2) China's share has increased from **9 percent in 2001 to 65 percent as of March 2004**.



(cont.)

- 3) All other major suppliers except India showed dramatic declines in their market share. India's market share remained static at 3 percent.
- 4) In volume terms, imports from China in the 25 quota-decontrolled categories increased by **915 million square meters, or by 794 percent.**
- 5) Price drops on imports from China averaged **48% in the quota de-controlled categories.**
- 6) In the quota-free categories, 31 countries suffered between a 75% and a 100% loss of market share, 40 countries suffered a 50% to 74% decline in market share, and 17 others suffered a 25% to 49% loss of market share.

Changes in Import Market Share		
- Quota-Free Apparel Categories -		
Country	2001	YTD March 04
CHINA	9%	65%
Thailand	10%	4%
Mexico	8%	2%
CBI	8%	3%
Taiwan	7%	2%
Bangladesh	7%	2%
Philippines	6%	2%
India	3%	3%
Korea	3%	1%
Sri Lanka	3%	1%
Italy	2%	1%
Cambodia	1.8%	.4%
Pakistan	1.5%	.5%
Turkey	1%	.5%

Cass Johnson, President of NCTO, said of the report:

The figures do not lie. China will quickly monopolize world trade in textiles and apparel unless governments begin to act. That is why more than 80 trade groups from over 45 countries have signed the Istanbul Declaration. With estimates of 30 million jobs in dozens of countries being in jeopardy, either governments around the world must act to counter this threat, or there will be economic, political and social unrest around the globe. This instability will also have important security implications for not only the United States but for many close allies."

The Summit on Fair Trade in Textiles and Clothing is being held this week at the Royal Windsor Hotel in Brussels, Belgium.