

A photograph of a textile factory interior, showing various colored fabrics hanging on racks and a large roll of brown fabric in the foreground. The image is partially obscured by a white diagonal shape in the top right and a red diagonal shape in the bottom right.

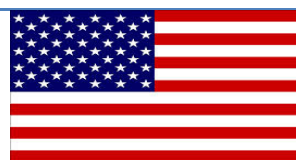
***Textiles Committee Market/
Country Report***

*US Market
Watch*

Apr-Dec, 2017



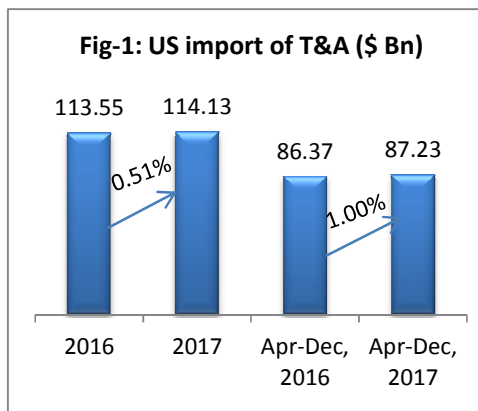
Textiles Committee
Govt. of India, Ministry of Textiles



US Market Watch (Apr-Dec, 2017)

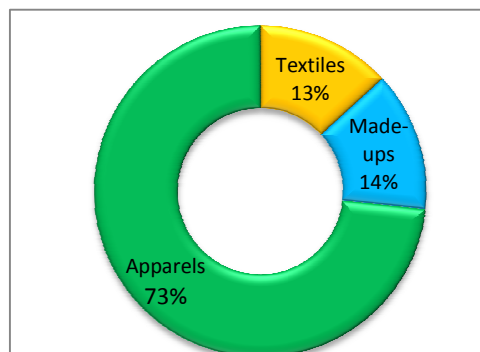
1.0 Introduction:

The US is the second largest Textiles & Apparels (T&A) importer of the world with import of \$ 114.13 billion during 2017 clocking a CAGR of 0.44% during 2013-2017. The annual growth is 0.51% in 2017 as compared to previous year. The US market has created \$2.48 Bn of additional market to global T&A export during last five years including \$0.58 Bn in 2017.



Source: ITC

India is the 3rd largest exporter of T&A to US after China and Vietnam with \$8.20 Bn (7.19%) export in 2017 and has experienced a positive CAGR of 3.34% during 2013-2017. The major chunk of the import by US is on account of apparel alone, amounting to \$63.92 bn in 2017, which is almost 22 per cent of the global apparel import.



Being the second largest market, the major T&A exporting countries like India, need to study month-wise trend and composition of the export both at aggregate and product levels so as to facilitate proper decision making/business strategy for the government and the trade & industry. The major highlights of the Market Report are as follows:

2.0 US as an export destination (Apr-Dec, 2017):

- Out of \$ 114.14 Bn of T&A import, US imports accounted for \$ 87.23 Bn of T&A in Apr-Dec, 2017 alone. The major chapters contributing to their import basket

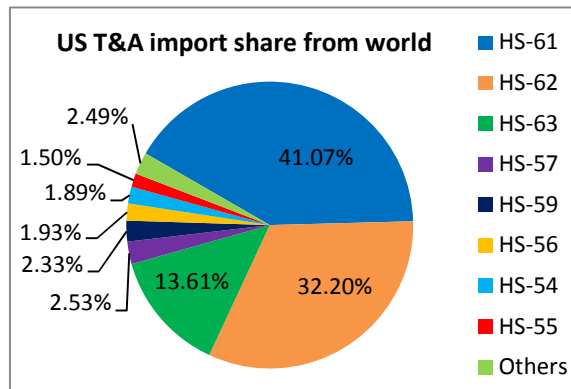


Textiles Committee Market / Country Report

(April-December, 2017)

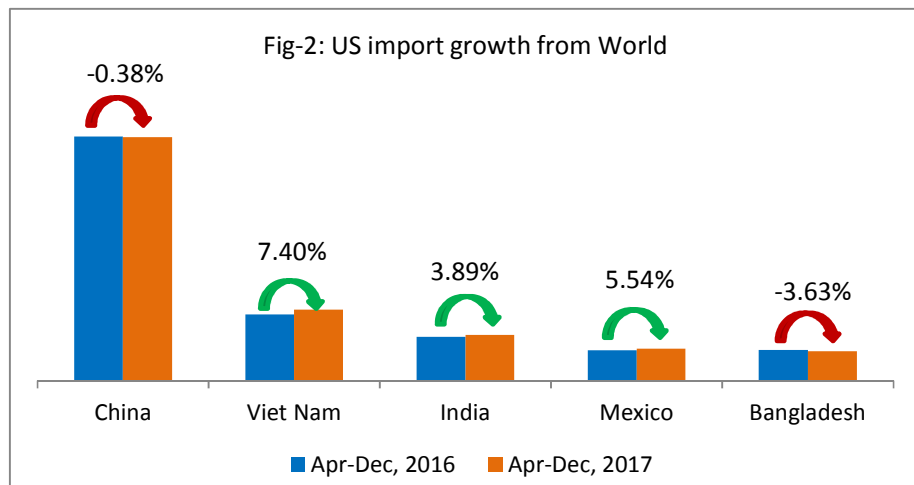
are Chapter-61 (Articles of Apparel & Clothing accessories, Knitted) with a share of 41.07% and Chapter-62 (Articles of Apparel & Clothing accessories, Not Knitted) with 32.20% during the period. These two chapters alone have contributed \$63.92 Bn (73.27%) during Apr-Dec, 2017 with a growth rate of 0.03% during the period as compared to the same period of previous year.

- The imports of Textiles including made-ups (Chapter 50 to 60 & 63) have contributed \$23.31 Bn (26.73%) and experienced 3.75% growth during the period as compared to previous year. Among the textile & made-ups chapters, the chapter-63 (Other made-ups), chapter-57 (Carpets and other textile floor coverings) and chapter-59 (Impregnated, coated, covered or laminated textile fabrics; textile) have contributed significantly with 18.46% share.



- Among the competing countries, China is the leading exporter to US with \$31.99 Bn of export with 36.67 percent share followed by Vietnam \$9.36 Bn (10.72%), India \$6.01 Bn (6.89%), Mexico \$4.20 Bn (4.82%) and Bangladesh \$3.87 Bn (4.44%) during Apr-Dec, 2017. While Chinese export has shown negative growth of 0.38% during the period as compared to previous year, export growth of other countries was 7.40%, 3.89%, 5.54% and -3.63% respectively during the period as compared to previous year.

Vietnam's export of T&A have experienced highest growth during the





Textiles Committee Market / Country Report

(April-December, 2017)

period, which may have fueled due to signing up of US-Vietnam Trade and Investment Framework Agreement (TIFA) with Vietnam.

- Some small countries like Kenya, Madagascar, Ethiopia, Tanzania, Ghana, Rwanda, Uganda, Sierra Leone, Congo and Mali are also doing well in US T&A market and have experienced robust growth during Apr-Dec, 2017 as compared to the same period of previous period.

Country	Apr-Dec, 2016	Apr-Dec, 2017	% Change
Kenya	252.58	267.23	5.80
Madagascar	88.93	127.75	43.66
Ethiopia	27.40	44.23	61.41
Tanzania	32.20	33.55	4.21
Ghana	4.23	6.96	64.34
Rwanda	0.46	0.80	71.34
Uganda	0.07	0.44	528.57
Sierra Leone	0.13	0.38	195.35
Congo	0.09	0.29	230.68
Mali	0.13	0.17	29.46

Source: ITC

The key reason may be attributed to the robust growth is the preferential market access as these countries are enjoying due to Preferential Trade Agreement (PTA) signed by US with sub-Saharan African countries called African Growth and Opportunity Act (AGOA) and preference arising out of US's Generalized System of Preferences (GSP)¹.

- Other countries like Jordan, Oman, Myanmar, Norway and some EU countries etc are also experiencing robust growth during Apr-Dec, 2017.
- If we analyse the China T&A trend, it is clear that China is losing its market share in Textile and Apparels in this important export destination. It is an indication that China's T&A export may experience further negative growth giving rise to a better opportunities to the countries having Free Trade Agreement (FTA)² with US. Even if India has not signed FTA with US, its competitive strength in T&A manufacturing may give us a lever to expand Indian presence in the US market in future.

¹ US have trade preference programs such as the Generalized System of Preferences (GSP) which provide opportunities to 120 designated beneficiary countries and territories.

² The United States has free trade agreements in force with 20 countries. These are: Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore. US have also signed Trade & Investment Framework Agreements (TIFA) with Africa, America, Europe and Middle East, South and Central Asia, Southeast Asia and the Pacific countries.



Textiles Committee Market / Country Report

(April-December, 2017)

Month wise Trend of US import from World in T&A

Table 2:
World's T&A Exports to US (Bn. \$)

Month	April-December		
	2016	2017	% Change
Apr	8.32	8.32	0.07
May	8.93	9.08	1.68
Jun	9.68	9.45	-2.35
Jul	10.72	10.65	-0.68
Aug	11.41	11.23	-1.57
Sep	10.04	10.38	3.41
Oct	10.22	10.70	4.75
Nov	8.75	9.20	5.09
Dec	8.31	8.22	-1.06
Apr-Dec	86.37	87.23	1.00

Source: ITC

Fig 3:
%Change in the exports



- The trend of US import of T&A from world shows that US import was relatively high in value terms in month from July to October in 2017 as in case of same period of 2016. It indicates that US is mainly importing more T&A in these 4 months due to growth in seasonal demand arising out of festive seasons. Hence, the countries should try to expand their export base in these 4 months keeping the growing demand in the domestic US market in mind.

2.1 Product level Performance:

- US import basket is mainly dominated by few T&A products. The Rest of the World (RoW) exported 3613 products (contributing more than \$10,000) at 10 digit HS level during Apr-Dec, 2017 out of which, the contribution of top 14 products with more than 1% share each accounted for around 25.30% during the period.
- Out of these 14 products, top 5 products alone contributed 12.64% i.e. \$ 11.03 Bn during Apr-Dec, 2017. The products are Women's or girls' pullovers and similar articles of man-made fibers knitted or crocheted (6110303059), Women's or girls' pullovers and similar article of cotton (6110202079), Other made-up articles nesoi (6307909889), Men's or boys' pullovers and similar article of cotton (6110202069) and Brassieres, not containing lace or net or embroidery,



Textiles Committee Market / Country Report

(April-December, 2017)

of man-made fibers, whether or not knitted (6212109020). These top 5 products have experienced a positive growth of 3.37% during the period as compared to same period of 2016. A detailed product wise trend is enclosed in Annexure-I.

- Among the top 14 performing products, China has a presence in almost all products; whereas India's export in product Toilet linen and kitchen linen, of terry towel or similar terry fabrics, of cotton (6302600020) is out performing China in US market with \$473.60 Mn, as against China's export of \$292.87 Mn during Apr-Dec, 2017.
- Vietnam is major gainer in all these 14 products and experienced robust growth in all these products. The growing strength of Vietnam in the major products having export interest for India may be a matter of concern and the exporters should also devise their strategy to mitigate the emerging challenge arising out of robust growth of Vietnam export.

2.1.1 Top Performing Products in US market (Apr-Dec, 2017):

Out of these 14 important products, the export growth of 13 products has experienced positive growth. The growth rate of top 13 products is 21.21% and contributed \$21.17 Bn to US import basket.

Table-3: Top performing products having positive growth in US market (Mn\$)

Products	Description	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6110303059	Women's or girls' pullovers and similar articles of man-made fibers knitted or crocheted	2591.67	2720.21	4.96
6110202079	Women's or girls' pullovers and similar article of cotton	2494.58	2531.31	1.47
6307909889	Other made-up articles nesoi	2139.77	2242.22	4.79
6110202069	Men's or boys' pullovers and similar article of cotton	1954.24	1998.08	2.24
6212109020	Brassieres, not containing lace or net or embroidery, of man-made fibers, whether or not knitted	1489.40	1537.38	3.22
6203424516	Men's trousers and breeches of cotton, not knitted or crocheted, nesoi	603.39	1436.43	138.06
6204628021	Women's trousers and breeches of cotton, not knitted or crocheted, nesoi	557.64	1395.70	150.29
6110303053	Men's or boys' pullovers and similar articles of man-made fibers knitted or crocheted,	1325.63	1389.21	4.80



Textiles Committee Market / Country Report

(April-December, 2017)

Products	Description	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6203424511	Men's blue denim trousers and breeches of cotton, not knitted or crocheted nesoi	575.50	1280.08	122.43
6302600020	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	1207.52	1239.27	2.63
6109100012	Men's cotton other t-shirts, knitted or crocheted, except underwear	1170.56	1189.23	1.60
6204628011	Women's blue denim trousers and breeches of cotton, not knitted or crocheted nesoi	451.51	1184.21	162.28
6115969020	Socks and other hosiery, etc., knitted or crocheted, of synthetic fiber	902.41	1024.76	13.56
Total		17463.8	21168.1	21.21

Source: ITC

The products like 6204628011, 6204628021, 6203424516, 6203424511 and 6203424511 have experienced overwhelming growth of 162.28%, 150.29%, 138.06%, and 122.43% respectively during the period. Jersey pullover, men's and women's T-Shirts, Trousers, denims, and under garments of both men and women, Toilet linen and other made-ups are the major product categories which are imported by US. China, Vietnam and Mexico are the major players in these products, where as India's has presence with less than 5% market share. If India wants to increase its presence in US market, there is a need to strengthen its presence in these important products.

2.1.2 Top Products having negative growth in US market (Apr-Dec, 2017):

At the same time a product like women's blouses, shirts, and shirt blouses, of man-made fibers, not knitted (6206403030) have experienced negative growth of 7.65% during the period.

3.0 India's Performance of T&A to US (Apr-Dec, 2017):

- The aggregate T&A export of India to US is \$8.20 Bn in 2017, out of which \$6.01 Bn was exported during Apr-Dec, 2017. The US contributed about 21% to the aggregate export basket of T&A of India and hence played a crucial role for the



Textiles Committee Market / Country Report

(April-December, 2017)

country. It may be noted here that India's export has increased to \$6.01 Bn from \$5.78 Bn during the same period of the previous year with a 3.89% growth.

- India's aggregate export of Textiles including made-ups to US (HS Chapter 50 to 60 & 63) was \$3.23 billion during Apr-Dec, 2017, which is 20.17 percent of India's total textiles & made-ups exports to the world. The export of textiles including made-ups has experienced a substantial growth of 15.08% and increased to \$3.23 Bn from \$2.80 Bn during the period as compared to previous period.
- India's aggregate export of Apparels to US (HS Chapter 61 to 62) was \$2.78 billion during Apr-Dec, 2017 which is 21.93 percent of India's total apparels exports to the world. The export of apparels has experienced a positive growth of 3.27% and increased to \$2.78 Bn from \$2.69 Bn during the period as compared to previous period.
- Top 20 Products (whose share is more than 1%) has contributed 44.60 percent to the export basket in US market during Apr-Dec, 2017.

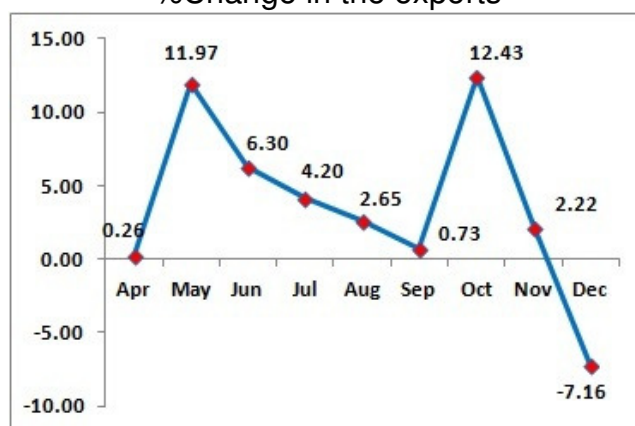
Month wise Trend of US import from India in T&A

Table 4:
India's T&A Exports to US (Mn. \$)

Month	April-December		
	2016	2017	% Change
Apr	686.33	688.10	0.26
May	666.98	746.82	11.97
Jun	640.41	680.75	6.30
Jul	662.07	689.84	4.20
Aug	680.16	698.17	2.65
Sep	624.70	629.28	0.73
Oct	639.17	718.62	12.43
Nov	616.41	630.07	2.22
Dec	567.98	527.29	-7.16
Apr-Dec	5784.2	6008.9	3.89

Source: ITC

Fig 4:
%Change in the exports



- India's export to US has experienced highest growth (12.43%) in October, 2017 as compared to the same period in 2016 and lowest growth (-7.16%) in December, 2017 as compared to the same period in 2016. Even if, the export of T&A to US from rest of the world has decline by 1.06% during Dec'17, India's



Textiles Committee Market / Country Report

(April-December, 2017)

decline is much higher. It appears India is experiencing difficulties to capitalize the decline of export from china due to severe competition from countries like Vietnam in one hand and lack of demand during the month on the other hand.

- Major export of India to US in made-ups articles which contributed 32.09% share to the total basket followed by woven garments (24.97%), knitted garments (21.35%) and Carpets (11.04%) during Apr-Dec, 2017.
- Here we have to note that, US Technical Barriers to Trade (TBT) measures like Environment Protection, Technical Regulation/Standards, Safety, Safety Standards, Consumer Protection, Human Health & Safety, Child Health & Safety, Quality Standards and labeling, which may be adversely contributing to less export from India to US market.

3.1 India's Top Performing Products in US market (Apr-Dec, 2017)

The major 7 products out of top 20 products have experienced positive growth in India's export basket during April–December, 2017 as compared to the same period during 2016 are as follows:

Table-5: Top performing products of India (Mn. \$)

Products	Description	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6302319020	Other bed linen, not printed/knit/napped, cotton sheets, not containing embroidery, lace	454.57	460.62	1.33
6110202079	Women's or girls' pullovers and similar article of cotton	130.75	151.03	15.51
6305320010	Flexible intermediate bulk containers, for the packing of goods, of synthetic or man-made textile	82.88	112.84	36.16
6105100010	Men's shirts, knitted or crocheted, of cotton	98.47	102.92	4.52
6204444010	Women's dresses, of artificial fibers, not knitted	84.61	89.79	6.12
6205202066	Men's shirts of cotton, not knitted or crocheted, nesoi	61.00	67.96	11.42
6301300010	Blankets and travelling rugs, of cotton, woven	54.86	66.89	21.92
Total		967.14	1052.06	8.78

Source: ITC

The export of products like 6305320010, 6301300010, 6110202079 and 6205202066 have increased with a growth of 36.16%, 21.92%, 15.51% and 11.42% respectively; which is quite promising from the export perspective of the country.



3.2 India's Top Products having negative growth (Apr-Dec, 2017)

- Major 13 products have experienced negative growth during April –December, 2017 as compared to the same period during 2016

Table-6: Top Products having negative growth (Mn \$)

Products	Description	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6302600020	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	492.18	473.60	-3.78
6110202069	Men's or boys' pullovers and similar article of cotton	170.65	165.29	-3.14
6206403030	Women's blouses, shirts, and shirt blouses, of man-made fibers, not knitted	133.09	121.36	-8.82
5703102000	Carpets and other floor coverings, of wool or fine animal hair, tufted "needle punched"	122.58	112.29	-8.40
6302319010	Other bed linen not printed, knitted, or napped, cotton pillowcases, not containing embroidery	113.60	111.89	-1.51
5407200000	Woven fabrics of synthetic filament yarn; obtained from strip or the like	103.83	96.72	-6.85
5701104000	Carpets and other textile floor coverings, of wool or fine animal hair, hand-hooked, tufts	106.74	90.33	-15.37
6107110010	Men's underpants and briefs, knitted or crocheted, of cotton	87.92	85.55	-2.70
6206303041	Women's blouses, shirts and shirt-blouses of cotton, not knitted, nesoi	87.46	83.40	-4.63
6212109020	Brassieres, not containing lace or net or embroidery, of man-made fibers, whether or not knitted	93.11	83.19	-10.66
6206303011	Women's blouses, shirts and shirt-blouses of cotton, with two or more colors in the warp	87.33	74.62	-14.55
6302219020	Other bed linen: printed, not knit, cotton sheets, not napped, not containing embroidery, lace	66.39	65.41	-1.47
6205202051	Men's shirts of cotton, with two or more colors in the warp and/or the filling, not knitted	69.63	64.43	-7.46
Total		1734.51	1628.07	-6.14

Source: ITC

Even if, most of these 13 products have grown positively during last five years prior to 2017 except Other bed linen not printed, knitted, or napped, cotton pillowcases, not containing embroidery (6302319010), Women's blouses, shirts and shirt-blouses of cotton, not knitted or crocheted, nesoi (6206303041) and Men's shirts of cotton, with two or more colors in the warp and/or the filling, not knitted



Textiles Committee Market / Country Report

(April-December, 2017)

(6205202051) as these products have experienced negative growth during last five year. These 3 products have experienced negative growth from world export as well. Countries like Vietnam, Sri Lanka & Turkey have gained market share in the US during last five years.

Vietnam is the major gainer in US T&A market as well as in world. Vietnam is now ranked among the world's top five textiles and apparel exporting country and 2nd in US. Vietnam's apparel exports have begun rising at a higher pace in 2017 as compared to previous year as well as during last five year, as a clear sign they will take additional share of the global apparel market in future. The US withdrawal of the TPP has not affected trade of Vietnam to the US whereas the duty-free agreement with the EU should boost exports over the long term. Compared with other developing markets, Vietnam is emerging as the clear leader in low-cost manufacturing and sourcing, Vietnamese workers are inexpensive, young, and, increasingly, highly skilled.

No doubt India has been at the top of the list of fastest growing export markets for US textile and apparel products but growth of Vietnam T&A sector in both US and EU market may be matter of concern for the Indian textiles sector & may create difficulties in future in accelerating export growth to these destinations needed for bolstering our T&A exports to the world.



Textiles Committee Market / Country Report

(April-December, 2017)

Annexure-I

Table-1: Top Importing Products of US from World (\$ millions)

Products	Description	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6110303059	Women's or girls' pullovers and similar articles of man-made fibers knitted or crocheted	2591.67	2720.21	4.96
6110202079	Women's or girls' pullovers and similar article of cotton	2494.58	2531.31	1.47
6307909889	Other made-up articles nesoi	2139.77	2242.22	4.79
6110202069	Men's or boys' pullovers and similar article of cotton	1954.24	1998.08	2.24
6212109020	Brassieres, not containing lace or net or embroidery, of man-made fibers, whether or not knitted	1489.40	1537.38	3.22
6203424516	Men's trousers and breeches of cotton, not knitted or crocheted, nesoi	603.39	1436.43	138.06
6204628021	Women's trousers and breeches of cotton, not knitted or crocheted, nesoi	557.64	1395.70	150.29
6110303053	Men's or boys' pullovers and similar articles of man-made fibers knitted or crocheted,	1325.63	1389.21	4.80
6203424511	Men's blue denim trousers and breeches of cotton, not knitted or crocheted nesoi	575.50	1280.08	122.43
6302600020	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	1207.52	1239.27	2.63
6109100012	Men's cotton other t-shirts, knitted or crocheted, except underwear	1170.56	1189.23	1.60
6204628011	Women's blue denim trousers and breeches of cotton, not knitted or crocheted nesoi	451.51	1184.21	162.28
6115969020	Socks and other hosiery, etc., knitted or crocheted, of synthetic fiber	902.41	1024.76	13.56
6206403030	Women's blouses, shirts, and shirt blouses, of man-made fibers, not knitted	972.58	898.20	-7.65
Total		18436.38	22066.30	19.69

Source: ITC



Textiles Committee Market / Country Report

(April-December, 2017)

Table-2: Performance of China, Vietnam and India in US's top imported products from World (\$ millions)

Products	China in US market			Vietnam in US market			India in US market		
	Apr-Dec, 2016	Apr-Dec, 2017	% Change	Apr-Dec, 2016	Apr-Dec, 2017	% Change	Apr-Dec, 2016	Apr-Dec, 2017	% Change
6110303059	791.58	783.69	-1.00	571.13	629.88	10.29	24.16	31.24	29.32
6110202079	778.70	802.39	3.04	564.33	584.87	3.64	130.75	151.03	15.51
6307909889	1599.42	1687.97	5.54	30.39	37.22	22.47	50.01	55.85	11.67
6110202069	435.99	430.68	-1.22	268.99	304.27	13.12	170.65	165.29	-3.14
6212109020	692.30	642.35	-7.21	105.74	216.44	104.70	93.11	83.19	-10.66
6203424516	127.16	272.14	114.01	47.99	128.01	166.73	20.15	52.66	161.34
6204628021	233.41	587.79	151.83	66.94	180.26	169.28	12.02	31.18	159.30
6110303053	187.60	191.32	1.98	172.55	193.50	12.14	4.91	3.60	-26.65
6203424511	85.66	189.71	121.46	14.77	46.85	217.25	2.04	6.14	200.54
6302600020	264.95	292.87	10.54	0.43	1.44	235.28	492.18	473.60	-3.78
6109100012	71.21	81.29	14.16	29.90	37.70	26.08	53.50	57.30	7.10
6204628011	183.86	487.60	165.20	31.00	88.25	184.64	2.67	6.49	143.27
6115969020	722.44	759.08	5.07	7.50	8.21	9.45	12.64	12.77	1.04
6206403030	376.93	320.52	-14.97	151.60	155.00	2.24	133.09	121.36	-8.82

Source: ITC