

Federal Republic of Germany
“Country Statement”
62nd Plenary Meeting of the ICAC 2003

1 Trends in the cotton industry

1.1 Volume and origin of imports of cotton

Imports of raw cotton into Germany amounted to 127,675 tonnes in 2002. The decline has thus continued, but at a considerably slower rate. In 2001, imports were more than 10 % down on the preceding period, but the drop in the current period under review was only 1.5 %.

The largest supplier of cotton to Germany in 2002 was again Uzbekistan, which accounted for about 17 % of Germany's total cotton imports. However, Uzbekistan's share is still falling, whilst Sudan, Chad and Cameroon, which were the next largest suppliers, increased their shares. There were particularly sharp rises in imports from Australia (706.7 %), Central Africa (193.6 %), Syria (178.4 %) and Latvia (166.9 %). The largest declines were recorded by Nigeria (-91.7 %), Argentina (-81.5 %) and Togo (-64.5 %) (cf. Annex 1).

1.2 Re-exports of cotton

German re-exports of cotton declined in 2002 (-17 %). They amounted to 14,851 tonnes, following 17,896 tonnes in 2001 and 13,616 tonnes in 2000.

The main destinations were the Czech Republic, which received more than 30 % of the re-exports, and Austria with more than 29 %. Other major destinations were the Netherlands, Poland, Croatia, Italy and Slovenia. Cotton was re-exported to a total of 16 countries.

1.3 Import prices of cotton

The average price of all raw cotton imports to Germany amounted to €1.08/kg in 2002, down almost a quarter compared with 2001 (€1.42/kg).

1.4 Cotton textile industry

2002 was a difficult year for the cotton industry and for the textile and clothing industry in general. This is reflected in declining output of yarn, fabric and apparel both of cotton and of chemical fibres. The production declines for cotton all amounted to between 10 and 20 %, but the situation was more varied with regard to chemical fibres. The falls for yarn and fabric were rather smaller, at just under 6 % and 8 % respectively, but production of apparel made of chemical fibres fell by well over one-third. The decline in apparel made of chemical fibre is thus roughly twice as high as the decline in cotton apparel.

Annual output of yarn from chemical fibres in 2002 was almost five times as high as the output of cotton yarn. The gap is much smaller in the case of fabric production (chemical fibres approx. 1/5 higher). In apparel production, in contrast, cotton still dominates: annual output in 2002 was 19,900 tonnes, whilst only 7,300 tonnes, or just over 1/3 of this amount, of apparel made of chemical fibres was produced.

The causes of the decline in production include a weak situation in the domestic economy and the resulting general consumer restraint, as well as the fact that the proportion of total consumption accounted for by spending on textiles and apparel has been declining for years.

1.5 Foreign trade in cotton textiles and apparel

Cotton products again outpaced products made of chemical fibres in terms of both imports and exports of apparel. The situation with regard to yarn and fabric is different: here, chemical products have dominated for years.

Following years of rising exports of cotton yarn, fabric and apparel, the trend in 2002 pointed downward. The corresponding imports also fell. Despite this, imports of cotton yarn and apparel were still substantially higher than exports, many times over in the case of cotton apparel. Whilst the import surplus of cotton apparel fell sharply, it rose again in the case of cotton yarn in comparison with 2001. In contrast, cotton fabric again recorded an export surplus.

Overall, there was again a slight rise (+2.3 %) in the export of textiles and apparel in 2002, whilst imports fell (-5.6 %) this time, following increases in the preceding years.

1.6 Outlook

The German textile and clothing industry is not expecting a fundamental improvement in the economic situation this year. The sector is suffering from the ongoing weakness of domestic demand and from structural changes in the traditional specialist retail sector and in the general consumption patterns of the population. The shift of production and jobs abroad and the pressure of competition from international suppliers are continuing unabated. Also, there are only extremely hesitant indications of a global economic recovery, from which Germany, with its high degree of international economic integration, could particularly profit.

2 Good trade practices

Germany has long been an advocate of open markets and trade liberalisation on the basis of clear, predictable and multilaterally co-ordinated rules. We believe that fair conditions in international trade are a precondition for world trade to be able to develop in a healthy way and stimulate prosperity. Therefore Germany supports the aim to create a level playing field for textiles by eliminating customs duties, non-tariff barriers to trade, other forms of trade restrictions and achieving generally fair trade conditions. In the context of the Doha Round of the WTO negotiations we are working not least towards a reduction in competition-distorting subsidies. The objective here should not be sector-specific rules – as called for by some west and central African states in their cotton initiative – but a general world-wide reduction in subsidies. One important basis for fair conditions in international trade is adherence to signed agreements and the recognition and implementation of arbitration rulings.

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ICAC SURVEY FOR THE ANNUAL REPORT ON THE WORLD TEXTILE SITUATION
 COUNTRY : FEDERAL REPUBLIC OF GERMANY

COTTON CONSUMPTION	UNIT 1/	1999 ANNUAL	2000 ANNUAL	2001 ANNUAL	2002 ^{4/}				2002 ANNUAL
					QTR I	QTR II	QTR III	QTR IV	
COTTON YARN Production	Metric tons	114,520	123,359	123,608	29,348	27,179	21,673	24,947	103,147
Imports	Metric tons	93,110	94,918	86,064	21,260	22,189	18,428	20,786	82,313
Exports	Metric tons	47,329	56,031	61,753	13,424	15,075	12,422	13,464	54,385
COTTON FABRIC Production*	Metric tons	133,477	149,178	136,141	29,771	30,518	27,388	33,731	121,408
Imports	Metric tons	99,154	104,375	106,116	25,440	27,381	21,971	26,150	100,941
Exports	Metric tons	103,854	109,831	115,930	25,508	30,657	24,776	28,844	109,785
DENIM FABRIC Production*	Metric tons	n.a.	n.a.	568	n.a.	n.a.	n.a.	n.a.	n.a.
Imports	Metric tons	6,071	5,342	6,267	1,503	1,276	1,164	1,443	5,386
Exports	Metric tons	4,914	5,146	5,822	1,538	1,586	1,211	1,458	5,792
COTTON APPAREL Production*	Metric tons	28,400	28,000	24,700	5,800	4,900	4,900	4,300	19,900
Imports	Metric tons	272,690	279,930	301,332	59,030	54,854	62,422	54,070	230,376
Exports	Metric tons	40,160	40,950	44,902	11,893	9,668	12,834	9,639	44,035
CHEMICAL FIBRE YARN Production*	Metric tons	572,612	575,571	511,260	127,812	144,083	110,385	99,928	482,208
Imports	Metric tons	221,616	236,157	233,159	54,821	63,428	54,461	58,567	231,276
Exports	Metric tons	439,904	469,210	395,429	99,666	106,589	96,131	102,597	404,984
CHEMICAL FIBRE FABRICS Production*	Metric tons	172,210	182,980	158,684	36,888	38,900	33,485	36,901	146,174
Imports	Metric tons	118,090	130,420	123,834	27,088	30,442	26,008	29,712	113,250
Exports	Metric tons	126,160	128,610	122,373	26,452	31,721	26,556	27,988	112,717
CHEMICAL FIBRE APPAREL Production*	Metric tons	15,200	14,600	11,900	2,400	1,700	1,700	1,500	7,300
Imports	Metric tons	199,200	200,540	186,287	35,071	26,668	47,638	35,912	145,289
Exports	Metric tons	44,300	41,230	40,238	8,410	5,274	10,325	6,998	31,008
TEXTILES AND OF ALL FIBRES Value of import:	Mill. EUR	29,231	30,268	30,710	7,329	6,935	7,600	7,116	28,980
Value of export:	Mill. EUR	18,473	19,143	20,394	5,251	5,050	5,490	5,074	20,866

1/ Please use metric tons where possible. Otherwise, please state the unit of measure. If the data you furnish are in pieces, square meters or yards, please supply us with your best estimate of a conversion factor to metric tons.

2/ If quarterly data are not available, please furnish semiannual or annual data.

3/ Include blends of 50 % or more cotton by weight. Otherwise please specify the blend content.

4/ Continue to include denim fabric in total cotton fabric production and trade data.

5/ Include blends of 50 % or more chemical fibers by weight. Chemical fibers include both cellulosic and noncellulosic fibers. For yarn, include production in the spinning industry only.

6/ If data are in domestic currency, please indicate, and supply an exchange rate.

*) Estimations

***) Filament yarn included.

n.a. = not available