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ITC Helps Textiles and Clothing Exporters Respond to Opening Markets

Just a few weeks before the end of the World Trade Organization's Agreement on Textiles and Clothing (ATC) opens the doors to a protected industry, 200 exporters of apparel and textiles goods from seven countries will meet in Mumbai (13-14 December 2004) for a training workshop to help them adapt to radically changed market prospects.

"After 31 December 2004, the market share of companies in each country will no longer be determined by quotas (the case for over 40 years) but by their competitiveness," said Ramamurti Badrinath, Director of Trade Support Services of the Geneva-based International Trade Centre (ITC).

ITC is helping firms in developing countries to benchmark their performance so they can compete in the changed market. "The FiT", a software-based tool, enables small and medium-sized firms to evaluate their performance compared to firms at home and abroad in four categories: management and operations; marketing and sales; financial planning; and sourcing.

"We realized a few years ago that ITC should prepare some form of practical assistance for exporters before the expiration of the ATC," added Peter Walters, ITC's Director of Product and Market Development, "and so we did. I would say that the creation of the FiT is an excellent example of how a United Nations organization can accomplish something highly practical for the developing world." The ITC tool was pilot-tested successfully in 15 countries, among them Cambodia, India, Lesotho, Mauritius, Nepal, Thailand and Turkey. The FiT reflects the demands of major importers in the European Union, Japan and the USA, which were surveyed in the development of the tool.

Some observers predict that by 2005-2006 major textiles and clothing buyers in developed countries will have reduced by half the number of countries from which they buy.

"Major international importers are unlikely to source from a country where only a few

Two expected challenges are the impact of the Chinese manufacturing powerhouse, once quotas are eliminated, and the higher labour and environmental standards that are increasingly demanded by consumers in industrialized societies.

The two-day workshop, at which ITC's FiT is being launched, has been jointly organized by ITC and the Textiles Committee of India. Participants will be a mix of government officials and representatives of the private sector. The latter will include the