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Economic Analysis of Modern Textiles & Clothing Market within the Process of Final Completion of the ACT/WTO Agreement

Abstract

At the summit in Lisbon in March 2000 the European Council confirmed that: the strategic objective of Europe for the forthcoming decade is to become the most competitive and dynamic knowledge-based economy, capable of sustained economic growth accompanied by improved number and quality of jobs and better social conditions. For enterprises in Europe this translates into necessary endeavours targeted to enhanced competitiveness being interpreted as an enterprise's ability to steadily stimulate development, to increase productivity and to enlarge markets under strong competition.

With respect to macro economy, competitiveness is identified with a steady upward trend measured by GDP growth, productivity of resources and factors of production growing in macro terms and economic expansion on the international market (enlargement of the existing and entering into new markets), that is with the capability of offering new, better and cheaper services in a competitive environment. M. E. Porter equated competitiveness with productivity and stressed the importance of identifying their determinants. The primary factor cited as a determinant of competitiveness in macro as well as micro terms is human resources.

According to an OECD definition competitiveness denotes the ability of firms, industries, regions, nations or transnational groups to confront international competition and to secure sustainability of a relatively high rate of return on the employed factors of production and of relatively high level of employment. In the long term improved competitiveness yields a growth

in total productivity. Higher productivity is particularly important for more successful competitiveness on markets open to international competition.

*The synonym of improved competitiveness is higher productivity. Enterprises are competitive when their productivity of labour and all factors of production are consistently growing, which situation allows them to reduce the unit costs of their output, etc., but affects also other enterprises at the national and international levels***.** *Higher productivity provides funding for organisation's expansion plans. In the short term citizens benefit from better and cheaper products available on the market and in the medium term from growing employment. Another effect is a constant growth in wages in real terms. As a result a country's living standard goes up when its productivity (in macro terms) growth is sustained. Therefore, an enterprise plays the primary role in generating revenues and employment and contributes to a lasting and balanced economic and social development.*

Productivity growth depends on a number of factors, among which ***innovations and investments in the ICT sector and on development of the human capital*** *belong to the most important. Economic development and productivity growth result from educated workforce. Human capital, especially in technological sectors, makes productivity grow due to the accumulation and dissemination of knowledge. Knowledge and the skill of its efficient application are the key to the competitiveness of economies. It is practical to develop and pursue activities that aim at providing people in Europe with sufficient knowledge, appropriate strategies and workable methods accelerating teaching available for everyone*[1].

Consequently, higher productivity determines both improved competitiveness of economy as a whole and its balanced social and economic development.[2]

In setting out its renewed Action Programme for Growth and Employment, the Commission declared its commitment to focusing the renewed Lisbon Strategy on growth and employment. To do this the EU's priorities were declared to be:

- *Making Europe a more attractive place to invest and work.*
- *Putting knowledge and innovation at the heart of European growth.*
- *Shaping policies to allow businesses to create more and better jobs.*

[1] Making a European Area of Lifelong Learning a Reality, Communication from the Commission to the European Parliament and the Council, COM (2001) 678 final, 21 Nov. 2001.

[2] Council and the European Parliament, Commission of the European Communities, Brussels, 21 May, 2002, p. 4.

This Communication on industrial policy was announced under the Community Lisbon Programme of July 2005 and represents an important contribution to the achievement of these objectives. The health of manufacturing industry is essential for Europe's ability to grow. Whilst it is currently undergoing important changes and facing major challenges, it needs a favourable business environment to continue to develop and prosper. The main role of industrial policy is to provide the right framework conditions for enterprise development and innovation in order to make the EU an attractive place for industrial investment and job creation[3].

1. Liberalization process in T&C sector -Protective measures and limitations on trade admissible under the WTO Agreement

International trade in textiles and clothing has played an important role in the development process of many countries and in their integration into the world economy. today, the textiles and clothing sector accounts for a major part of merchandise exports of a large number of low- and middle-income countries. Developing countries as a group accounted for more than one-half of world exports of textiles and clothing in 2004.In no other category of manufactured goods do developing countries enjoy such a large net-exporting position. exports of textiles and clothing continued to exceed agricultural exports in many developing countries and in the aggregate throughout the 2000-04 period. However, textiles and clothing is not a very dynamic product group, as its share in developing country merchandise exports has been declining rather steadily since 2000. the share was less than 10 per cent in 2004. Further liberalization of trade in textiles is of major interest for many developing countries as it improves market access in an area where many of them have comparative advantage. However, some developing country exporters who have benefited from preferential market access are concerned about increased competition resulting from further liberalization. The quota restrictions that went with the ATC were in respect of imports of Canada, the European Union and the Unites States. These three markets account for more than one-half of world textiles and clothing imports. The removal of quotas could therefore be expected to have a significant impact on global trade flows, even though the end of the ATC quota regime did not represent the complete elimination of protection in these

[3] Implementing the Community Lisbon Programme: A policy framework to strengthen EU manufacturing – towards amore integrated approach for industrial policy, Brussels, 5.10.2005, COM(2005) 474 final, p. 3.

markets – relatively high tariff averages continue to be applied in the sector. Nevertheless, the end of a special trade regime that had existed for more than 40 years for textiles and clothing marked an important step forward, both in terms of trade liberalization and the elimination of negotiated trade arrangements clearly in breach of key WTO rules. At the beginning of 2005, China introduced an export tax on a number of textile products. the tax was increased in May and partly abolished in June after the United States and the EU sought new restrictions on exports of textiles and clothing from China, their most important single supplier. the legal basis for these new restrictions was paragraph 242 of the report of the working party for the accession of China to the WTO. The new quotas apply until the end of 2007 for the EU and until the end of 2008 for the United States (see Box 1). Imports from all other (WTO) suppliers remained free of quantitative restrictions in the EU and US markets. Certain other countries also applied restrictions on Chinese textiles in 2005, using the special safeguard negotiated as part of China's terms of accession to the WTO. these actions have no doubt slowed down Chinese export expansion. In what follows, we shall examine what changes have occurred in the level and geographical composition of trade in textiles and clothing during 2005. We shall also review briefly what has happened to prices, production and employment in the EU and the United States in the post-ATC period.[4]

Starting from the year 2005 all products chosen from each of the following categories: tops and yarns, fabrics, made-up textile products, and clothing, would be integrated into the GATT 1994. All Multifibre Agreement (MFA) restrictions in place on 31 December 1994 had been carried over into the new agreement : Agreement on Textiles and Clothing (ATC) and maintained until such time as the restrictions are removed or the products integrated into GATT. For products remaining under restraint, at whatever stage, the agreement lays down a formula for increasing the existing growth rates.

The integration process was carried out progressively in four stages, over a ten-year transition period (3 years, 4 years, 3 years). On 1 January 1995 Members were required to integrate products from the list in the Annex to the Agreement which represented not less than 16 per cent of the total volume of their imports of all those products in 1990. At stage 2, on 1 January 1998, not less than a further 17 per cent was integrated; at stage 3, on 1 January 2002 not less than a further 18 per cent was integrated. Finally, at the end, on 1 January 2005, all remaining products (which could amount to 49 per cent as a maximum) will automatically stand integrated and the ATC will terminate.

[4] World Trade Report 2006 – Recent trade developments and selected trends in trade – Textiles and clothing trade developments in 2005, www.wto.org.

Table 1. Liberalization process under the ACT/WTO Agreement

Step	Percentage of products to be brought under GATT	Percentage of products to be brought under GATT
Step 1: 1 Jan 1995 (to 31 Dec 1997)	16% (minimum, taking 1990 imports as base)	6.96% per year
Step 2: 1 Jan 1998 (to 31 Dec 2001)	17%	8.7% per year
Step 3: 1 Jan 2002 (to 31 Dec 2004)	18%	11.05% per year
Step 4: 1 Jan 2005	49% (maximum)	No quotas left

Source: Agreement on Textiles and Clothing, www.wto.org

All the members of the WTO obliged also themselves to undertake actions necessary to meet the rules and regulations of GATT 1994 so as to:

- improve access to textile and clothing markets by means of such measures as e.g. reduction and tying of tariff rates, reduction or elimination of non-tariff restrictions and simplification of customs, administrative and licensing formalities,

– ensure the application of trade policy measures connected with honest and just conditions of trade in textiles and clothing in such areas as provenance rules and antidumping procedures, subsidies and compensatory funds and protection of intellectual property,

– avoid discrimination of imports in the textile and apparel sector while taking measures dictated by the rules of general trade policy.

The Agreement provides for an appropriate procedure of notifying the integration actions. The MFA participants applying no quantitative restrictions on 31 December 1994 (Poland was among them) and wishing to obtain the right of a temporary protection clause had to notify the Textiles Monitoring Body (TMB) of their actions in the framework of the integration program not later than 60 days after the WTO- instituting Agreement came into life.

2. Recent trends (2000–2005) in the EU industrial policy related to T&C sector

The European Union's industrial policy will continue to follow a horizontal approach. Its instruments aim to provide the framework conditions in which entrepreneurs and businesses can take initiatives, exploit their ideas and build on their opportunities. In December 2002, the European Commission published a communication on " Industrial policy in an Enlarged Europe"[5]. This Document recalled how equally important are the three pillars of sustainable strategy. In addition, two dimensions were particularly highlighted. Firstly, that all EU policies need to contribute to competitiveness and it is important to optimize the synergies between EC policies and industrial competitiveness. Secondly, while providing the best horizontal framework conditions for enterprises, horizontal policy has to take into account the specific needs of industrial sectors[6].

In October 2003 it adopted the Communication "The future of the textiles and clothing sector in the enlarged European Union"[7]. How best to give the EU textiles and clothing industry the chances to compete in the face of new and unprecedented challenges is the subject of this Communication. These challenges are mainly related to developments in its international environment, in particular the elimination of import quotas on 1st January 2005 and the challenges and opportunities of a new round of multilateral negotiations; the evolution of competitiveness factors increasingly associated with innovation, research, skills, quality and creativity; the preparation for EU enlargement both in the present Member States and in the Acceding Countries; and a permanent process of restructuring and modernization.[8]

New requirements concerning the market access are connected with environmental impact of textile production. This impact starts with the use of pesticides during the cultivation of plants from which natural fibres are obtained, the erosion caused by sheep farming of the emissions during the production of synthetic fibres. Especially eco-labels are used to distinguish a product in a positive "greener" way from the competitors. They are relatively important in the textile and clothing sector and their role is very positive

[5] Industrial policy in an Enlarged Europe, http://europa.eu.int/comm/enterprise/enterprise_policy/industry/communication_policy.htm.

[6] as above.

[7] The future of the textiles and clothing sector in the enlarged European Union, http://europa.eu.int/comm/enterprise/enterprise/textile/com.2003.htm.

[8] as above.

in creation of cleaner production.[9]. The above mentioned Commission's Communication " The future of the textiles and clothing sector in the enlarged European Union" of October 2003 also addresses several aspects of labeling for the textiles and clothing sector[10].

In April 2004, on the eve on EU enlargement, the Commission adopted a follow-up Communication: "Fostering structural change: An industrial policy for the enlarged Europe"[11]. This Communication calls for action in three areas: a better regulatory environment for business, better mobilization of all EU policy to boost competitiveness, and further work with individual sectors to develop policy responses which match specific needs, help them to move up the value chain, and anticipate and accompany structural transformations[12].

In the European Union the trade of textiles is regulated by four most important directives:

The Directive of the Council 73/44/EEC (26 February 1973) on the approximation of the laws of the Member States relating to the quantitative analysis of ternary fibers' mixtures, that describes the rules of taking the samples, identifies the methods of quantitative analysis of ternary fibers' mixtures and presents examples of calculating the percentage content of some ternary mixtures:

- Directive 96/73/EC of the European Parliament and of the Council of 16 December 1996 on certain methods for the quantitative analysis of binary textile fibers mixtures;
- Directive 96/74/EC of the European Parliament and of the Council of 16 December 1996 on textile names, that defines the concept of a textile product, describes the permissible level of tolerance for products classified as pure (100%), describes the ways of marking and labeling of textile products and introduces changes to the Directive 73/44/EEC, concerning introducing of new (connected with the technological development) methods of research of two and three ingredient textile products. The Directive includes enclosures containing:
  - Table of the textile fibers with names and description.
  - Agreed allowances used to calculate the mass of fibers contained in a textile product.

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[9] Environmental Quick Scan Textiles, CBI, Rotterdam, 1998, p. 7–9

[10] The future of the textiles and clothing sector in the enlarged European Union, op.cit.

[11] Fostering structural change: an industrial policy for an enlarged Europe, op. cit. pp. 1–45.

[12] as above, Executive Summary, p. 2–3.

  - List of products that cannot be made subject to mandatory labeling or marking.
  - List of products for which only inclusive labeling or marking is obligatory.
  - Repealed Directives and time limits for transposition.
  - The correlation table of the articles.
- Commission Directive 97/37/EC of 19 June 1997 adapting to technical progress Annexes I and II to Directive 96/74/EC of the European Parliament and of the Council on textile names (introducing 3 new fibers to that Directive).

3. Competitive position of different regions and products groups in T&C sector

3.1. Trends in global and European textile and clothing trade in the years 2000–2005

In the years 2000–2005 in global textile and clothing trade constant increasing trend both in exports and imports is being observed. Imports of textiles increased in the previously mentioned period from 161,6 to 207,1 billion dollars, while imports of clothing increased from 137,2 to about 206 billion dollars.[13] As far as the export is concerned, in textiles there has been an increase from 228,8 to 297,4 billion dollars, while in clothing (where many countries report also the refining processing) there has been an increase of more than 75 billion dollars from 198,1 to 273,8 billion dollars (see table 1). Detailed trends in global T&C trade are shown in graph 1.

The leading position in imports of textiles (about 50% of global imports) and clothing (about 75-80% of global imports) **took developed market economies**, but in the period under consideration their share mainly in the global imports of clothing **decreased by more than 5%**, it is from 81,2% in the year 2000 to 74,6% in the year 2005, mainly due to the Middle and Eastern Europe, with particular respect of previous CEFTA and CIS countries.

In exports of T&C products the developed market economies had a leading position at a global market, it is about 61-65% share in case of textiles

[13] According to COMTRADE UN Database.

and about 30–33% share in case of clothing.[14] The leading position, it is about 23% share for textiles and about 25% of clothing, retained the EU-15 countries.

Among the **developing market economies**, which share in global imports of textiles and clothing was at a level of about 26–31% in the period under consideration (in imports of textiles at a level of 33–45%, and in imports of clothing at a level of 14–17%), the dominant were Far East countries. Their share in global imports of textiles was at a level of 19 to 26% and in the imports of clothing at a level of 3,5 to 6,4% (one should notice that there was a constant increasing trend in the whole period under consideration).

In the exports of textiles and clothing, the significant position among the developing market economies, which share in the global market in the period under consideration was at a level of 31–36% for textiles and 61–64% for clothing, the dominant were Far East countries – see table 2. Their position in the global exports of textiles and clothing was characterized in the years 2000–2005 by an increasing tendency and reaching the level of 29,3% in the case of textiles, and 47,2% in case of clothing in the year 2005 respectively[15] – see Graph 1.

3.2. Trends in the European Union trade of selected product groups at the textile and clothing market with special reference to decorative fabrics, knitted fabrics, technical fabrics and crocheted fabrics as developing and innovative segments of T&C market.

In the current study the in depth analysis of decorative fabrics, knitted fabrics, technical fabrics and crocheted fabrics market is performed, as the developing market segments (characterized by high dynamics of changes in international trade), that were at the same time in the period under consideration (2000-2005) in more than 30% dependent on the suppliers from third countries, mainly from South-East Asia countries and newly joined EU Member States. **As it results from the ratio analysis presented in table 6, in the years 2002–2005 there has occurred a highly positive dynamics of imports to the European market of such product groups as: decorative fabrics, technical fabrics and clothing.** In the period under consideration especially the world imports of decorative fabrics has increased significantly (from 13,3 to almost 18 billion dollars) and also the world imports of technical fabrics (from 18,8 to 26,3 billion dollars) [16]. The imports of these product groups

[14] As above.

[15] As above; see also Graph 1.

[16] According to COMTRADE, UN.

to the EU also increased significantly, it is from 1,9 to 2,3 billion dollars (in the case of decorative fabrics) and from 1,6 to 2,2 billion dollars in the case of technical fabrics. The main suppliers from the Far East were China, India and next Hong Kong, Bangladesh, Pakistan, South Korea and Taiwan (however with a decreasing trend of their competitive position). An important position among suppliers of the products under consideration to the European market had also **Turkey and countries from Middle and Eastern Europe belonging to CEFTA** (*Central European Free Trade Agreement*). Most of these countries joined the EU in 2004. **However the CEFTA countries, without Bulgaria and Romania, were characterized by slightly deteriorating competitive position at the clothing market, while these countries achieved at the end of the period under consideration an increasing share in imports of technical, decorative and knitted fabrics** in comparison to the year 2000.

The European Union countries were also in the period under consideration exporters of decorative, technical and knitted fabrics and clothing to the third countries' markets, mainly to the Middle and Eastern Europe, with particular respect of Poland, Hungary and Czech Republic. The share of CEFTA countries in external EU exports was at a level of about 4% in decorative and knitted fabrics and at a level of 5–6% in technical fabrics. The main recipients of the analyzed product groups at the markets outside Europe were the USA, China, India (especially with respect to decorative fabrics), Turkey and Taiwan. The dynamics of sales of these products from the EU to the markets of third countries was positive (excluding knitted and crocheted fabrics), and the highest increase in exports in comparison with the previous year was achieved in the year 2003[17].

The EU-15 countries as importers and exporters of decorative fabrics, technical fabrics, knitted fabrics and clothing[18].

IMPORTS

The main importers of the analyzed product groups in the period under consideration to the EU were Germany (about 30–25% share in the external import of the EU, at a decreasing trend of this share), Great Britain (about 20% share), France (about 13% share), Italy (about 10–13% share, at an increasing trend), Holland (about 7% share), Belgium (about 5,5–5,8% share, at a slightly increasing trend), Spain (about 4–7% share, at an increasing trend), Sweden (about 2% share) and Austria (about 2% share).

[17] According to statistical data based on EUROSTAT and COMTRADE.

[18] As above, see also Graphs 4–7.

While analyzing the position of countries with respect to imports at chosen product groups one should notice especially the high position of Germany, Great Britain and Italy in the imports of decorative fabrics, Italy, France and Great Britain in imports of the knitted fabrics and crocheted fabrics, and Germany, Great Britain, Italy, France and Belgium in imports of the technical fabrics.

Among the importers of clothing to the EU market, the leading position was retained by Germany (30-25% at a decreasing trend), Great Britain (about 20%), France (13%), Italy (10–13% at an increasing trend), Belgium (5,5–6%) and Holland (8–6,3% at a decreasing trend).

The dynamics of imports of the analyzed products to the EU-15 countries' market was characterized by positive indices in the years 2002-2005, excluding the knitted fabrics and crocheted fabrics.

EXPORTS

The main exporters among the EU-15 countries of the product groups under consideration to the third countries' markets in the years 2001-2005 were Italy, Germany, France, Great Britain, Spain and Belgium. **Germany takes the leading position among the EU countries mainly in exports of technical, knitted and crocheted fabrics**, and a high position in exports of decorative fabrics. Belgium is a leader in exports of decorative fabrics, Italy reached high position in exports of clothing and knitted, crocheted and decorative fabrics, France – respectively – in knitted, crocheted and technical fabrics and clothing, while Holland in decorative fabrics. The dynamics of exports of the analyzed product groups in the period under consideration in the EU-15 countries was characterized by positive indices, reaching the highest level in the year 2003 with respect to 2002. The least favorable with regards to dynamics was the last year under consideration, especially for exporters from Germany, Sweden, Finland and Ireland.

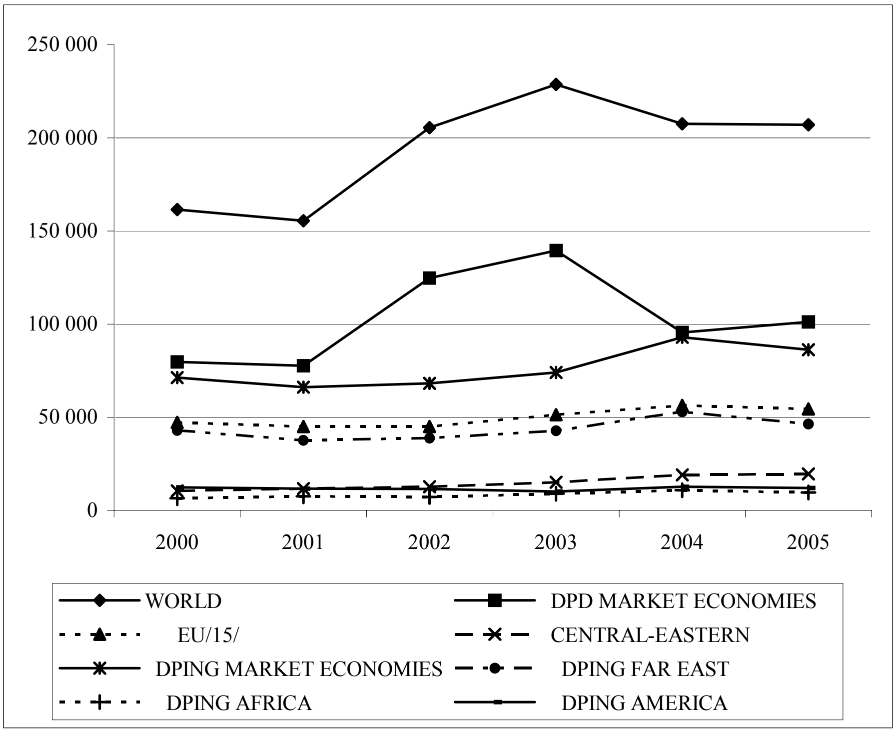
3.3. Poland as importer and exporter of the selected product groups of textiles and clothing

As it results from the analysis presented in tables 1–6, **Poland belongs, among the recently joined EU Member States, to the leading recipients and suppliers of the product groups under consideration to the EU-15 countries' markets.** As it results from table 1 and 2 in the period under consideration 80 to 87% of the overall decorative fabrics imports to Poland, about 80% of the technical fabrics imports, 75–87% of the knitted and crocheted fabrics imports, and about 30–55% of clothing imports came from the EU-15 countries. The imports of these product groups from the region of Middle and Eastern Europe (countries belonging to CEFTA) did not exceed the level of 1,2–1,9% in the case of knitted fabrics and crocheted fabrics, 4,1–4,9% in the case of decorative fabrics, 5,8–10,3% in the case of technical fabrics and 5,8–7,5% in the case of clothing. The dynamics of imports to Poland of the selected product groups (excluding knitted fabrics and crocheted fabrics in the years 2004–2005) was relatively high – see table 3.

The biggest export market for Poland in the range of the product groups under consideration were the EU-15 countries. In the period under consideration 75–87% of Polish exports was targeted to them – see tables 4 and 5. The highest share of exports targeted to this market was the one of clothing (80–90%), next the decorative fabrics (65–75%), technical fabrics (48–55%) and the knitted and crocheted fabrics (40–45% respectively). The second most important market for Polish exports in the range of the product groups under consideration were the CEFTA countries, to which 2,7 to 7,6% of exports was targeted, including about 10–13% of knitted fabrics exports, 3,5–11% of decorative fabrics exports, about 6–9% of the technical fabrics exports and about 2,7% of the clothing exports – see table 20. The dynamics of exports of the analyzed fabrics and clothing from Poland to the EU-15 countries was high for all the product groups, especially for the years 2003-2004 with respect to the previous years. The highest dynamics of exports was noticed 2003/2002 in the case of technical fabrics - more than 150% - in exports to the EU-15 countries markets and 189% in exports to the CEFTA countries. In exports to the CEFTA countries markets the exports of clothing was also characterized by a very high dynamics – see table 6.

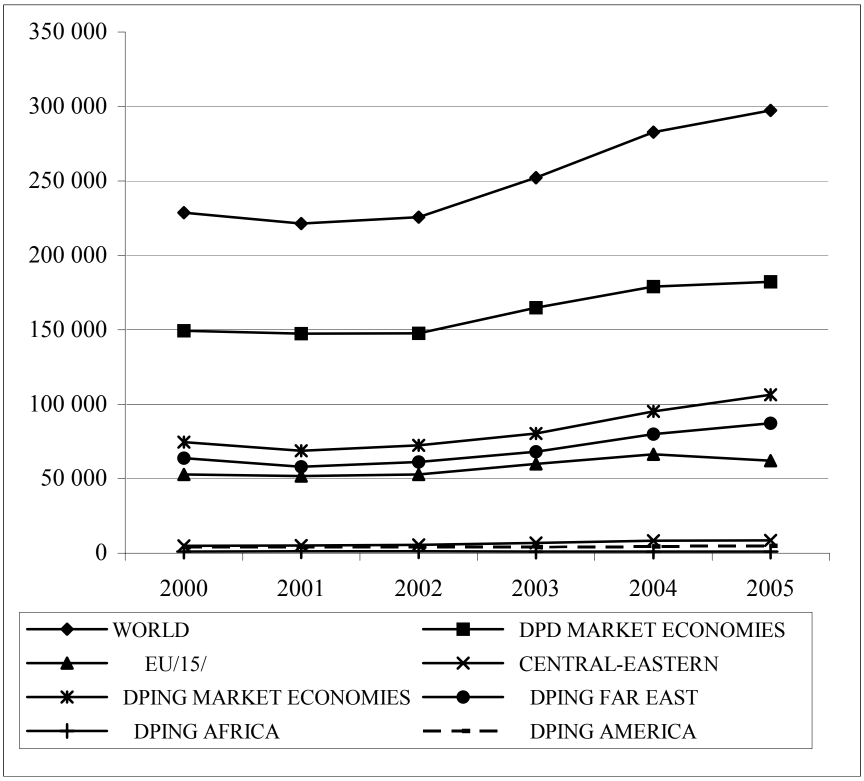
Annex:

Graph 1.



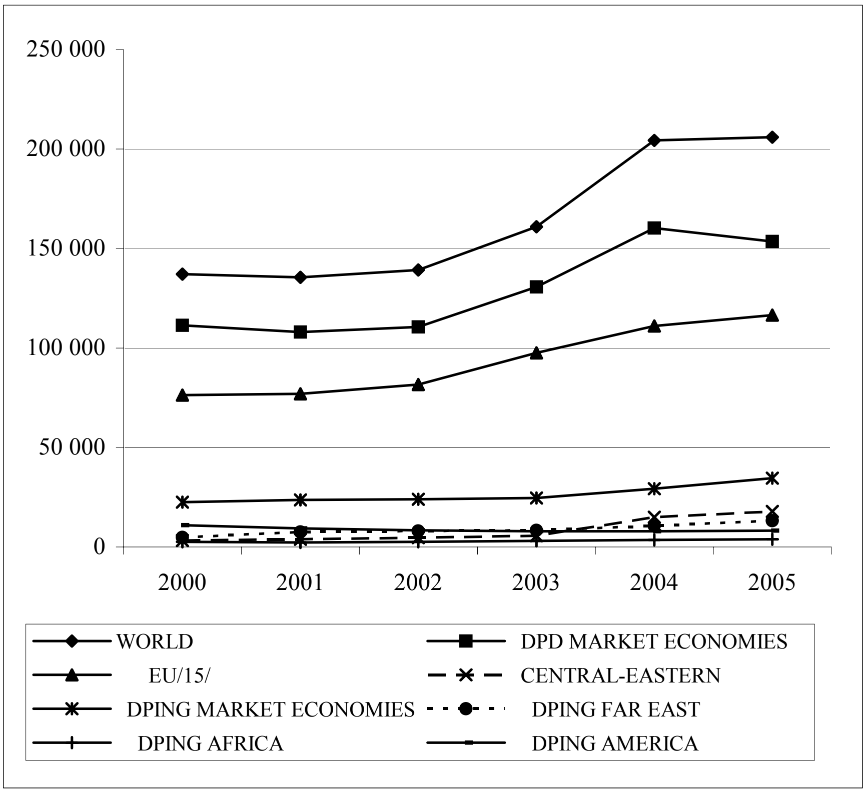
Imports Textiles (mln of US $)

Source: Own calculations based on data presented in the Table 1.



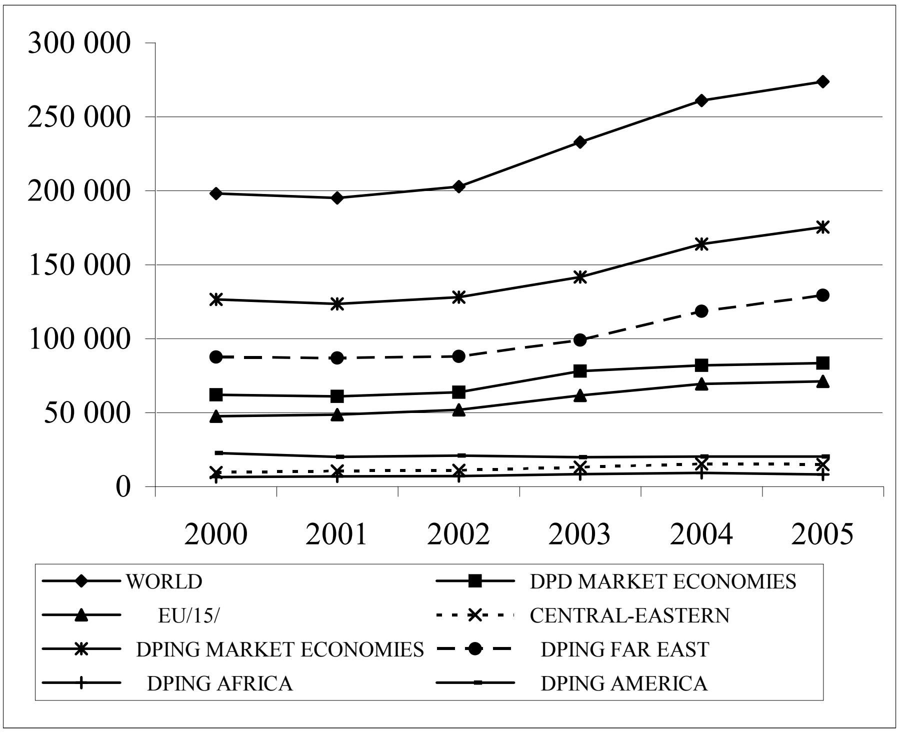
Exports Textiles (mln of US $)

Source: Own calculations based on: COMTRADE, EUROSTAT and WTO.



Imports Clothing (mln of US $)

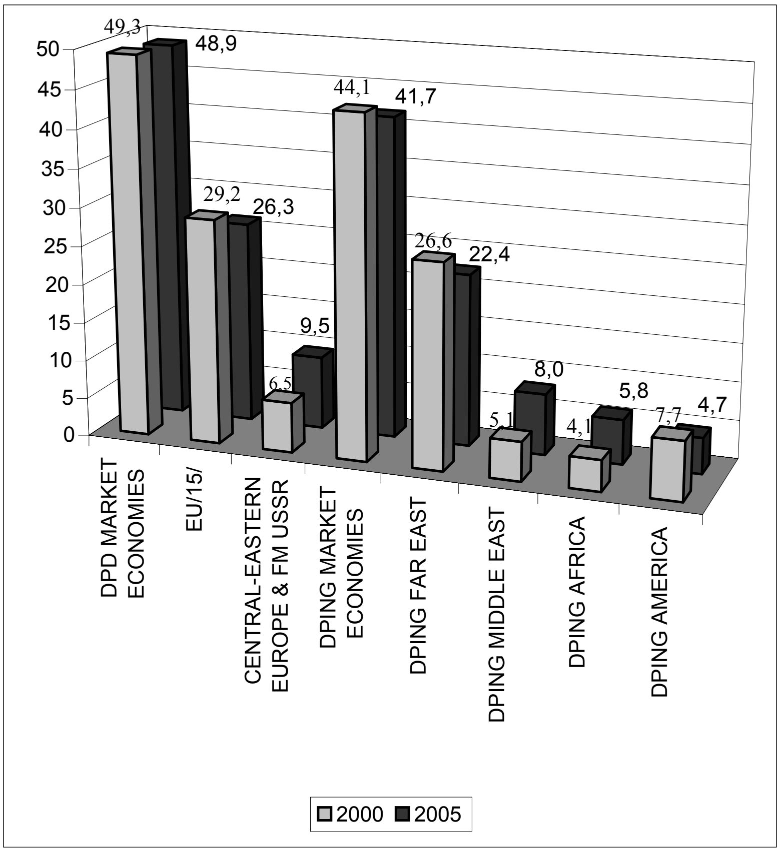
Source: Own calculations based on: COMTRADE, EUROSTAT and WTO .



Eksports Clothing (mln of US $)

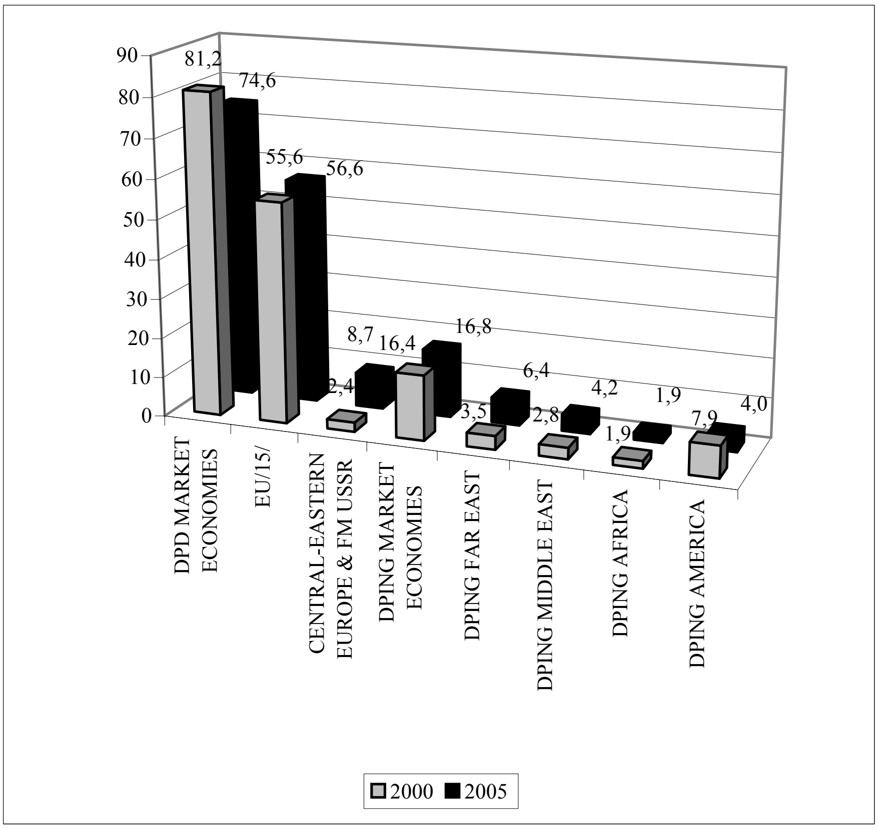
Source: Own calculations based on: COMTRADE, EUROSTAT and WTO.

Graph 2.



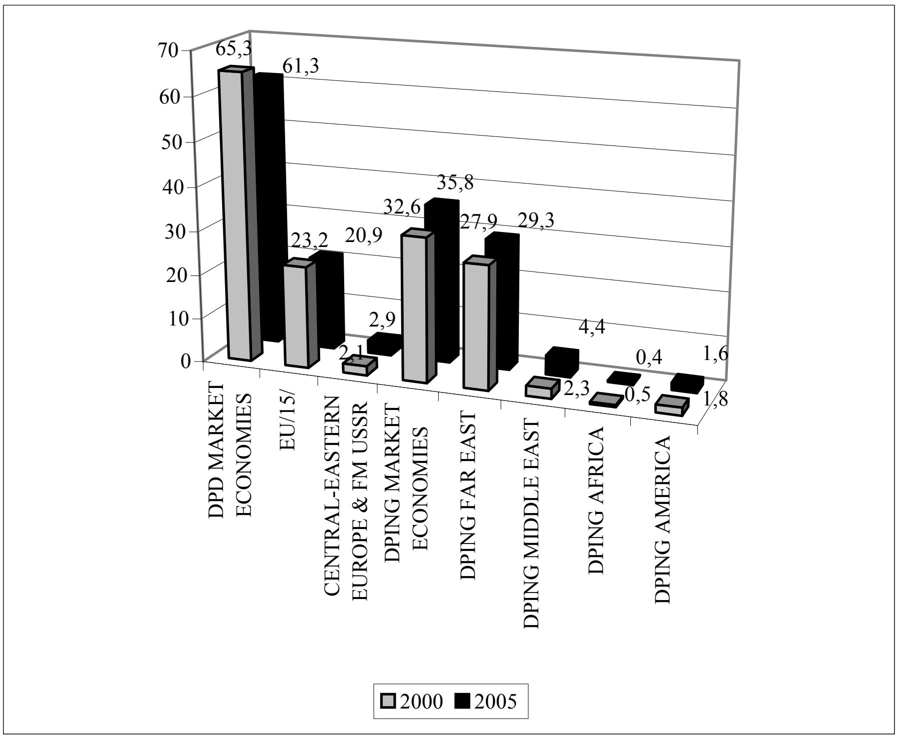
Geographical Structure of Imports – Textiles (%) 2000, 2005

Source: Based on own calculations according to Eurostat and Comtrade statistical databases.



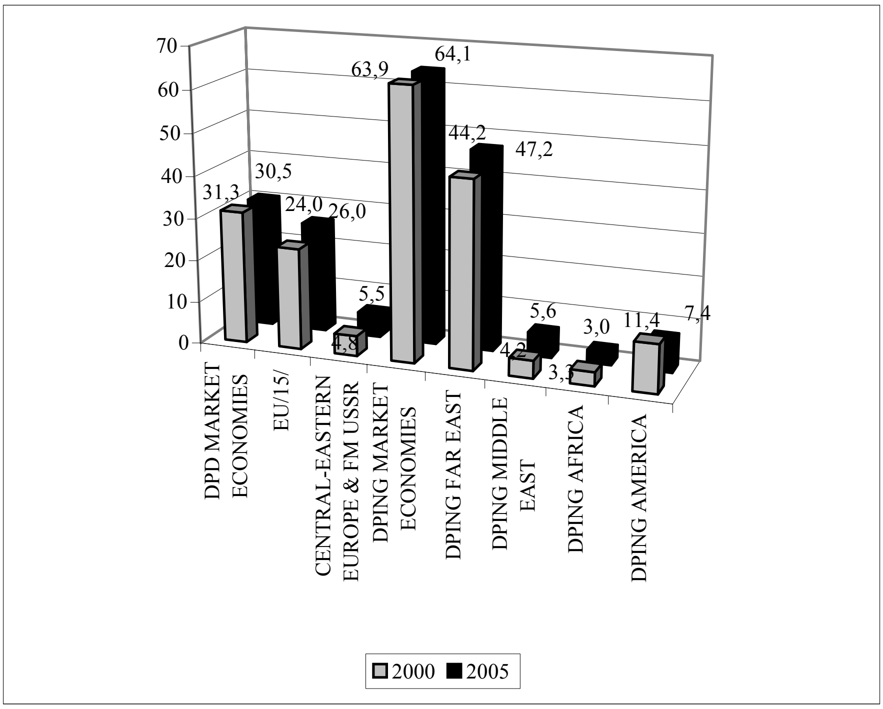
Geographical Structure of Imports – Clothing (%) 2000, 2005

Source: Based on own calculations according to Eurostat and Comtrade statistical databases.



Geographical Structure of Exports – Textiles (%) 2000, 2005

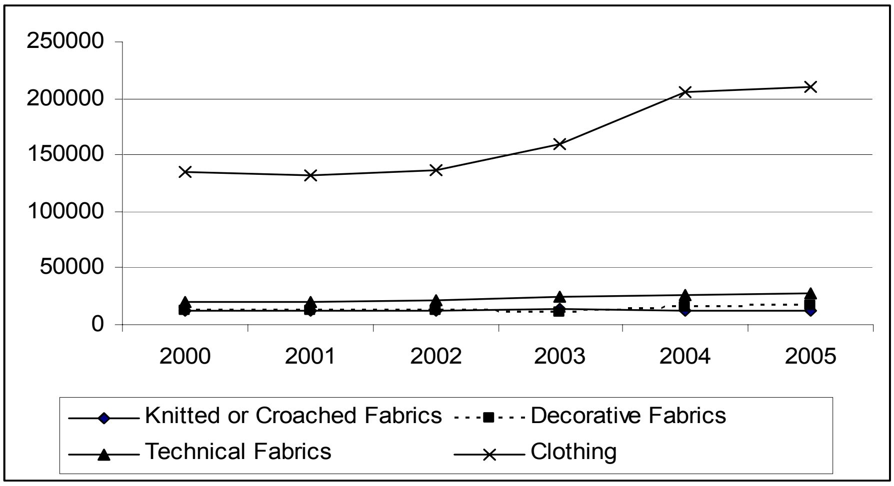
Source: Based on own calculations according to Eurostat and Comtrade statistical databases.



Geographical Structure of Exports – Clothing (%) 2000, 2005

Source: Based on own calculations according to Eurostat and Comtrade statistical databases.

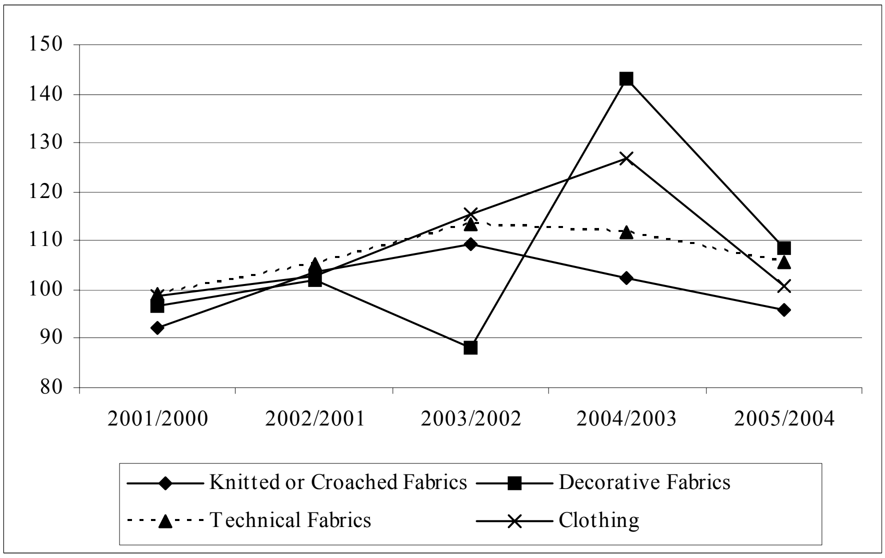
Graph 3.



Word and European Union 15 – Import sof Selected Commodities of T&C (in Millions of US$)

Source: Based on own calculations according to Eurostat and Comtrade statistical databases

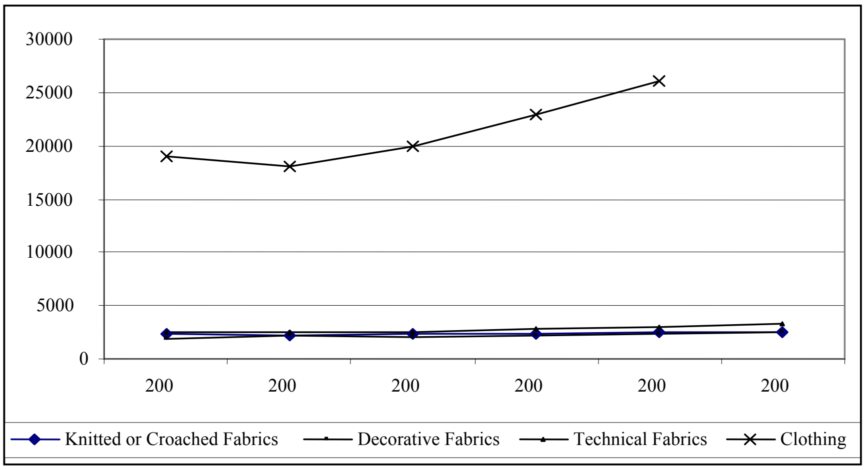
Graph 4.



Word and European Union 15 – Imports Dynamice od Selected Commodities of T&C (in %)

Source: Based on own calculations according to Eurostat and Comtrade statistical databases.

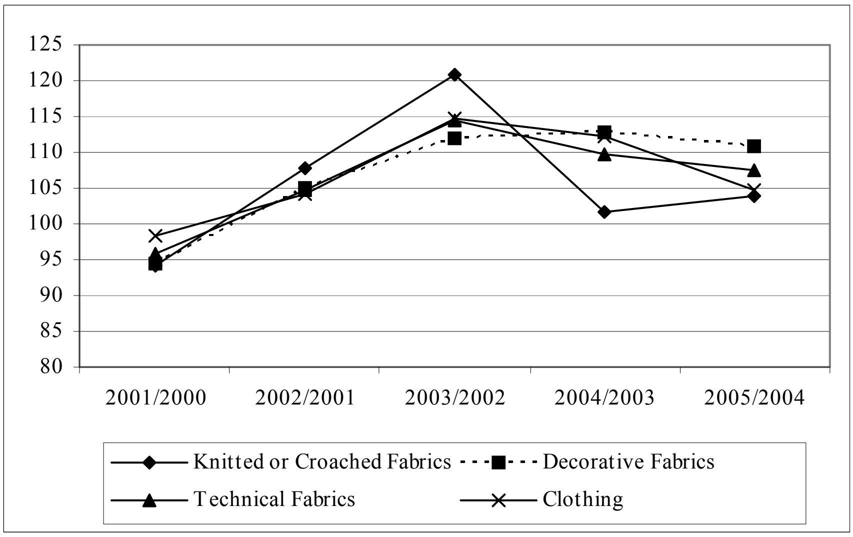
Graph 5.



Word and European Union 15 – Export sof Selected Commodities of T&C (in Millions of US$)

Source: Based on own calculations according to Eurostat and Comtrade statistical databases

Graph 6.



Word and European Union 15 – Exports Dynamice of Selected Commidities of T&C

Source: Based on own calculations according to Eurostat and Comtrade statistical databases

Table 1. POLAND 2000–2005 – Import of Selected T&C Products /Mlns of US$/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
IMPORTS – Total	2000	1321,8	216,2	169,9	390,0	545,6
	2001	1478,3	232,4	183,8	430,8	631,2
	2002	1736,3	251,0	200,5	468,5	816,3
	2003	2048,3	290,7	232,9	592,6	932,1
	2004	2413,3	289,9	274,1	734,3	1114,9
	2005	2582,2	266,0	289,2	786,0	1241,2
of which from:						
1. EU/15/	2000	871,3	179,4	148,0	318,1	225,9
	2001	909,6	181,5	155,4	331,6	241,2
	2002	967,8	186,2	171,1	365,8	244,7
	2003	1126,7	220,5	197,3	462,2	246,7
	2004	1611,7	242,5	231,5	591,3	546,5
	2005	1792,4	232,4	229,6	641,1	689,3
2. FM. CEFTA/8/	2000	64,3	2,6	7,0	22,8	31,9
	2001	79,2	2,5	6,0	32,3	38,5
	2002	107,1	2,9	5,3	37,8	61,1
	2003	119,1	3,7	5,7	52,9	56,7
	2004	144,9	5,4	7,2	75,4	57,0
	2005	171,6	3,4	11,3	76,9	80,1

Source: Data of the Central Statistical Office-Warsaw.

Table 2. POLAND 2000–2005 – Geographical Import's Structure of Selected T&C Products /in %/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
IMPORTS – Total	2000	100,0	100,0	100,0	100,0	100,0
	2001	100,0	100,0	100,0	100,0	100,0
	2002	100,0	100,0	100,0	100,0	100,0
	2003	100,0	100,0	100,0	100,0	100,0
	2004	100,0	100,0	100,0	100,0	100,0
	2005	100,0	100,0	100,0	100,0	100,0
of which from:						
1. EU/15/	2000	65,9	83,0	87,1	81,6	41,4
	2001	61,5	78,1	84,5	77,0	38,2
	2002	55,7	74,2	85,3	78,1	30,0
	2003	55,0	75,9	84,7	78,0	26,5
	2004	66,8	83,6	84,4	80,5	49,0
	2005	69,4	87,4	79,4	81,6	55,5
2. FM. CEFTA/8/	2000	4,9	1,2	4,1	5,8	5,8
	2001	5,4	1,1	3,3	7,5	6,1
	2002	6,2	1,2	2,6	8,1	7,5
	2003	5,8	1,3	2,4	8,9	6,1
	2004	6,0	1,9	2,6	10,3	5,1
	2005	6,6	1,3	3,9	9,8	6,5

Source: Based on own calculations based on data presented in the Table 1.

Table 3. POLAND 2000–2005 – Import's Dynamics of Selected T&C Products /in %/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
IMPORTS -Total	2001/2000	111,8	107,5	108,2	110,5	115,7
	2002/2001	117,5	108,0	109,1	108,7	129,3
	2003/2002	118,0	115,8	116,1	126,5	114,2
	2004/2003	117,8	99,7	117,7	123,9	119,6
	2005/2004	107,0	91,7	105,5	107,0	111,3
of which from:						
1. EU/15/	2001/2000	104,4	101,2	105,0	104,3	106,8
	2002/2001	106,4	102,6	110,1	110,3	101,5
	2003/2002	116,4	118,4	115,3	126,4	100,8
	2004/2003	143,0	110,0	117,3	127,9	221,5
	2005/2004	111,2	95,8	99,2	108,4	126,1
2. FM. CEFTA/8/	2001/2000	123,2	94,2	85,6	141,5	120,8
	2002/2001	135,2	118,4	88,2	117,2	158,7
	2003/2002	111,1	126,4	107,7	140,0	92,8
	2004/2003	121,7	147,0	126,4	142,4	100,4
	2005/2004	118,4	61,7	156,6	102,1	140,6

Source: Based on own calculations based on data presented in the Table 1.

Table 4. POLAND 2000–2005 – Export of Selected T&C Products /Mlns of US$/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
EXPORTS -Total	2000	2096,7	34,8	53,8	93,6	1914,5
	2001	2188,5	31,8	58,3	113,2	1985,2
	2002	2168,7	34,5	65,6	132,5	1936,1
	2003	2445,4	45,8	76,5	185,6	2137,6
	2004	2639,1	56,6	97,0	238,2	2247,3
	2005	2668,7	55,0	130,1	262,4	2221,1
of which to:						
1. EU/15/	2000	1835,2	15,6	40,4	45,1	1734,1
	2001	1869,0	13,4	40,8	56,3	1758,5
	2002	1809,4	11,5	42,6	67,7	1687,5
	2003	2036,6	16,9	53,8	103,0	1862,9
	2004	2110,8	22,6	66,8	130,9	1890,5
	2005	2006,6	17,0	83,5	133,0	1773,1
2. FM. CEFTA/8/	2000	55,7	3,5	1,8	7,7	42,7
	2001	62,5	4,3	3,7	6,7	47,9
	2002	75,2	4,4	5,2	7,9	57,6
	2003	95,6	5,2	4,1	15,0	71,2
	2004	145,2	6,8	6,4	24,3	107,7
	2005	203,1	7,3	14,5	23,5	157,9

Source: Based on own calculations based on data presented in the Table 1.

Table 5. POLAND 2000–2005 – Export's Structure of Selected T&C Products /Mlns of US$/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
EXPORTS -Total	2000	100,0	100,0	100,0	100,0	100,0
	2001	100,0	100,0	100,0	100,0	100,0
	2002	100,0	100,0	100,0	100,0	100,0
	2003	100,0	100,0	100,0	100,0	100,0
	2004	100,0	100,0	100,0	100,0	100,0
	2005	100,0	100,0	100,0	100,0	100,0
of which to:						
1. EU/15/	2000	87,5	44,8	75,0	48,2	90,6
	2001	85,4	42,0	69,9	49,7	88,6
	2002	83,4	33,5	65,0	51,1	87,2
	2003	83,3	36,8	70,3	55,5	87,2
	2004	80,0	39,9	68,9	55,0	84,1
	2005	75,2	30,9	64,2	50,7	79,8
2. FM. CEFTA/8/	2000	2,7	10,0	3,4	8,2	2,2
	2001	2,9	13,5	6,4	5,9	2,4
	2002	3,5	12,8	8,0	6,0	3,0
	2003	3,9	11,4	5,4	8,1	3,3
	2004	5,5	12,1	6,6	10,2	4,8
	2005	7,6	13,2	11,1	9,0	7,1

Source: Based on own calculations based on data presented in the Table 1.

Table 6. POLAND 2000–2005 – Dynamics of Export of Selected T&C Products /in %/

Specification	Year	Listed Products Total	Knitted or Croached Fabrics	Decorative Fabrics	Technical Fabrics	Clothing
EXPORTS -Total	2001/2000	104,4	91,4	108,3	121,0	103,7
	2002/2001	99,1	108,4	112,5	117,0	97,5
	2003/2002	112,8	132,6	116,7	140,1	110,4
	2004/2003	107,9	123,8	126,7	128,4	105,1
	2005/2004	101,1	97,2	134,1	110,2	98,8
of which to:						
1. EU/15/	2001/2000	101,8	85,8	101,0	124,8	101,4
	2002/2001	96,8	86,3	104,6	120,3	96,0
	2003/2002	112,6	145,9	126,1	152,2	110,4
	2004/2003	103,6	134,1	124,2	127,1	101,5
	2005/2004	95,1	75,3	124,9	101,6	93,8
2. FM. CEFTA/8/	2001/2000	112,3	123,6	201,1	86,6	112,2
	2002/2001	120,2	102,8	141,0	119,1	120,3
	2003/2002	127,2	119,1	79,2	189,0	123,6
	2004/2003	152,0	130,6	154,2	162,1	151,3
	2005/2004	139,8	106,5	226,6	96,7	146,6

Source: Based on own calculations based on data presented in the Table 1

Conclusion

- Globalization of economy and fast spreading of ideas, inventions, innovations in the age of electronic economy,
- Dynamic trends in diversification of incomes of different societies inside countries and between countries and its impact on increase in demands of consumers, with respect to, among other things, the contents of natural ingredients in clothes, requirements concerning lightness, delicacy

of clothes, and at the same time fulfilling the requirements connected with proper body warmth protection and/or permeability, protection against high pressure (for example sports clothing and/or clothing connected with different leisure activities – fishing, hunting, diving, etc)

- Dynamic development of constructions, generating needs for functional, comfortable and decorative designs, decorative clothes, textile wallpapers, carpets and textile floor coverings connected with equipment of interiors of companies, houses and flats (in other words – home textiles)
- Increasing importance of the quality of action of the specialized rescue service, which is connected with the increase of dangers resulting from higher freedom of movement of people and liberalization of labor market at an international scale – this results in increase of needs for highly specialized protective clothing.
- Paying increasing attention to the prestige of the company and its position at the market, especially in the New Member States of the European Union, and at the same time the need for clothing distinguishing its employees from the employees of its competitors.
- Increase of expenditures of companies on innovations, especially in the context of shortening the life cycle of products and positioning the 'improvement of innovativeness' as a main criterion leading to the increase in competitiveness of the company, including increase of expenditures on innovations in the SMEs sector as well as national economies – see 'New Industrial Policy of the EU'[35], etc. Fashion and design industries (e.g. textiles and footwear) are in the limelight of the New Industrial Policy of the EU. They make up just 8% of manufacturing value-added, but have experienced low or negative output growth and relatively low R&D spending over recent years. Successful structural adjustment is the key challenge for these industries. Improving innovation, IPR protection, and skills are essential to be able to continue to improve the quality and product-diversity of their output. Obtaining better access to currently heavily

[35] Implementing the Community Lisbon Programme: A policy framework to strengthen. EU manufacturing – towards amore integrated approach for industrial policy, COM(2005) 474 final, Brussels, 5.10.2005.

protected world markets is also a key policy requirement for these industries[36].

- Sustainable development requirements and better adaptation to environmental protection rules and standards.

[36] As above, p. 7.