

# Textile Cooperation between Korea & India

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**Korea Federation of Textile Industries**



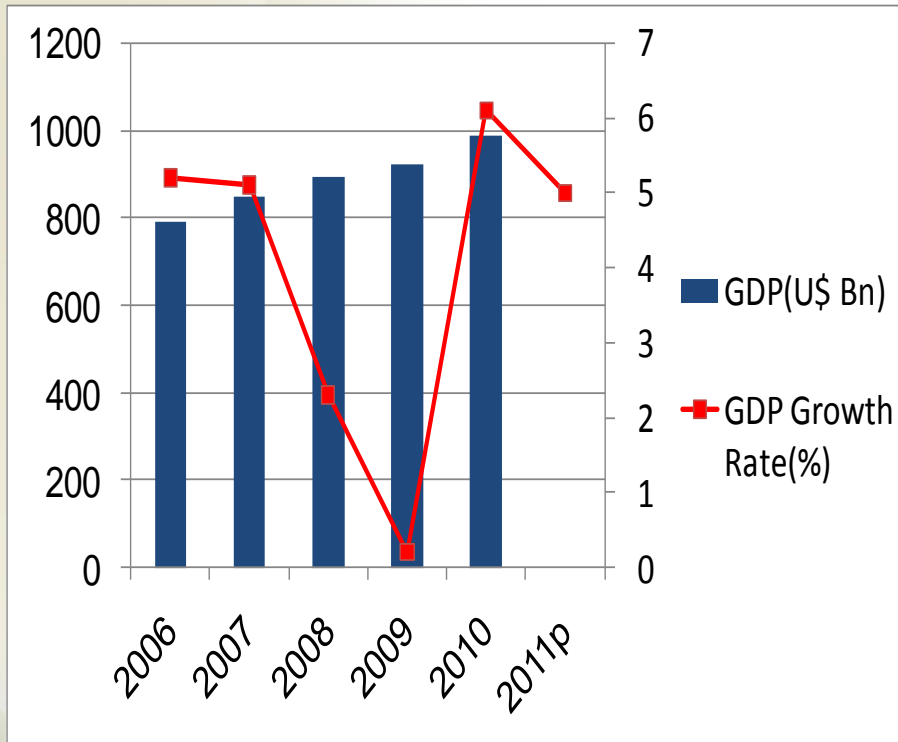
# OUTLINE

- 1** Overview of Korean Economy
- 2** Korea's Textile Industry
- 3** Textile Trade & Investment
- 4** Korea-India Cooperation

# 1. Overview of Korean Economy

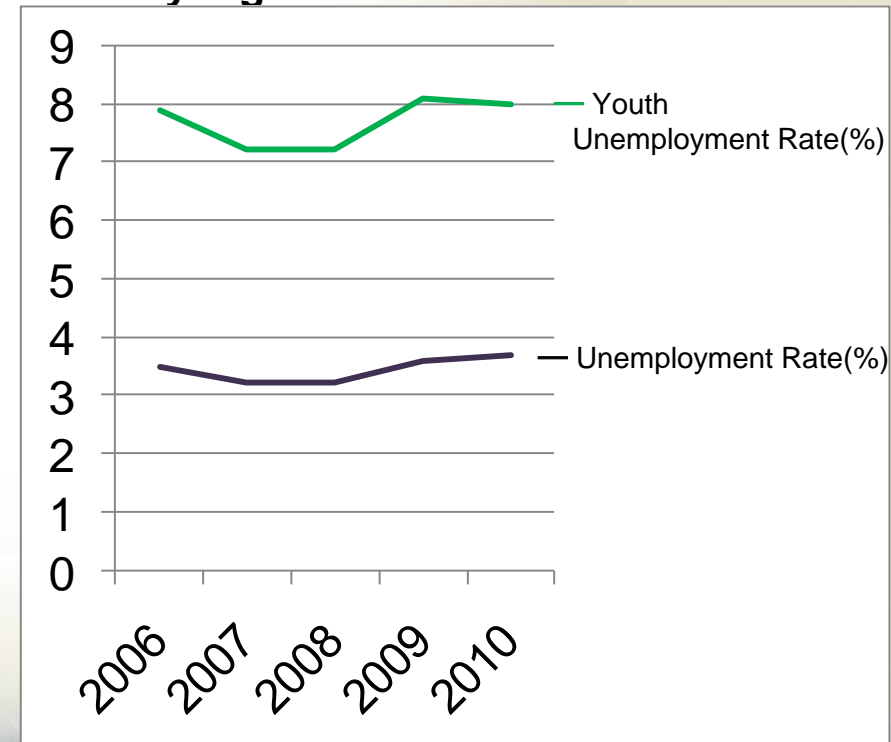
## 1-1. GDP Growth

- The fastest growth rate among OECD countries
  - ('09): 0.2% → ('10): 6.1% → ('11p): 5%



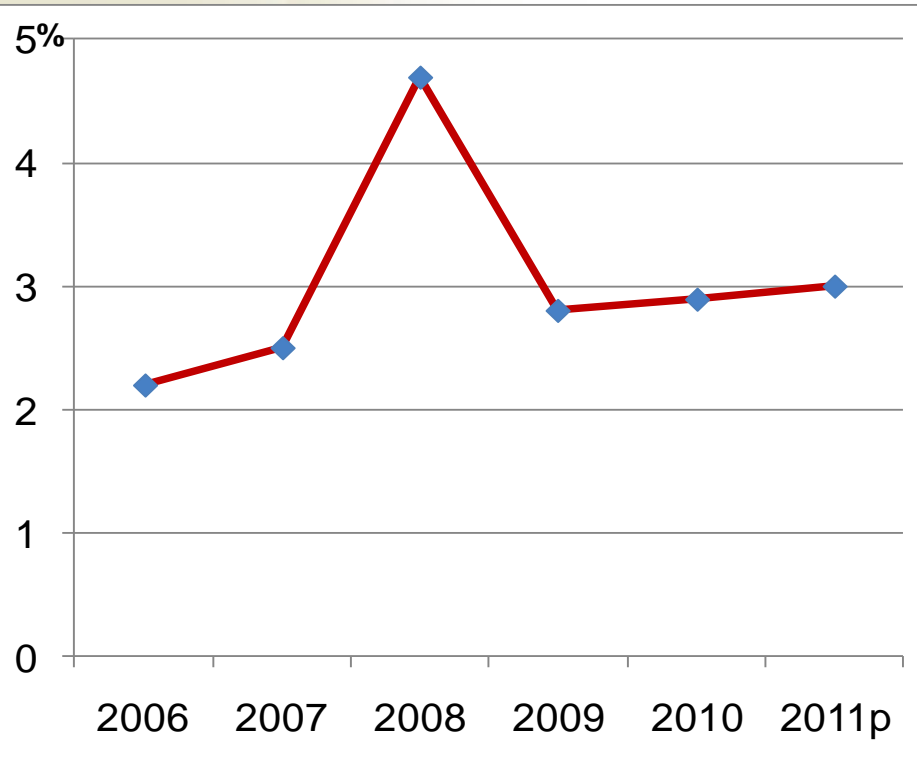
## 1-2. Employment

- Relatively low unemployment rate
  - ('09): 3.6% → ('10): 3.7% → ('11p): 3.5%
  - But, the youth unemployment rate is very high



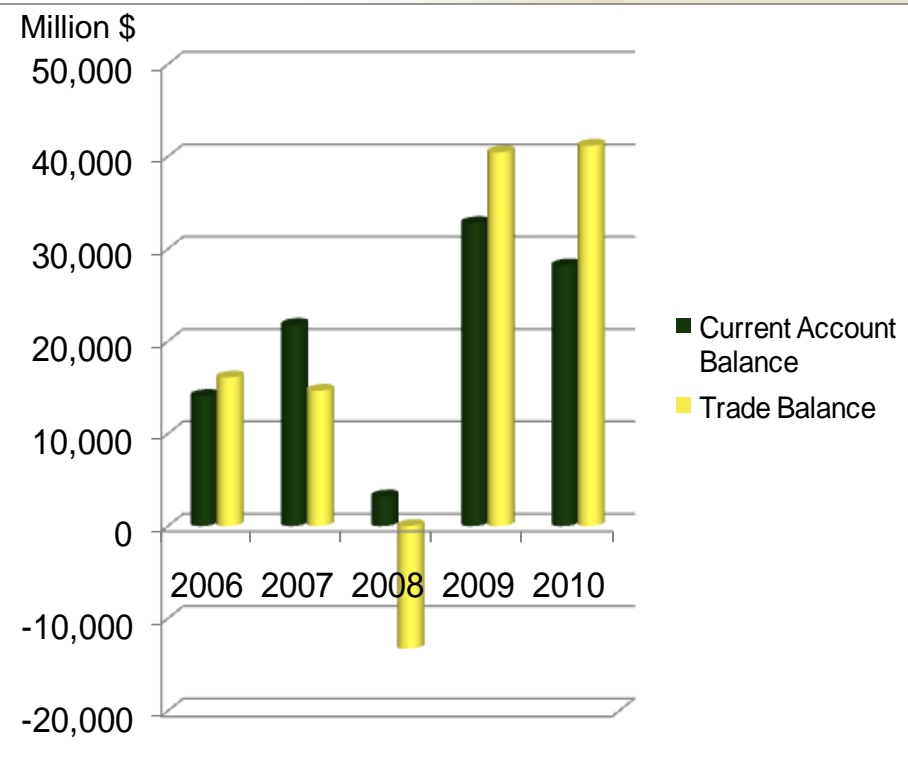
## 1-3. Inflation

- The most pressing issue this year due to increasing raw material price  
- ('09): 2.8% → ('10): 2.9% → ('11p): 3%



## 1-4. Balance of Payment

- Continuing current account surplus, but the volume is decreasing  
- ('09): 32.8 → ('10): 28.2 → ('11p): 16.0



# 2. Korea's Textile Industry

## 2-1. Status

- Textile & clothing industry is one of Korea's key industries in terms of employment, production & export .

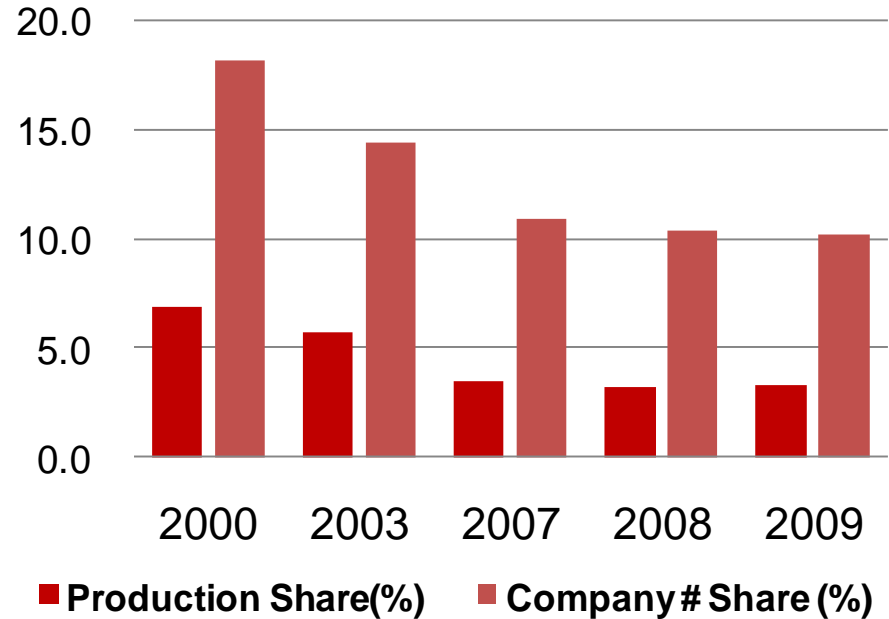
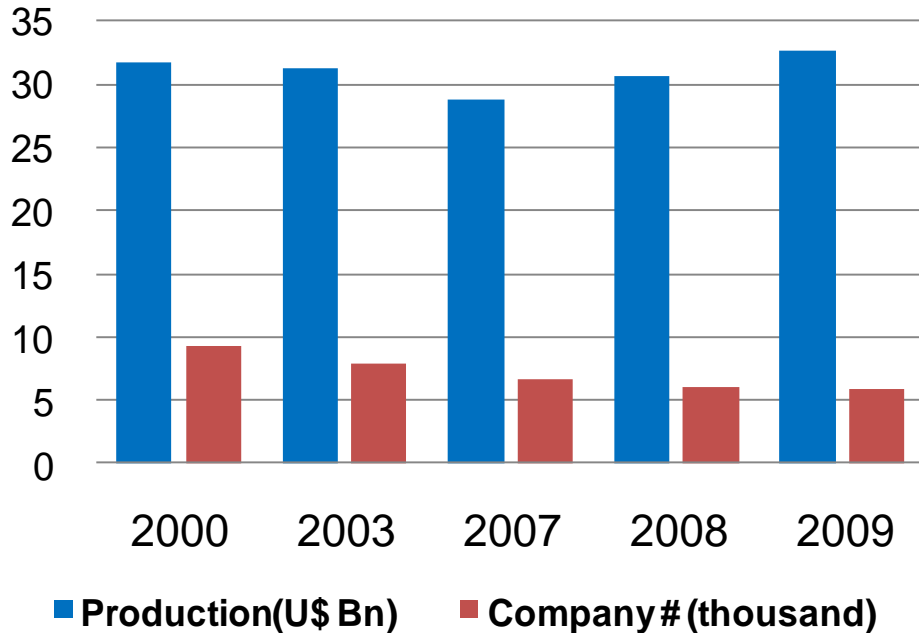
Category	Number of Companies (2009)	Employment (2009)	Production (2009) (US\$ Bn)	Exports (2010) (US\$ Bn)	Trade Balance (2010) (US\$ Bn)
Manufacturing	57,996	2,452,880	977	466.4	41.2
Textile & Apparel (Share: %)	5,923 <b>(10.2)</b>	172,654 <b>(7.0)</b>	32.6 <b>(3.3)</b>	13.9 <b>(3.0)</b>	4.0 <b>(9.7)</b>

\*Source : Statistics Korea, Korea International Trade Association

# 2-2. Production & Company

		2000	2003	2007	2008	2009
Production	Value(U\$ Bn)	31.7	31.2	28.8	30.7	32.6
	Share(%)	6.9	5.7	3.5	3.2	3.3
Company	Number	9,302	7,913	6,708	6,073	5,923
	Share(%)	18.2	14.4	10.9	10.4	10.2

Note) Share : of total manufacturing, company : minimum 10 employees



\*Source : Statistics Korea

## 2-3. Clothing Market

- **Clothing Industry : 25.7 Billion U\$(2009)**
  - \* **Popular foreign brands account for more than 50% of the market : Louis Vuitton, Gucci, Burberry, Prada, Uniqlo, ZARA**
- **Market size by garment type**
  - \* **Casual wear: 8.4 Billion U\$**
  - \* **Men's wear : 4 Billion U\$**
  - \* **Women's wear : 3.2 Billion U\$**
  - \* **Sports wear : 2.5 Billion U\$**

## 2-4. Korea's Major T&C Companies

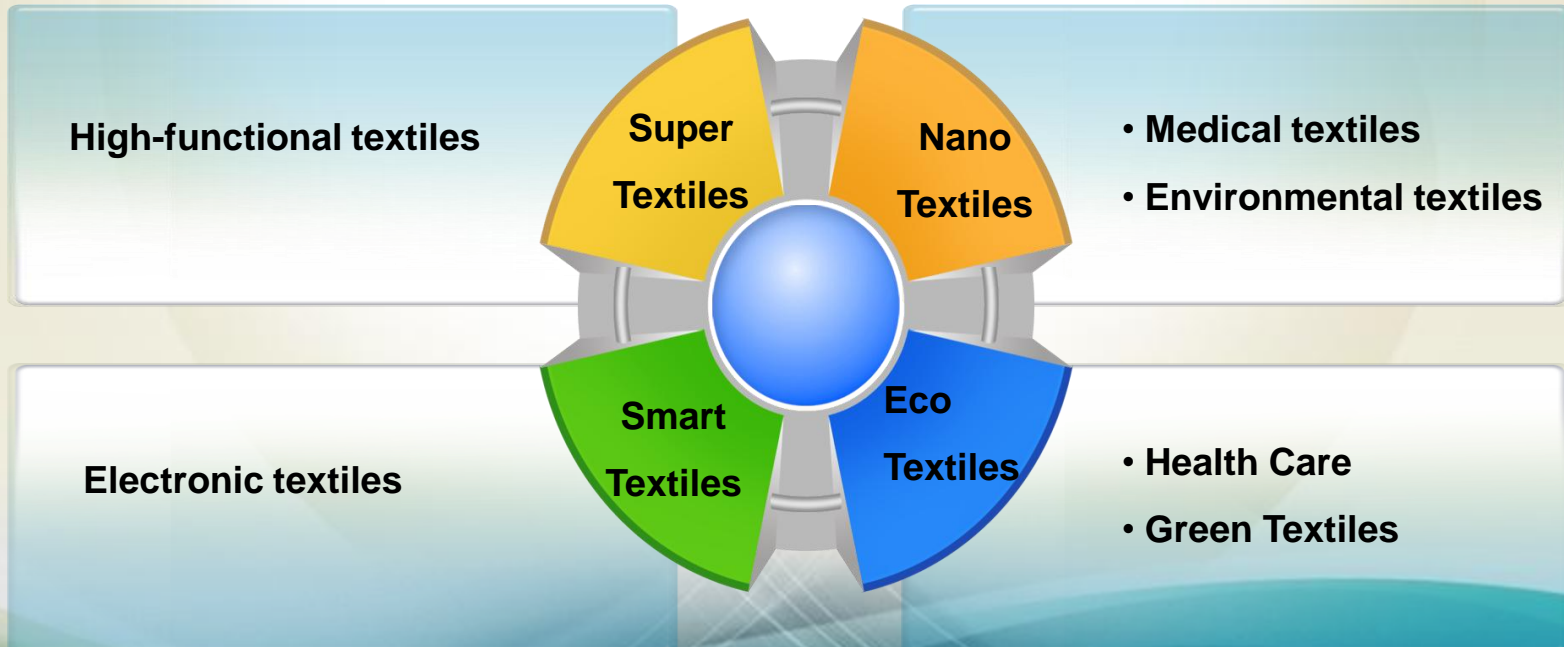
		Establishment	Sales(2009/U\$ Mn)	No. of Employees(2009)
Clothing	Cheil Industries	1954	3,705	3,257
	LG Fashion	1974	802	684
	Kolon Fashion	1954	731	1,136
Cotton Yarn	Ilshin Spinning	1951	261	1,034
	Chonbang	1953	223	793
	Kyungbang	1919	154	622
	Samil Spinning	1979	124	245
Synthetic Fiber	Hyosung	1966	6,122	7,047
	Kolon Industries	1957	1,926	2,960
	SK Chemicals	1969	1,109	1,487
	Huvis	2000	1,017	855

## 2-5. Future Development Strategy

### • Mid-to-Long term Strategies for the development of Technical Textiles

- Goal : Share of Technical Textiles [25%(Currently) → 60%(Year 2020)]

### Technical Textiles



# 3. Textile Trade & Investment

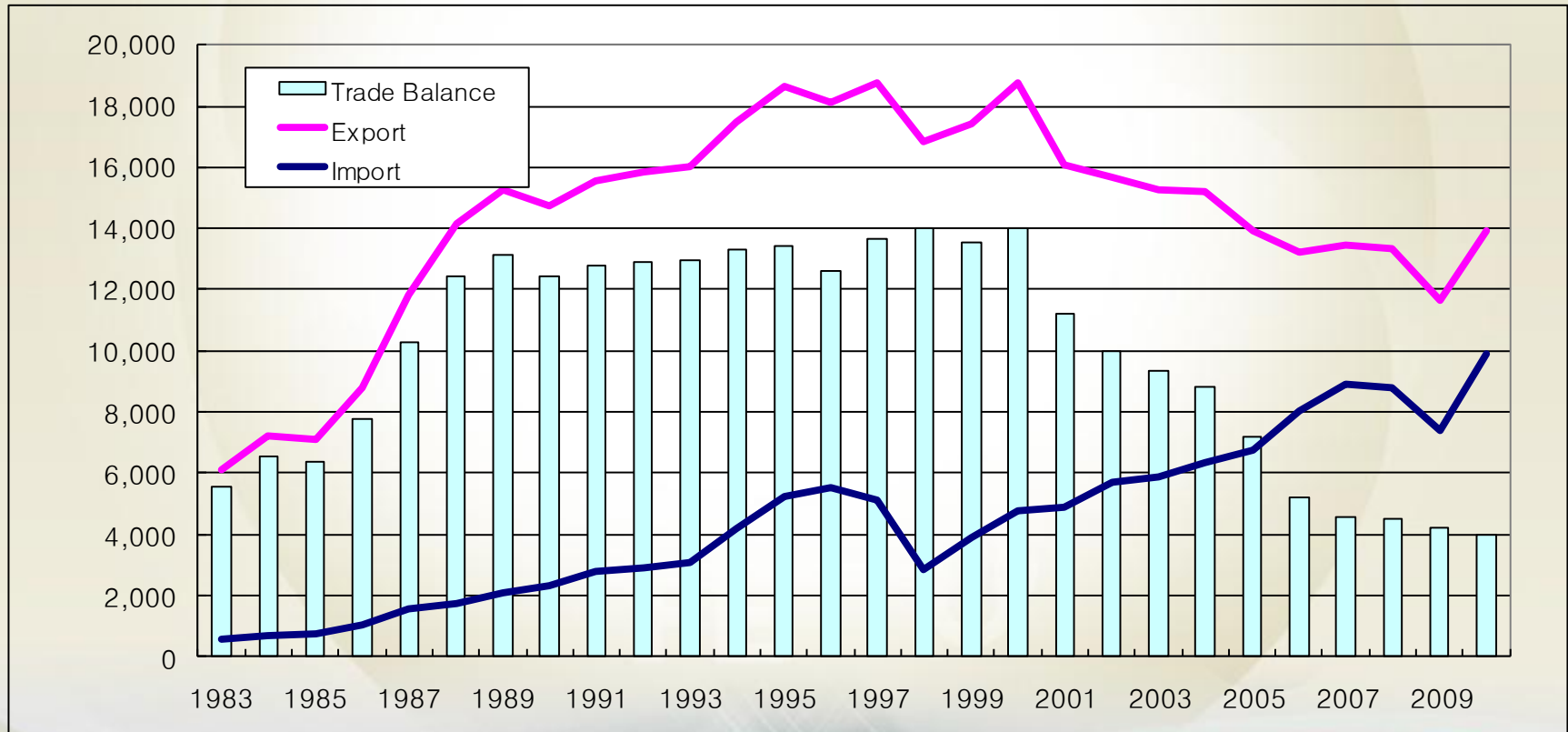
## 3-1. Trade by Year

Export peaked in 2000(18.8 Billion U\$), and continued to decline until 2009.

For the first time in 10 years, export showed positive growth(19.5%) in 2010.

Trade balance continued to record surplus, but volume is decreasing.(4 Billion U\$ in 2010)

(Unit : U\$ Mn)

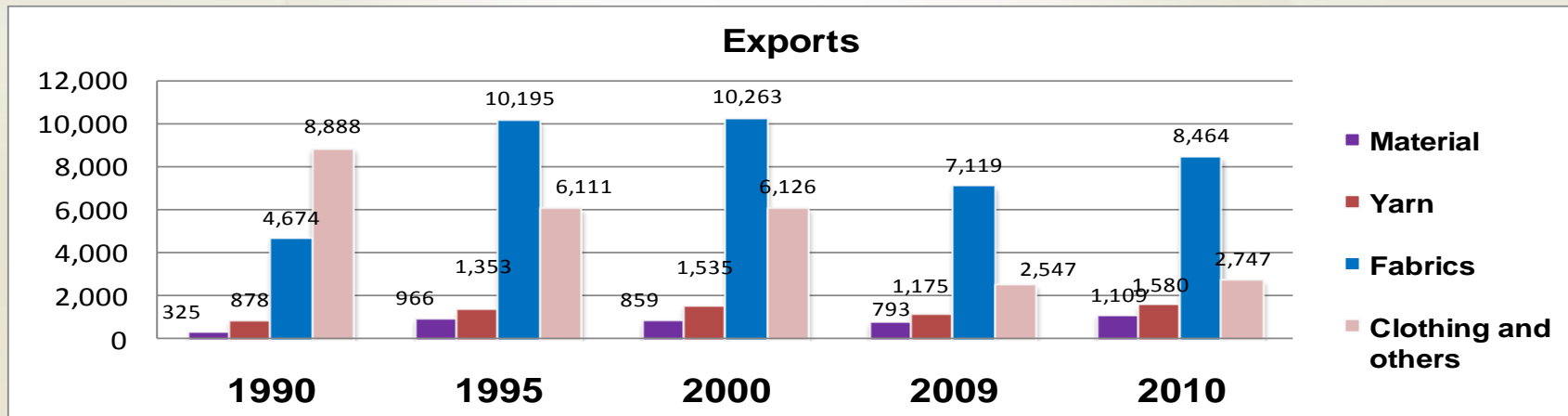


\*Source : Korea Int'l Trade Association

# 3-2. Trade by Item

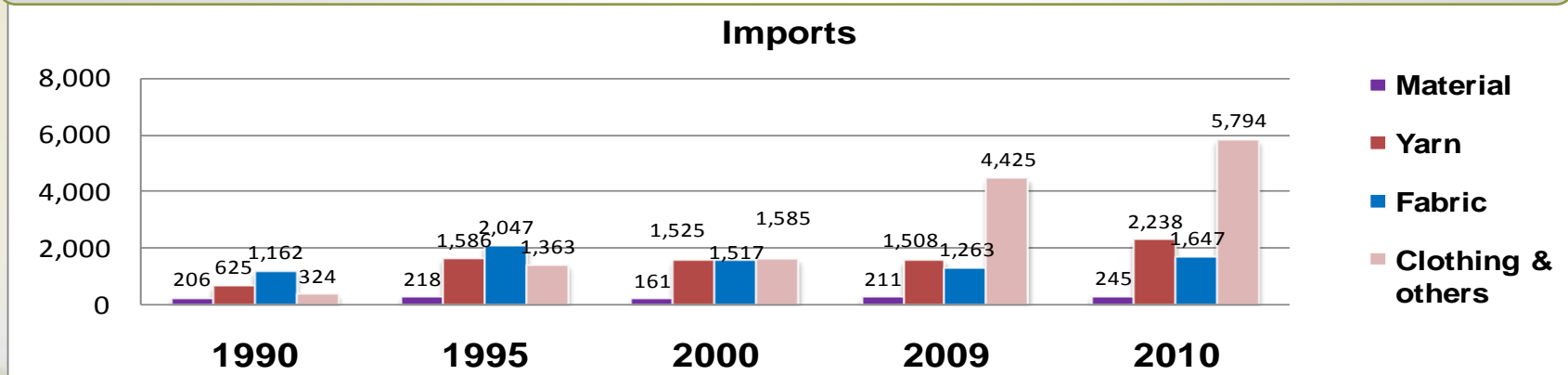
(Unit : U\$ Mn)

**Major export item is fabrics(60.9% of total export)**



**Major import item is clothing(42.8% of total import)**

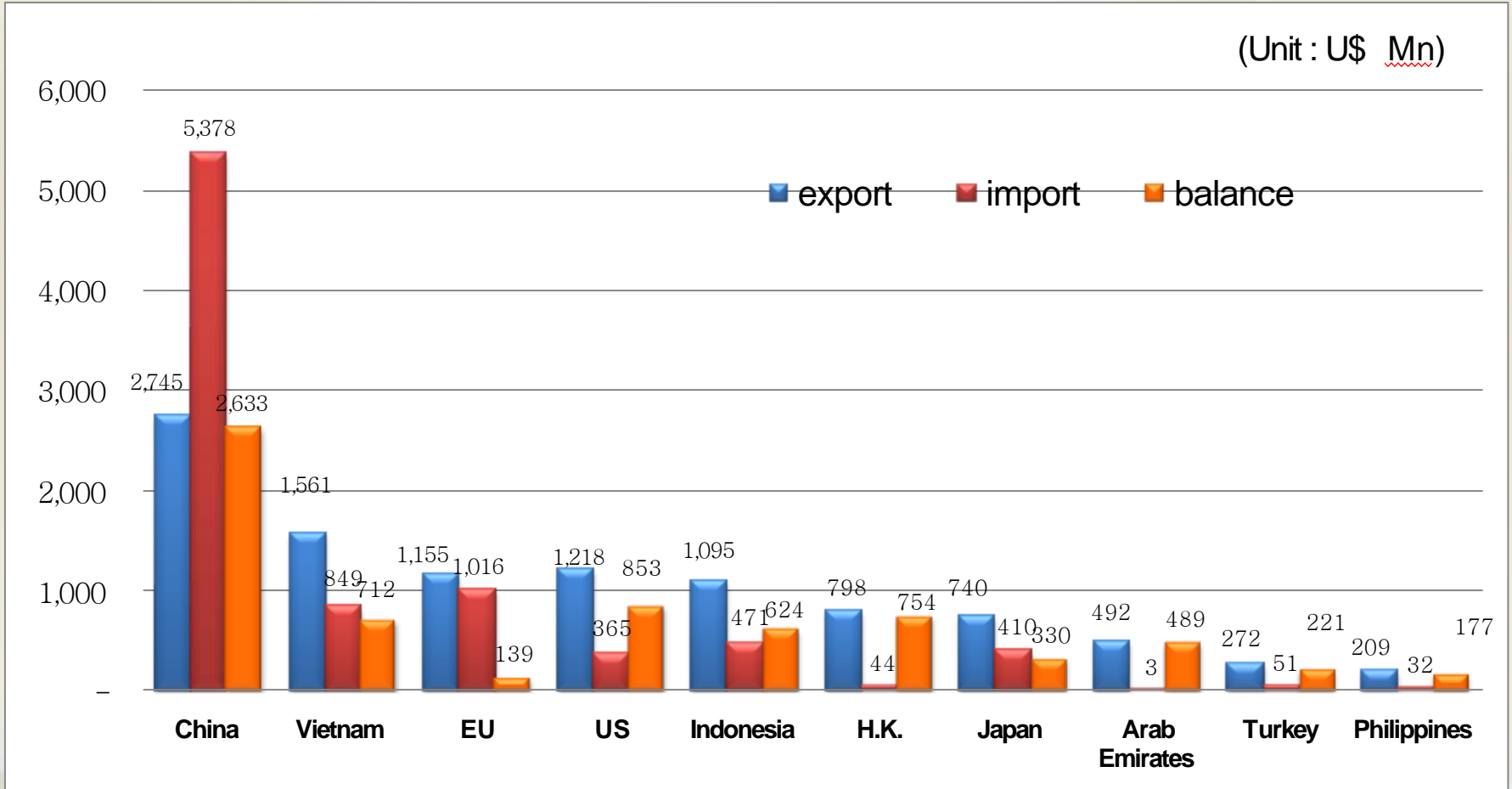
**Cotton → 100% import-dependent**



\*Source : Korea Int'l Trade Association

# 3-3. Trade by Country

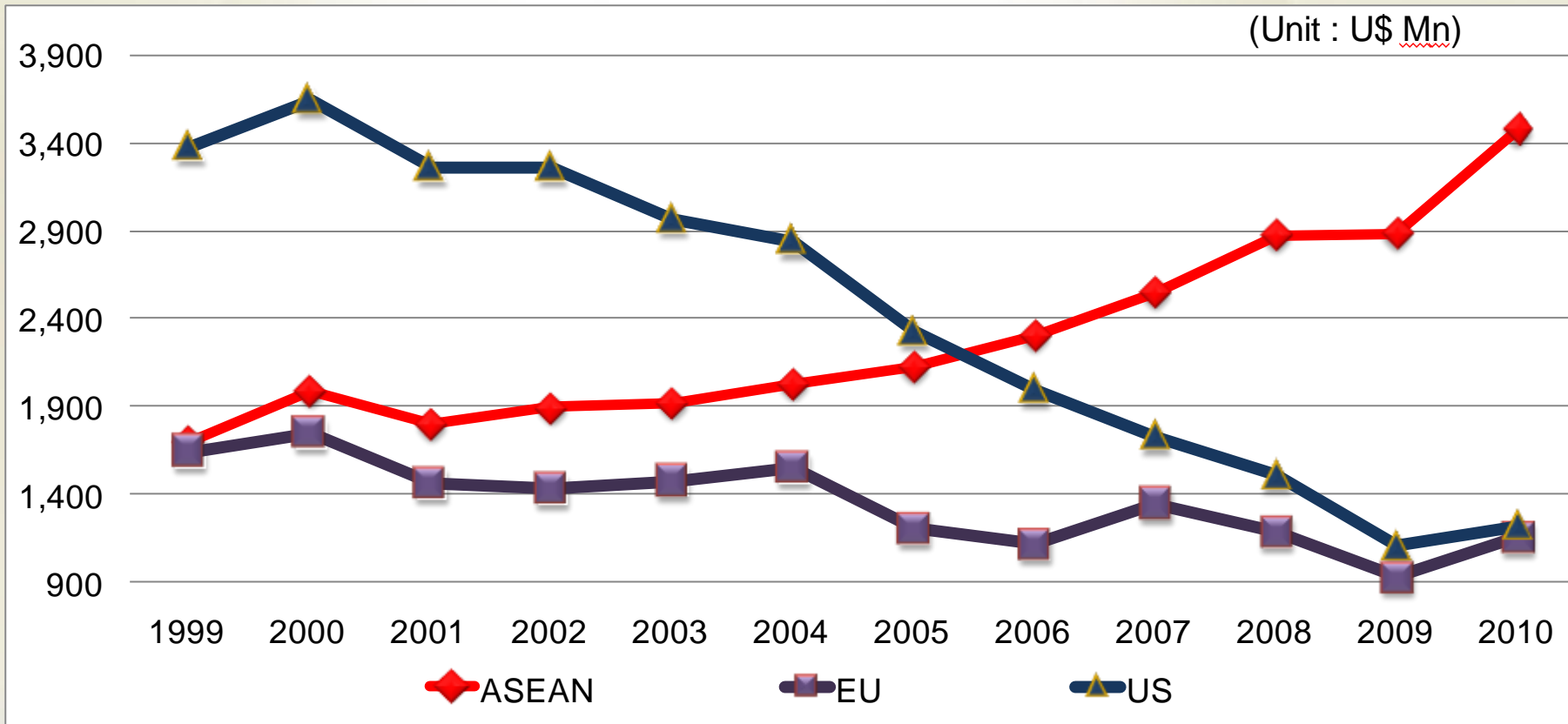
Korea's major trading countries are China, Vietnam, EU, US, and Indonesia.



\* Source : Korea Int'l Trade Association

## 3-4. Major Export Market

Korea's textile & clothing exports to the US and EU continue to decrease, while exports to the ASEAN keep increasing.



\* Source : Korea Int'l Trade Association

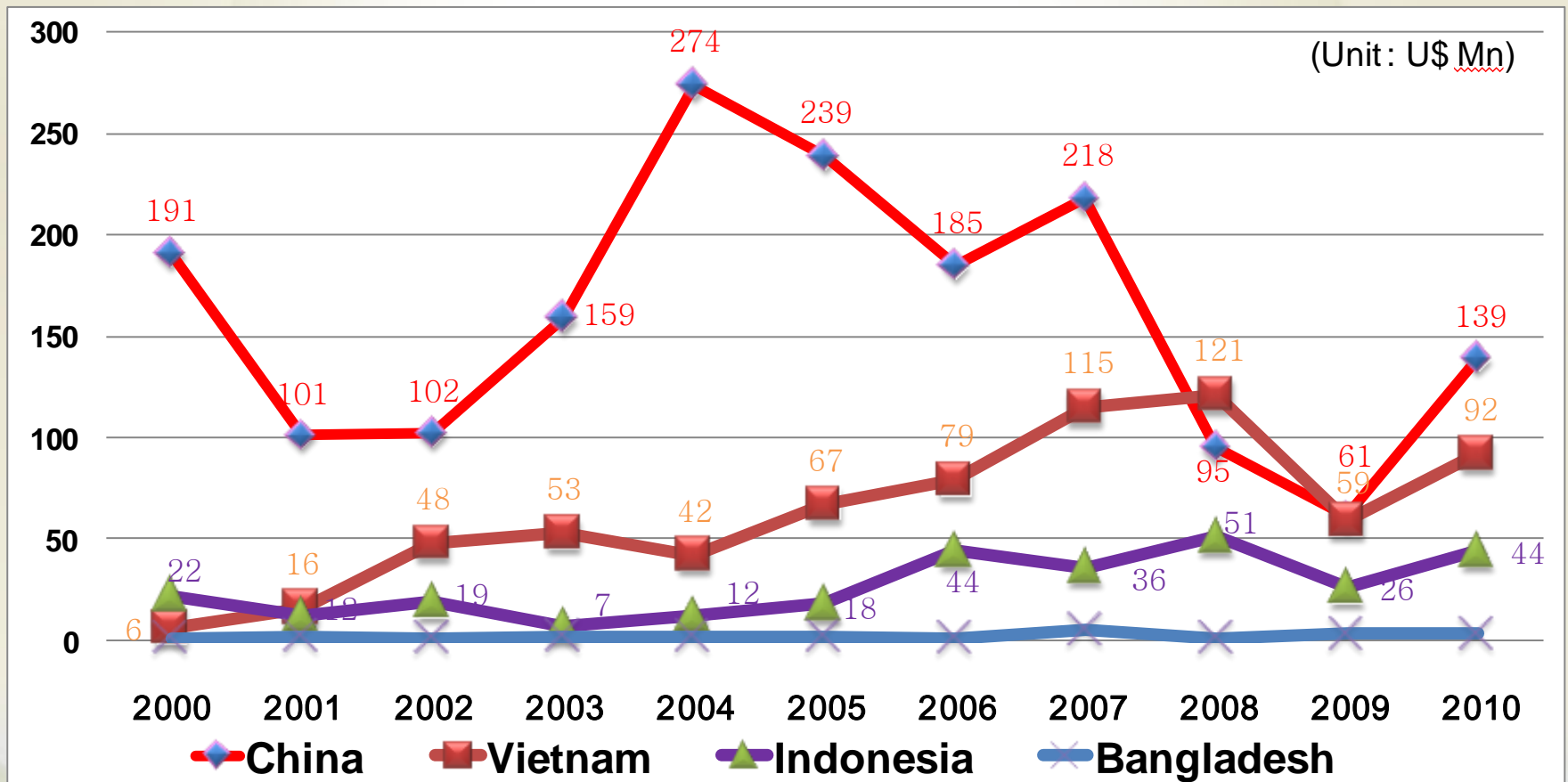
## 3-5. Overseas Investment by Country

(Unit : U\$ Mn, %)

Rank	Country	Investment Amount	Share
1	China	2,144(3,081)	41.0(62.9)
2	Vietnam	812(454)	15.5(9.3)
3	Indonesia	536(235)	10.2(4.8)
4	US	276(324)	5.3(6.6)
5	Uzbekistan	211(19)	4.0(0.4)
6	Panama	203(14)	3.9(0.3)
7	Bangladesh	131(74)	2.5(1.5)
8	Sri Lanka	97(57)	1.9(1.2)
9	Honduras	93(35)	1.8(0.7)
10	Guatemala	88(67)	1.7(1.4)
	All	5,234(4,899)	100.0

( ) indicates number of deals

- Investment into China decreased since 2004
- Investment into the ASEAN continues to increase



\* Source : The Export-Import Bank of Korea

# 4. Korea-India Cooperation

## 4-1. Korea-India Trade by Year

- Korea's Textile & Clothing Trade with India(Year 2010)
  - Export : U\$ 147 Mn, Import : U\$ 395 Mn, Balance :  $\Delta$  U\$ 248 Mn
- Portion of Korea's T&C trade with India(Year 2010)
  - Export : 1.0%, Import : 4.0%

(Unit : U\$ Mn)

	2006	2007	2008	2009	2010
<b>Export to India</b>	121	123	143	128	147
growth(%)	-10.9	2.1	16.4	-10.6	14.9
<b>Import from India</b>	287	246	261	249	395
growth(%)	11.6	-14.2	6.0	-4.8	58.7
<b>Balance</b>	$\Delta$ 166	$\Delta$ 123	$\Delta$ 118	$\Delta$ 121	$\Delta$ 248

\* Source : Korea Int'l Trade Association

## 4-2. Korea-India Trade by Item(2010)

(Unit : US\$ Mn, %)

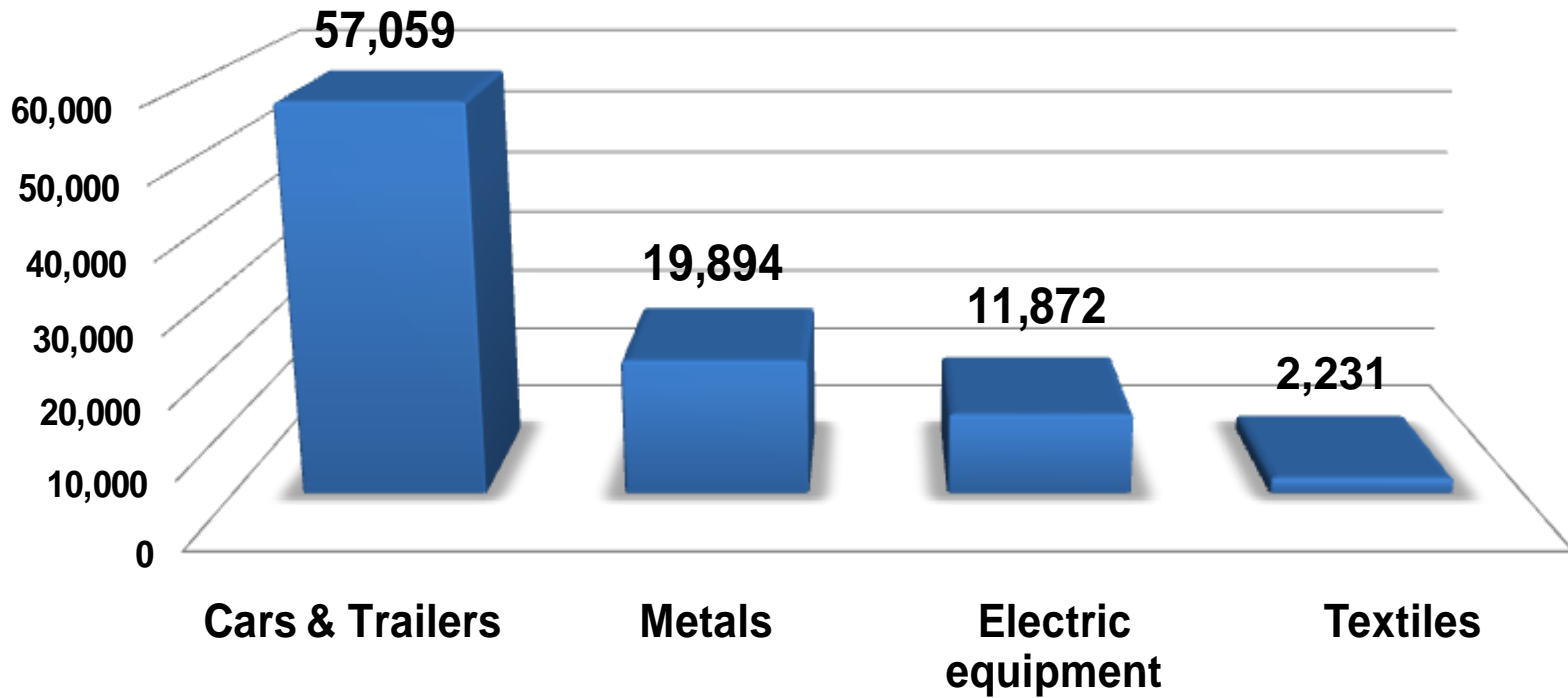
	Export		Import		Balance
	Amount	Share (%)	Amount	Share(%)	Amount
<b>Raw Materials</b>	9	6.1	1	0.3	8
<b>Yarns</b>	43	29.3	342	86.6	△299
<b>Fabrics</b>	76	51.7	9	2.3	67
<b>Textile Products</b>	19	12.9	42	10.6	△23
<b>- Clothing</b>	1	0.7	25	6.3	△24
<b>Total</b>	147	100.0	395	100.0	△248

\* Source : Korea Int'l Trade Association

## 4-3. Korea's Investment in India

### Korea's Investment in India by Industry

(Unit: U\$ Thousand)

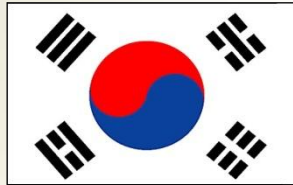


\*Source : The Export-Import Bank of Korea (Cumulative by year-ending 2010)

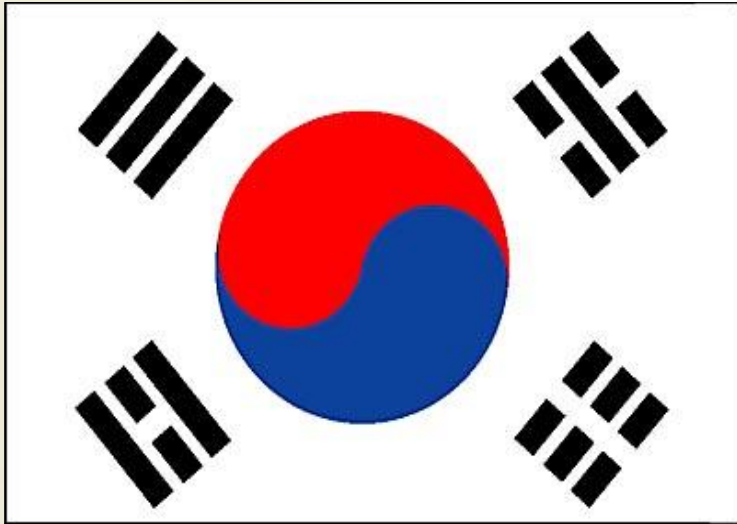
## 4-4. Textile Trade Under Korea-India CEPA

- **Trade of Textile and Clothing between Korea and India has not lived up to its huge potential.**
- **India's share in Korea's Clothing market can be increased significantly.**
  - **Currently, Chinese products are taking up the largest share in the market.**

## 4-5. Cooperation Measures



- ✓ **Exchange of information and human resources, education & training**
- ✓ **Match-making between Textile & Clothing industries of two countries**
- ✓ **Promotion of exhibitions and seminars organized by each country (*e.g., "Preview in SEOUL, DAEGU, etc."*)**
- ✓ **Expansion of bilateral investment**



*Thank you for your attention.*