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## France

## Cotton and Products

## Annual

## 2002

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### Report Highlights:

**In MY2000/2001, French raw cotton imports decreased sharply to 84,000 MT due to a reduction in raw cotton stocks and are expected to further decrease in MY 2001/2002. No major rebound is expected in the French textile industry. The bulk of imports comes from the Commonwealth of Independent States (CIS), mainly Uzbekistan. Cotton yarn and fabric production are expected to remain sluggish in CY 2002. French imports of U.S. raw cotton remained at a very low level but U.S. cotton also enters France in the form of fabrics and textile items, since U.S. clothing brands are very popular in France.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## Executive Summary

French imports of raw cotton decreased sharply in MY 2000/2001 to 84,000 MT . It seems that traders and manufacturers lowered their stocks of raw cotton which had increased last MY. A further decrease is expected for MY 2001/2002. The bulk of imports come from the Commonwealth of Independent States (CIS), mainly Uzbekistan. French imports of U.S. raw cotton remain very low.

Preliminary data for CY 2001 show that yarn production declined significantly. The decline was seen in both cotton and synthetic fibers. However, the outlook for CY 2002 looks brighter as yarn orders were up at the end of CY 2001.

Fabric production declined in CY 2001 and no rebound is expected for CY 2002.

The apparent consumption of all textile items (i.e. calculated by balance between production, imports and exports) has decreased in CY 2001. This trend is due to a large decrease in domestic textile production not compensated for by larger imports. On the other hand, data show that consumption of textile items made of cotton fibers grew by 1 percent in CY 2001.

French total textile imports increased slightly in CY 2001 due to the increased price competitiveness of imported textile goods while exports declined, due to lower demand in France's main export markets.

While exports of U.S. raw cotton to France remain very low, U.S. cotton, cotton products and textile (HS code 50 to 63) exports to France in CY 2001 were USD 121 million. The decrease from the previous year was mainly due to the high value of the dollar which made U.S.-made products less price competitive. U.S. fashion, mostly sportswear and casual wear, remain popular in France. Most U.S. textile brands are selling well. However, most items sold under U.S. owned brands are manufactured in low production-cost countries, mainly Mexico and Latin America, Asia and Eastern Europe.

The Cotton Council International participates in several Paris fabric trade shows such as Premiere Vision.

## Raw cotton, outlook

French imports of raw cotton decreased sharply in MY 2000/2001 to 84,000 MT . It seems that traders and manufacturers lowered their stocks of raw cotton which had increased last MY. A further decrease is expected in MY 2001/2002.

The bulk of imports will continue to come from Uzbekistan. U.S. exports of raw cotton, already almost negligible, are not expected to grow significantly in France due to its lack of price competitiveness.

## Yarn, Outlook

After a jump in CY 2000 due to depleted stocks in CY 1999, yarn production decreased significantly in CY 2001. Despite lower production in CY 2001, stocks had increased by 17 percent by the end of CY 2001. However, preliminary results show an increase in yarn orders starting in the beginning of CY 2002, probably indicating a production increase this year.

\*Note that artificial fiber production decreased in CY 2001: a supply/cost study shows a growing gap between European (and American) artificial fiber and Asian fiber, which has lower the competitiveness of yarn and fabric production in Europe.

### Yarn Production (MT)

	1997	1998	1999	2000	2001
Cotton	93,549	94,964	88,959	97,407	91,118
Synthetic	51,244	50,396	45,336	45,779	34,898

Source: Industrie Française du Coton et des Fibres Alliées.

### Yarn Trade (MT)

	Imports			Exports		
	CY 1998	CY 1999	CY2000	CY 1998	CY 1999	CY2000
Cotton yarns	61,278	56,014	60,700	22,788	25,030	23,340
Synthetic yarns	63,364	65,693	72,127	32,360	32,356	33,752

Source: Industry Française du Coton et des Fibres Alliées.

## Fabric, Outlook

Fabric production declined in CY 2000 and 2001. No rebound is expected for CY 2002.

### Fabric production (MT)

	1997	1998	1999	2000	2001
Cotton	90,042	86,828	80,141	N/A	N/A
Synthetic	29,559	30,341	29,654		
<b>TOTAL</b>	<b>119,601</b>	<b>117,169</b>	<b>109,795</b>	<b>108,888</b>	<b>103,156</b>

Source ESITEX

Fabric Trade in CY 1998 and CY 1999 and CY 2000 (MT)

	Imports			Exports		
	CY 1998	CY 1999	CY 2000	CY 1998	CY 1999	CY 2000
Cotton Fabric	112,072	95,135	96,959	104,116	92,631	96,221
Synthetic fabric	44,015	44,365	44,205	65,143	64,351	65,409

Source: Industry Française du Coton et des Fibres Alliées.

\*Note that, by volume, cotton fabric imports outpace exports, by value, French fabric exports are 1.5 times larger than imports. France exports high quality (and high value) fabric and imports lower quality fabric.

## Textiles, Outlook

It is difficult to assess precisely the real level of textile consumption. However, the apparent consumption of all textile (i.e. calculated by balance between production, imports and exports) appeared to have decreased in CY 2001. This trend is due to a large decrease in domestic production not compensated for by larger imports. On the other hand, data shows that consumption of textile items made of cotton fibers grew by 1 percent in CY 2001.

French total textile imports increased slightly in CY 2001 due to the increased price competitiveness of imported textile goods while exports declined, due to lower demand in France's main export markets.

### French total textile trade in CY 2000 and CY 2001 (USD) (HS code 50 to 63)

Partner Country			Partner Country		
	2000	2001		2000	2001
<b>World</b>	<b>17,545,296,402</b>	<b>17,590,563,607</b>	<b>World</b>	<b>11,907,484,841</b>	<b>11,618,798,668</b>
Belgium	2,357,147,729	2,359,518,764	Germany	1,451,120,118	1,305,909,528
Italy	2,379,513,004	2,335,766,856	Belgium	1,308,086,188	1,225,294,360
Germany	1,619,472,082	1,593,885,813	Italy	1,126,939,389	1,075,711,196

Tunisia	916,588,972	1,045,782,747	United Kingdom	1,009,682,042	881,476,583
Morocco	944,448,204	984,152,323	Spain	855,218,185	834,045,906
China	890,248,157	970,647,110	Tunisia	604,444,646	673,728,746
Spain	828,589,452	809,026,688	<b>United States</b>	<b>548,222,676</b>	<b>544,745,399</b>
Netherlands	635,822,488	708,688,710	Morocco	458,128,646	472,642,847
Turkey	598,296,036	642,761,256	Netherlands	425,288,535	404,554,312
United Kingdom	695,509,965	608,709,702	Portugal	401,506,300	399,953,144
Portugal	631,257,059	589,002,137	Japan	386,980,254	393,695,246
India	494,529,928	498,763,750	Switzerland	354,074,400	346,505,174
Romania	256,628,587	325,831,125	Poland	183,386,087	214,361,983
Bangladesh	319,095,947	314,430,899	Romania	182,058,952	210,171,877
Mauritius	238,568,759	242,167,986	Hong Kong	207,294,367	205,368,899
Austria	252,379,133	236,411,212	Greece	141,850,328	122,659,389
Korea, South	237,243,073	204,321,290	Bulgaria	76,204,226	107,014,866
Poland	162,049,409	182,336,934	Turkey	126,550,457	103,275,069
Switzerland	169,198,797	176,144,585	Saudi Arabia	85,813,987	97,685,088
Pakistan	182,190,359	170,494,517	Austria	99,807,733	96,098,960
Hong Kong	188,715,263	150,524,725	Denmark	119,844,299	95,948,074
Indonesia	154,593,837	147,072,223	Hungary	88,513,883	92,547,914
Bulgaria	108,644,090	145,423,522	Sweden	91,087,556	87,916,160
Japan	142,246,290	131,050,517	Russia	65,211,020	79,024,573
Madagascar	125,361,284	123,127,946	Korea, South	67,578,179	76,173,050
<b>United States</b>	<b>159,690,640</b>	<b>121,935,391</b>	China	80,681,210	71,967,384
Hungary	105,286,427	115,405,443	Slovenia	72,710,569	70,562,912
Thailand	141,938,778	109,881,133	Canada	57,874,567	65,792,514

Australia	94,630,688	102,937,189	Luxembourg	65,179,127	64,542,708
Greece	103,010,640	102,496,851	Israel	77,652,975	63,837,061
Macau	113,246,042	97,897,732	Algeria	57,612,665	60,408,310
Taiwan	101,084,970	84,733,305	Czech Republic	50,301,563	59,341,358
Vietnam	78,031,875	77,918,656	Taiwan	67,232,594	59,326,473

(Source World Trade Atlas)

## Policy, Outlook

By 2005 in Europe, textile products will be traded freely. It will be a difficult challenge for the French textile industry, which faces high production costs. Moreover, domestic laws, such as the law setting a maximum of 35hrs of labor per week per worker, is further increasing French textile production costs. On the other hand, French textile companies will benefit from increased labor flexibility, allowing them to use their machines for a longer period of time and respond more quickly to customer demand. According to the French Federation of the Textile Industry, a solution to the greater competition which will occur from trade liberalization comes from better quality, an enhanced reaction to consumer demand and fashion trends and modernization of machines and plants. The Federation also calls for true and fair competition between producers and for better protection of laborers' rights in developing countries. The French Federation also hope that the Doha round will open all third countries markets with customs duties equal or below 15 percent. Together with Euratex, the European Textile association, the French federation also advocates a creation of a pan-european free trade zone that could include Baltic States, CEE countries, Turkey and North African countries.

The French textile industry also supports the eco-labeling of the textiles which are environmentally friendly and socially progressive.

## Trade Agreements

As a member of the European Union, France applies the EU textile agreement with Eastern European countries, as well as with other exporting countries, such as Bangladesh and Pakistan. More Information can be found on the EU web site: <http://europa.eu.int/comm/enterprise/textile/index.htm>.

## Marketing Opportunities

While exports of U.S. raw cotton remain very low, U.S. cotton textile (HS code 50 to 63) exports to France in CY 2001 were USD 121 million out of a total import figure of USD 17.6 billion. A slight decrease from from 2000 due to the high value of dollar which made U.S. products less price competitive. U.S. fashion, mostly sportswear and casual wear, remains very popular in France. Most U.S. textile brands are selling well. However, most items sold under U.S. owned brands are manufactured in low production-cost countries, mainly Mexico and Latin America, Asia and Eastern Europe. No information is available on the share of U.S. cotton, yarns and fabric used to manufacture those clothing items.

\*Note that French trade data probably underestimate real trade with the United States as items shipped to Antwerp (Belgium) and which clear customs at the port are counted in French Customs data as imports from Belgium, not from the United States.

Commodity	Description	U.S. Dollar	
		2000	2001
all textile	all textile items inc. yarn and fabric	159,690,640	121,935,391
59	Impregnated Etc Text Fabrics; Tex Art For Industry	17,103,395	20,122,308
63	Textile Art Nesoi; Needlecraft Sets; Worn Text Art	24,754,599	18,878,865
62	Apparel Articles And Accessories, Not Knit Etc.	20,702,211	18,502,093
54	Manmade Filaments, Including Yarns & Woven Fabrics	23,591,382	18,128,220
61	Apparel Articles And Accessories, Knit Or Crochet	13,092,988	11,868,272
56	Wadding, Felt Etc; Sp Yarn; Twine, Ropes Etc.	13,565,231	9,640,064
55	Manmade Staple Fibers, Incl Yarns & Woven Fabrics	10,299,147	5,250,509
57	Carpets And Other Textile Floor Coverings	6,149,715	5,182,464
52	Cotton, Including Yarn And Woven Fabric Thereof	7,227,672	4,861,196
60	Knitted Or Crocheted Fabrics	14,214,435	4,258,793
51	Wool & Animal Hair, Including Yarn & Woven Fabric	4,928,694	2,912,446
58	Spec Wov Fabrics; Tufted Fab; Lace; Tapestries Etc	3,492,825	1,976,393
50	Silk, Including Yarns And Woven Fabric Thereof	201,219	190,942
53	Veg Text Fib Nesoi; Veg Fib & Paper Yns & Wov Fab	367,127	162,827

(Source World Trade Atlas)

**Statistical Tables**

PSD Table						
Country	France					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	21555	21030	16329	17030	16329	19530
Production	0	0	0	0	0	0
Imports	96017	112000	100154	84000	0	82000
<b>TOTAL SUPPLY</b>	<b>117572</b>	<b>133030</b>	<b>116483</b>	<b>101030</b>	<b>16329</b>	<b>101530</b>
Exports	6532	6500	6532	6500	0	6500
USE Dom. Consumption	92534	107000	92534	72500	0	74530
Loss Dom. Consumption	2177	2500	1089	2500	0	2500
<b>TOTAL Dom. Consumption</b>	<b>94711</b>	<b>109500</b>	<b>93623</b>	<b>75000</b>	<b>0</b>	<b>77030</b>
Ending Stocks	16329	17030	16329	19530	0	18000
<b>TOTAL DISTRIBUTION</b>	<b>117572</b>	<b>133030</b>	<b>116484</b>	<b>101030</b>	<b>0</b>	<b>101530</b>

Import Trade Matrix			
Country	France		
Commodity	Cotton		
Time period	Aug-Jul	Units:	MT
Imports for:	1999		2000
U.S.	1058	U.S.	1110
Others		Others	
Uzbekistan	46736	Uzbekistan	29234
Turkmenistan	13320	Belgium	12424
Belgium	11520	Tajikistan	10826
Spain	9916	Germany	9553
Germany	9067	Pakistan	8867
Pakistan	7026	Turkmenistan	7757
Turkey	5587	Turkey	6731
Tajikistan	5357	Burkina Faso	5459
Syria	3346	Cote d'Ivoire	4583

Italy	3020	Kasakhstan	4437
Total for Others	114895		99871
Others not Listed	27461		27285
Grand Total	143414		128266