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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 companies serve the world market," said Matthias Knappe, ITC's Senior Market Development Officer for the textiles and clothing sector. "To continue as an interesting source for international buyers a critical country mass is essential. No one company in any country can play this role."

A few statistics show how dependent some developing countries are on exports of clothing and textiles. "For countries such as Bangladesh, Cambodia and Nepal, garment exports constitute, respectively, 75%, 85% and 40% of their total goods exports.

"They need to try to keep at least part of their present markets or face higher unemployment and deeper poverty," Mr Knappe continued.

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 Bangladesh Garment Manufacturers Exporters Association, the Handicrafts Emporium of Bhutan, the Mauritius Export Development Zone Authority, the Garment Association of Nepal, North Star Textiles of Pakistan and the Sri Lankan Apparel Exporters Association.

Principal speakers at the opening session will be the Textiles Commissioner Shri Subodh Kumar, the Indian Textiles Committee Secretary, Dr Rajiv Aggarwal, and ITC's Bruce Shepherd and Rupa Ganguli.

The Mumbai meeting is the first of three in India. The two other FiT workshops are expected each to attract 150 exporters in New Delhi and Chennai early next year. In all, 500 developing country exporters will have been trained in the FiT in India within a few months.

In 2005, ITC is organizing similar regional workshops in South America and southeast Asia.

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**About ITC**

*The International Trade Centre is the technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) for operational and enterprise-oriented aspects of international trade development. As the United Nations focal point for technical cooperation in trade promotion, ITC works with developing countries and economies in transition to set up effective trade promotion programmes to expand their exports and improve their import operations.*

