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Cotton and Products

Annual

2006

Approved by:

Susan B. Phillips
U.S. Embassy

Prepared by:

Sunyoung Choi // Chris Frederick

Report Highlights:

Korea's total cotton imports for marketing year (MY) 2006/07 are forecast at 285,638 metric tons (mt), a 13,601-mt increase from MY 2005/06. The positive import sediment can be attributed to 118,000 new spindles expected to come on-line in January 2007 providing a boost to Korea's declining cotton processing infrastructure. The U.S. share of the MY 2006/07 Korean cotton import market is expected to fluctuate between 40 percent and 46 percent owing to relative price competitiveness and consistent quality.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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I. Situation and Outlook

Korea's total cotton imports for marketing year (MY) 2006/07 are forecast at 285,638 metric tons (mt), a 13,601-mt increase from MY 2005/06. The positive import sediment can be attributed to 118,000 new spindles expected to come on-line in January 2007 providing a boost to Korea's declining cotton processing infrastructure. The U.S. share of the MY 2006/07 Korean cotton import market is expected to fluctuate between 40 percent and 46 percent owing to relative price competitiveness and consistent quality. In CY 2006, cotton yarn imports are expected to increase to 191,000 mt to supplement reduced domestic cotton yarn production. With increasing apparel consumption the overall Korean domestic textile market will see slight gains.

In calendar year (CY) 2006, Korea's textile exports are expected to decrease in response to high oil prices, and the appreciation of the Korean won against the U.S. dollar while Chinese textile exports continue to challenge Korean exports globally. Safeguard measures introduced by the United States to stem the surge of Chinese textile imports following the abolition of the Multi Fiber Agreement in January 2005 will temper the pace of decline of Korean textile exports to the U.S. market.

Production

Korea does not produce raw cotton and depends on imports to meet demand.

Consumption

Korean raw cotton consumption in MY 2006/07 is expected to total 279,936 mt in line with recovering apparel consumption and the addition of two new cotton-processing facilities. The introduction of two new facilities with 118,000 new spindles in January 2007 follows on the heels of the destruction of a local cotton-processing facility by fire on September 24, 2005. The fire destroyed 23,000 mt of raw cotton processing capacity and coupled with the appreciating won, are expected to cause a decrease in consumption to 275,911 mt for MY 2005/06.

The Spinners and Weavers Association of Korea (SWAK), which is comprised of 21 companies, consumes roughly 88 percent of all raw cotton imports. Korea's spinning and textile industry is in a process of long-term decline although the rate of contraction has stabilized since 2002.

The number of spindles owned by SWAK stood at 1.28 million in December 2005 down from 1.59 million reported in December 2004 while the number looms owned by SWAK decreased from 1,224 to 841 over the same period. Korea's export-oriented textile industry continues to lose competitiveness because of high labor costs and increasing competition from other Asian countries.

Trade

Korea's raw cotton imports are expected to recover in MY 2006/07 to 285,638 mt, a 13,601-mt increase over the previous year in anticipation of the two new cotton-processing facilities. Despite the appreciation of the Korean won against the U.S. dollar the relative high import price of U.S. raw cotton may push some Korean cotton spinners to use Australian and Brazilian raw cotton. Average import prices have fluctuated between 56 and 59 cents per pound while U.S. raw cotton prices stood at 61 cents per pound in February 2006.

The U.S. share of the imported cotton market is expected to fluctuate between 40 percent and 46 percent for the foreseeable future buttressed by U.S. cotton's low foreign matter, long stable, consistent quality, and reliable delivery

Australian cotton, perceived as a high quality alternative to U.S. cotton by Korean cotton mills is expected to increase its market share to 27 percent in MY 2005/06 in line with the increased exportable supply.

In MY 2004/05, Brazil became Korea's third largest raw cotton supplier following the United States and Australia, while raw cotton imports from Uzbekistan are losing market share because of poor price competitiveness and inconsistent quality. Raw cotton imports from Brazil in MY 2005/06 are forecast at 30,000 mt up from 10,356 mt in MY 2003/04 solidifying it as one of Korea's key raw cotton suppliers with price competitiveness and reasonable quality.

Korean importers of raw cotton value both quality and price and therefore mainly use raw cotton from the United States, Australia and Brazil with these countries accounting for 78.3 percent of raw cotton imports in MY 2004/05.

Yarn and Fabric Trade

Korea's cotton yarn imports are forecast at 191,000 mt in CY 2006 up slightly from CY 2005's 186,933 mt largely attributed to the reduced domestic capacity as a result of the factory fire. In CY 2005, India, Pakistan and China accounted for 85.4 percent of cotton yarn imports in Korea.

Increased cotton yarn imports in 2005 were mainly consumed by the knit apparel-manufacturing sector for exporting. Imported cotton yarn in 2005 accounted for about 43 percent of total cotton yarn consumption in Korea. On the other hand, cotton yarn exports are expected to decrease in 2006 due to reduced yarn production and strong Korean won exchange rate against the U.S. dollar.

In CY 2005, domestic cotton fabric production decreased 23.4 percent to 47,783 mt from the previous year continuing a trend that has seen overall domestic cotton fabric production shrink 55.5 percent since 2000. The Korean offshore production capacity is fairing no better with a reported decreased capacity from 1,054,386 spindles and 3,270 looms to 664,710 spindles and 2,763 looms respectively. The drop in capacity reflected Korea's shedding of offshore facilities in Uzbekistan and China.

Policy

Under USDA's GSM Export Credit Guarantee program for FY 2006, US\$ 19.4 million of U.S. cotton sales were registered as of March 3, 2006. Six SWAK members have registered sales under the program.

In 2006, the Ministry of Finance and Economy maintained the 50,000-mt quota for imported cotton yarn but raised the in-quota tariff rate to 4 percent from 2 percent. The tariff increase will impact knit apparel exporters who mainly use imported cotton yarn.

Successful completion of a free trade agreement (FTA) between the United States and Korea will increase textile exports to the United States by US\$ 190 million annually according to the Korean International Trade Association. The Korea – U.S. FTA will help Korea offset gains made by Chinese and Indian textile exporters in the U.S. market especially since the elimination of the Multi Fiber Agreement in January 2005.

To enhance economic cooperation between the two Koreas, South Korea established a joint-Korean Kaesung Industrial Complex in 2005 with 15 South Korean companies including one sewing factory signing on to the project. Approximately 40 South Korean textile and sewing companies are expected to realize substantial reduction in labor costs and enhanced price competitiveness when they join the complex in early 2007. The Korean government and textile sector want the U.S. to confer South Korean origin on products made at the Kasesung complex so the products may benefit from any FTA tariff reductions.

Marketing

The Cotton Council International (CCI) and Cotton Incorporated are very active in the Korean market. Cotton Inc. provides technical support to Korean textile mills and encourages them to use U.S. cotton. CCI promotes the use of U.S. cotton through the Cotton USA mark, which it markets through numerous events and media campaigns. As a result, awareness that Cotton USA mark is linked to quality, which encourages Korean cotton textile producers to use U.S. cotton.

II. Statistical Tables

PS&D for Total Cotton

PSD Table

Country	Korea, Republic of		(HECTARES)(MT)				UOM	
	Commodity	Cotton	2004	Revised	2005	Estimate		2006
Market Year Begin	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
		08-2004		08-2005		08-2006	MM/YYYY	
Area Planted	0	0	0	0	0	0	0 (HECTAR ES)	
Area Harvested	1000	0	1000	0	0	0	0 (HECTAR ES)	
Beginning Stocks	89050	85850	91227	83919	83825	78045	(MT)	
Production	218	0	218	0	0	0	(MT)	
Imports	292407	292513	255829	272037	0	285638	(MT)	
MY Imp. from U.S.	0	147491	0	114256	0	125681	(MT)	
TOTAL SUPPLY	381675	378363	347274	355956	83825	363683	(MT)	
Exports	1960	2003	2177	2000	0	1800	(MT)	
USE Dom. Consumption	288488	292441	261272	275911	0	279936	(MT)	
Loss Dom. Consumption	0	0	0	0	0	0	(MT)	
TOTAL Dom. Consumption	288488	292441	261272	275911	0	279936	(MT)	
Ending Stocks	91227	83919	83825	78045	0	81947	(MT)	
TOTAL DISTRIBUTION	381675	378363	347274	355956	0	363683	(MT)	

Trade Matrix

Korea: Imports of Total Raw Cotton for MY 2003/04, MY 2004/05 & MY 2005/06

Country	MY 2003/04			MY 2004/05			MY 2005/06(Aug-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	116,794	179,417	42.1	147,491	190,251	50.4	51,505	66,638	39.0
Australia	55,351	88,178	20.0	60,727	86,467	20.8	38,859	51,575	29.5
Uzbekistan	30,836	47,000	11.1	17,640	25,671	6.0	5,830	7,699	4.4
Brazil	10,356	15,743	3.7	20,720	26,264	7.1	19,570	22,228	14.8
Russia	9,093	12,410	3.3	5,075	7,239	1.7	100	163	0.1
Egypt	8,093	19,387	2.9	3,671	6,975	1.3	2,111	4,540	1.6
Burkina Faso	4,716	6,798	1.7	3,752	5,945	1.3	220	314	0.2
Zimbabwe	1,553	1,942	0.6	6,989	11,305	2.4	1,202	1,743	0.9
India	4,890	7,420	1.8	1,477	1,784	0.5	1,880	2,263	1.4
Greece	2,651	4,303	1.0	14,328	17,901	4.9	2,950	3,584	2.2
Other	33,052	48,205	11.9	10,643	15,102	3.6	7,714	10,758	5.8
Total	277,385	430,803	100.0	292,513	394,904	100.0	131,941	171,505	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of ELS Cotton for MY 2003/04, MY 2004/05 & MY 2005/06

Country	MY 2003/04			MY 2004/05			MY 2005/06(Aug-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	3,008	5,960	36.6	4,721	7,436	71.3	3,028	4,763	59.8
Egypt	3,070	8,105	37.4	776	1,497	11.7	297	835	5.9
Israel	1,477	3,635	18.0	902	1,705	13.6	1,375	3,106	27.2
China	266	630	3.2	58	139	0.9	0	0	0.0
Uzbekistan	190	319	2.3	0	0	0.0	22	34	0.4
Other	200	333	2.4	162	190	2.4	340	577	6.7
Total	8,211	18,982	100.0	6,619	10,967	100.0	5,062	9,315	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of Upland Cotton for MY 2003/04, MY 2004/05 & MY 2005/06

Country	MY 2003/04			MY 2004/05			MY 2005/06(Aug-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	113,786	173,457	42.3	142,771	182,815	49.9	48,476	61,875	38.2
Australia	55,351	88,178	20.6	60,727	86,467	21.2	38,859	51,575	30.6
Uzbekistan	30,645	46,681	11.4	17,640	25,671	6.2	5,808	7,665	4.6
Brazil	10,356	15,743	3.8	20,720	26,264	7.2	19,570	22,228	15.4
Russia	9,093	12,410	3.4	5,075	7,239	1.8	100	163	0.1
Egypt	5,023	11,282	1.9	2,895	5,478	1.0	1,814	3,705	1.4
Burkina Faso	4,716	6,798	1.8	3,752	5,945	1.3	220	314	0.2
Zimbabwe	1,553	1,942	0.6	6,989	11,305	2.4	1,202	1,743	0.9
India	4,890	7,420	1.8	1,477	1,784	0.5	1,880	2,263	1.5
Greece	2,651	4,303	1.0	14,328	17,901	5.0	2,950	3,584	2.3
Other	31,109	43,607	11.6	9,519	13,068	3.3	6,000	7,075	4.7
Total	269,173	411,821	100.0	285,893	383,937	100.0	126,879	162,190	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Exports of Raw Cotton for MY 2003/04, MY 2004/05 & MY 2005/06

Country	MY 2003/04			MY 2004/05			MY 2005/06(Aug-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
China	688	956	60.9	1,218	1,684	60.8	21	32	1.6
Vietnam	442	562	39.1	582	707	29.1	1,148	1,587	87.7
Philippines	0	3	0.0	0	0	0.0	0	0	0.0
Other	0	0	0.0	203	132	10.1	140	210	10.7
Total	1130	1521	100.0	2,003	2,523	100.0	1,309	1,829	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of Cotton Yarn for CY 2004, CY 2005 & CY 2006

Country	CY 2004			CY 2005			CY 2006(Jan-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
India	95,900	273,293	52.4	85,526	217,132	45.8	14,315	38,330	43.9
Pakistan	47,452	111,980	25.9	53,770	103,349	28.8	7,974	16,573	24.5
China	14,318	47,669	7.8	20,159	62,344	10.8	4,159	14,261	12.8
Thailand	2,465	7,699	1.3	7,135	19,610	3.8	1,418	4,147	4.3
Indonesia	11,716	31,667	6.4	7,833	19,932	4.2	2,328	6,863	7.1
Vietnam	4,620	10,093	2.5	5,930	11,377	3.2	1,167	2,505	3.6
Uzbekistan	3,845	8,325	2.1	4,087	7,436	2.2	523	946	1.6
Egypt	295	1,790	0.2	241	1,790	0.1	21	180	0.1
U.S.A.	140	477	0.1	86	302	0.0	16	55	0.0
Other	2,297	13,320	1.3	2,166	8,890	1.2	686	2,261	2.1
Total	183,048	506,313	100.0	186,933	452,162	100.0	32,607	86,121	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of Cotton Fabric for CY 2004, CY 2005 & CY 2006

Country	CY 2004			CY 2005			CY 2006(Jan-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
China	65,717	231,983	84.9	77,407	277,637	85.6	10,696	42,636	83.5
Pakistan	3,673	9,429	4.7	6,065	13,673	6.7	1,085	2,609	8.5
Japan	1,512	25,691	2.0	1,306	21,464	1.4	213	3,896	1.7
India	1,434	7,095	1.9	1,102	5,594	1.2	107	588	0.8
Uzbekistan	1,315	3,102	1.7	888	1,911	1.0	91	221	0.7
Italy	421	18,157	0.5	399	16,493	0.4	55	2,923	0.4
Tajikistan	884	1,820	1.1	472	941	0.5	66	123	0.5
Tiwan	254	3,296	0.3	238	2,651	0.3	40	460	0.3
U.S.A.	288	2,807	0.4	213	2,637	0.2	36	408	0.3
Other	1,907	17,637	2.5	2,358	20,188	2.6	418	3,971	3.3
Total	77,405	321,017	100.0	90,448	363,189	100.0	12,807	57,835	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Exports of Cotton Yarn for CY 2004, CY 2005 & CY 2006

Country	CY 2004			CY 2005			CY 2006(Jan-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	3,018	9,845	9.9	8,082	22,549	26.6	1,105	3,337	28.3
Hong Kong	7,334	25,296	24.0	6,063	18,602	20.0	529	1,943	13.6
China	7,920	24,365	25.9	6,322	21,896	20.8	719	2,254	18.4
Japan	1,768	5,406	5.8	1,554	4,434	5.1	31	147	0.8
Guatemala	1,238	3,661	4.0	2,277	6,104	7.5	377	1,000	9.7
Mauritius	1,155	3,829	3.8	588	2,105	1.9	180	596	4.6
Singapore	803	2,588	2.6	249	660	0.8	19	47	0.5
Vietnam	872	3,623	2.8	586	2,426	1.9	40	203	1.0
Honduras	680	1,905	2.2	616	1,725	2.0	284	779	7.3
Thailand	800	3,104	2.6	197	955	0.6	21	116	0.5
Other	5,012	19,283	16.4	3,820	15,105	12.6	596	2,110	15.3
Total	30,600	102,905	100.0	30,354	96,561	100.0	3,901	12,532	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Exports of Cotton Fabric for CY 2004, CY 2005 & CY 2006

Country	CY 2004			CY 2005			CY 2006(Jan-Feb)		
	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	10,761	99,777	22.9	10,604	96,961	23.1	1,431	13,588	24.0
China	11,693	90,454	24.9	13,651	106,317	29.7	1,967	15,397	32.9
Hong Kong	2,760	33,504	5.9	2,172	27,523	4.7	198	2,875	3.3
Vietnam	3,188	24,766	6.8	2,738	21,239	6.0	401	2,979	6.7
Indonesia	3,490	24,477	7.4	3,521	23,445	7.7	396	2,911	6.6
Philippines	1,511	15,108	3.2	1,291	13,238	2.8	260	2,510	4.4
Afghanistan	1,175	4,423	2.5	1,521	6,825	3.3	195	1,076	3.3
Iran	525	2,949	1.1	465	2,779	1.0	22	149	0.4
Bangladesh	1,742	14,216	3.7	1,087	9,123	2.4	124	1,023	2.1
Other	10,049	79,542	21.4	8,896	71,224	19.4	976	7,346	16.3
Total	46,894	389,216	100.0	45,946	378,674	100.0	5,970	49,854	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports and Exports of Cotton Apparel

	Products	CY 2004		CY 2005		CY 2006(JAN-FEB)	
		MT	\$ Mil.	MT	\$ Mil.	MT	\$ Mil.
Import	Knit	35,094	382	38,976	438	6,546	90
	Fabric	64,195	658	76,814	827	12,674	171
	Total	99,289	1,040	115,790	1,265	19,220	261
	Growth (%)	11.2	15.2	16.6	21.6	36.1	35.2
Export	Knit	39,779	672	34,520	610	4,492	82
	Fabric	18,153	335	12,937	249	1,771	37
	Total	57,932	1,007	47,457	859	6,263	119
	Growth (%)	-12.3	-7.8	-18.1	-14.7	-14.6	-17.9

Source: Spinners & Weavers & Association of Korea (SWAK)

Korea: Most Recent Import Trend for Cotton Products. Due to the impact of China's Entry into the Bangkok Agreement

Unit: Metric tons

HS Code	Cotton Products 1/	CY 2004 Imports		CY 2005 Imports		Growth (%)
		Total	China	Total	China	
6202.12	Women's overcoats	668	639	1,118	1,091	70.74
6202.92	Women's anoraks	849	831	1,405	1,391	67.39
6204.12	Women's suits	268	262	352	324	23.66
6204.22	Women's ensembles	60	55	118	113	105.45
6204.32	Women's jackets	3,818	3,561	5,834	5,509	54.70
6204.42	Women's dresses	575	524	844	789	50.57
6204.52	Women's skirts	1,532	1,456	2,035	1,942	33.38
6204.62	Women's trousers	19,238	18,495	23,871	22,877	23.69
6206.30	Women's blouses	4,312	4,091	4,968	4,770	16.60
6209.20	Babies garments	675	551	815	683	23.96
	Total	31,995	30,465	41,360	39,489	29.62

1/ Tariff for the listed products from China are lowered from 13% to 8.1% as of January 1, 2002.

Source: Korea Trade Information Services (KOTIS)

PRICES

Korea: Average Monthly Import Price for Raw Cotton (U.S. Cents / Pound)

Month	Calendar Year							Change
	2000	2001	2002	2003	2004	2005	2006	
January	58	63	52	51	73	59	62	5.10%
February	57	65	51	54	76	59	61	3.40%
March	56	65	50	54	79	56	N/A	-29.10%
April	57	64	48	55	78	58		-25.60%
May	57	64	49	56	77	57		-26.00%
June	58	60	47	59	77	58		-24.70%
July	58	61	48	60	75	60		-20.00%
August	58	59	48	60	73	59		-19.20%
September	58	58	47	61	70	58		-17.10%
October	59	57	48	61	67	57		-14.90%
November	61	56	50	62	64	57		-10.90%
December	63	53	50	69	61	59		-3.30%

Source: Korea Trade Information Services (KOTIS)

Korea: Price of Cotton Yarn Export and Local Trade (Unit: US\$ / Bale)

	Direct (FOB)		Local Trade				Exc. Rate (KRW/US\$)
	CM 30	CM 40	CD 30	CD 40	CM 30	CM 40	
Dec.2002	420	480	-	-	430	520	1,209
May2003	450	520	-	-	470	550	1,198
Dec2003	-	-	-	-	590	640	1,192
Mar.2004	-	-	-	-	570	630	1,166
Dec.2004	-	-	-	-	490	550	1,051
Mar.2005	-	-	-	-	500	560	1,007
Dec.2005	-	-	-	-	500	570	1,024
Mar.2006	-	-	-	-	530	620	975

Source: Spinner & Weavers Association of Korea (SWAK)

PRODUCTION**Korea: Spun Yarn Production 1/ (Unit: MT, %)**

Year	Cotton Yarn	Cotton Blended	MMF 2/	Total	Growth(%)
2000	182,357	56,921	29,230	268,508	-2.6
2001	191,826	45,376	24,601	261,803	-2.5
2002	209,848	42,974	28,287	281,109	7.4
2003	204,346	51,039	28,174	283,559	0.9
2004	192,163	46,431	28,535	267,129	-5.8
2005	177,531	38,965	24,189	240,685	-9.9
Change (%)	-7.6	-16.1	-15.2	-9.9	
2005 3/	29,266	6,338	3,178	38,782	
2006 3/	24,274	5,866	3,921	34,061	-12.2
Change (%)	-17.1	-7.4	23.4	-12.2	

1/ Member companies account for approximately 88 percent of total cotton consumption

2/ Man-made Fiber (MMF)

3/ January - February

Source: Spinner & Weavers Association of Korea (SWAK)

Korea: Fabric Production by SWAK Member Companies 1/ (Unit: 1000 Square meters, %)

Year	Cotton Fabric	Cotton Blended	MMF 2/	Total	Growth(%)
2000	107,483	70,941	46,046	224,470	-14.4
2001	97,749	61,134	30,830	189,714	-15.5
2002	86,558	61,354	24,950	172,863	-8.9
2003	70,843	44,004	19,343	134,189	-22.4
2004	62,340	38,695	9,614	110,649	-17.5
2005	47,783	20,475	2,681	70,939	-35.9
Change (%)	-23.4	-47.1	-72.1	-35.9	
2005 3/	10,011	4,234	611	14,856	
2006 3/	4,844	2,019	502	7,365	-50.4
Change (%)	-51.6	-52.3	-17.8	-50.4	

1/ Member companies account for approximately 88 percent of total cotton consumption

2/ Man-made Fiber (MMF)

3/ January - February

Source: Spinner & Weavers Association of Korea (SWAK)

Consumption**Korea: Raw Material Consumption by SWAK Member Companies 1/****(Unit: MT, %)**

Year	Raw Cotton	Rayon & Acet	Polyester	Other	Total
2000	267,496	23,289	33,201	2,925	326,911
2001	270,678	18,231	24,121	3,067	316,097
2002	290,171	19,465	20,623	6,380	336,639
2003	288,320	21,116	21,827	7,882	339,145
2004	273,668	21,816	18,049	8,937	322,470
2005	250,827	24,017	11,478	6,009	292,331
Change (%)	-8.3	10.1	-36.4	-32.8	-9.3
2005 2/	41,198	2,997	1,909	1,109	47,213
2006 2/	34,735	4,227	1,521	1,034	41,517
Change (%)	-15.7	41.0	-20.3	-6.8	-12.1

1/ Member companies account for approximately 88 percent of total cotton consumption

2/ January - February

Source: Spinner & Weavers Association of Korea (SWAK)

Korea: Number of Spindles/Looms owned by SWAK member Companies in Korea

	2001	2002	2003	2004	2005	2006 A/
Spindles (1000)	2,040	1,823	1,689	1,589	1,288	1,247
Looms	1,810	1,500	1,362	1,224	841	841

Source: Spinner & Weavers Association of Korea (SWAK)

A/: As of February 2006

Korea: Offshore Cotton Facilities Owned by Korean Spinners in 2005

Country	Number of Spindles	Number of Looms
China	165,496	231
Vietnam	188,472	1,731
Indonesia	16,960	-
India	104,646	-
Sri Lanka	100,000	558
Uzbekistan	-	-
Tajikistan	35,952	243
Egypt	53,184	-
Total	664,710	2,763

Source: Spinner & Weavers Association of Korea (SWAK)

Tariff**Korea: Tariff Rates for Cotton Products (Unit: % imposed on CIF Value)**

Year	Current Applied Tariff Rates	Bound Rate under WTO Commitments		
	2006	2006	2007	2008
Raw Cotton 1/	0	2	2	2
Cotton Yarn 2/	4	13	13	13
Cotton Fabric 3/	10	13	13	13

1/ a quota tariff rate is currently being applied with unlimited quota amount.

2/ a quota tariff is currently being applied for 50,000 MT of low count cotton yarn, for other cotton yarn a basic tariff rate of 8% is currently being applied.

3/ a basic rate of 10% is currently being applied.

* Quota tariff rate and adjustment tariff rate are annually modified by the Ministry of Finance and Economy.