



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 06/01/2000

GAIN Report #FR0044

France

Cotton and Products

Annual

2000

Approved by:

Frank J Piason

U.S. Embassy, Paris

Prepared by:

Xavier Audran

U.S. Embassy, Paris

Report Highlights:

French raw cotton imports are expected to decline slightly in MY 1999/00 and increase slightly in MY 2000/2001. No major rebound is expected in the French textile industry, but stocks are low and need to be replenished. 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 2000. French imports of U.S. raw cotton remained at a very low level but U.S. cotton also enters France as constituent of fabrics and textile items, since U.S. clothing brands are very popular in France.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Paris [FR1], FR

Executive Summary	1
Raw cotton, outlook	1
Yarn, Outlook	1
Fabric, Outlook	2
Textile, Outlook	3
Policy, Outlook	3
Trade Agreements	4
Marketing Opportunities	4
GAIN Tables	5

Executive Summary

After a decrease in imports between MY 1998/99 and MY 1999/00, as cotton users used existing large stocks instead of using newly imported raw cotton, French raw cotton imports are expected to increase slightly in MY 2000/2001 due to the fact that stocks are low. The bulk of imports comes from the Commonwealth of Independent States (CIS), mainly Uzbekistan. French imports of U.S. raw cotton remain at a very low level.

Preliminary data for CY 1999 show that yarn production slightly declined, both in uses of cotton fibers, while uses of synthetic fibers decreased slightly. However, yarn stocks increased significantly. The outlook for CY 2000 indicates a small increase in yarn production, as stocks of yarn are low.

Fabric production declined in CY 1999 and no rebound is expected for CY 2000.

Important Note: Most CY 1999 and MY 1999/00 data were not available in early June 2000. Most reports and data published by textile associations are published prior to their annual conference, which often takes place in the second half of each calendar year.

Raw cotton, outlook

Because cotton yarn production declined in CY 1999, imports of raw cotton declined between MY 1998/99 and MY 1999/00. It seems that traders and manufacturers had large stocks of raw cotton, due to the surge of imports in MY 96/97, which were used to the detriment of imports. As stocks have declined, and since yarn production is expected to grow slightly in CY 2000, analysts expect raw cotton imports to increase in MY 2000/01.

The bulk of imports will continue to come from Uzbekistan. French imports of raw U.S. cotton, already almost negligible, are not expected to regain significant market share due to lack of price competitiveness.

Yarn, Outlook

In CY 1999, yarn production decreased significantly, due to the need to lower the large yarn stocks built in CY 1998. As those stocks are now back to their average level, one can expect yarn production to rebound in CY 2000, as shown by data for the first two months of CY 2000.

Yarn Production (MT)

	1997	1998	1999
Cotton	93,549	94,964	88,959
Synthetic	51,244	50,396	45,336
... of which Polyester	11,463	13,174	10,508
... of which Acrylic	18,639	15,551	12,802

Source: Industry Française du Coton et des Fibres Alliées.

Yarn Trade (MT)

	Imports		Exports	
	CY 1998	CY 1999	CY 1998	CY 1999
Cotton yarns	61,278	56,014	22,788	25,030
Synthetic yarns	63,364	65,693	32,360	32,356

Source: Industry Française du Coton et des Fibres Alliées.

Fabric, Outlook

Fabric production declined in CY 1999 and preliminary data for the first two months of 2000 show another decrease. Fabric stocks decreased in CY 1999 by about 50 percent, but are still high at about 3 months of production. No rebound is expected for the rest of CY 2000.

Fabric production (MT)

	1997	1998	1999
Cotton	90,042	86,828	80,141
Synthetic	29,559	30,341	29,654

Source ESITEX

Fabric Trade in CY 1997 and CY 1998 (MT)

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

Source: Industry Française du Coton et des Fibres Alliées.

Note that, by volume, cotton fabric imports outpace exports, while 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

French total textile imports and exports declined slightly in CY 1999, due to lower demand both domestically in and in France's main export markets. However, imports of clothing items increased by 2 percent.

French total textile trade in CY 1998 and CY 1999 (million USD) (HS code 50 to 63)

	Imports			Exports	
	CY 1998	CY 1999		CY 1998	CY 1999
Italy	2,855	2,574	Germany	1,950	1,724
Belgium	N/A	2,429	Belgium	N/A	1,434
Germany	1,864	1,750	Italy	1,310	1,186
Morocco	1,127	1,039	United Kingdom	1,193	1,138
Tunisia	929	942	Spain	864	879
Spain	822	832	Tunisia	646	632
China	719	813	Morocco	557	505
United Kingdom	902	800	United States	503	498
Portugal	844	770	Portugal	499	458
Turkey	651	633	Netherlands	461	438
Netherlands	653	567	Switzerland	417	402
India	476	485	Japan	437	396
Bangladesh	295	292	Hong Kong	201	195
Mauritius	246	254	Poland	179	192
United States	172	145	Romania	141	171
TOTAL	19,096	18,112	TOTAL	13,355	12,631

(Source French customs)

Policy, Outlook

By 2005, textile products will be traded freely. It is a difficult challenge for the French textile industry, facing high production costs. Moreover, domestic law, 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 customers' demand. According to the French Federation of the Textile Industry, a

solution to the greater competition which will occur from trade liberalization comes from a better quality, an enhanced reaction to consumers' demand and fashion trend and modernization of machines and plants. They also call for true and fair competition between producers and for better protection of laborers' rights in developing countries.

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.

Marketing Opportunities

While exports of U.S. raw cotton remain at a very low level, U.S. cotton textile (HS code 50 to 63) exports to France amounted in CY 1999 to USD 145 million of a total import figure of USD 2.6 billion. U.S. fashion, mostly sportswear and casual wear, is 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 customs cleared at the port are counted in French Customs data as imports from Belgium, not from the United States.

French imports of U.S textile products in CY 1998 and CY 1999 (million USD)

HS group	CY 1998	CY 1999
Miscellaneous textile articles	20.1	22.3
Woven apparel	48.4	21.4
Impregnated textile fabric	17.5	18.5
Manmade filament, fabric	17.0	17.9
Wadding, felt, twine, rope	21.0	15.3
Knit apparel	11.6	10.2
Knit, crocheted fabric	8.9	9.9
Manmade staple fiber	5.9	7.8
Animal hair, yarn, fabric	2.7	6.9
Cotton, yarn, fabric	10.5	6.7
Textile floor covering	4.3	5.1
Special woven fabric	2.9	2.4
Other veg. textile fabric	0.8	0.6

Silk, yarn, fabric	0.3	0.2
TOTAL	172.0	145.0

(Source French customs)

The Cotton Council International has no active marketing activities in France, apart from participation in the Paris fabric trade show, Premiere Vision.

GAIN Tables

PSD Table						
Country	France					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		08/1998		08/1999		08/2000
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	41150	24000	38755	24000	38755	20000
Production	0	0	0	0	0	0
Imports	112347	117500	108863	107900	0	115000
TOTAL SUPPLY	153497	141500	147618	131900	38755	135000
Exports	5879	5900	0	7000	0	6500
USE Dom. Consumption	104509	107700	104509	102700	0	106000
Loss Dom. Consumption	4355	3900	4355	2200	0	2500
TOTAL Dom. Consumption	108864	111600	108864	104900	0	108500
Ending Stocks	38755	24000	38755	20000	0	20000
TOTAL DISTRIBUTION	153498	141500	147619	131900	0	135000

Import Trade Matrix			
Country	France		
Commodity	Cotton		
Time period	Jan-Dec	Units:	MT
Imports for:	1998		1999
U.S.	98	U.S.	71
Others		Others	
Uzbekistan	60907	Uzbekistan	45901
Spain	10861	Turkmenistan	12757
Tajikistan	9781	Spain	11255

Syria	8743	Tajikstan	5414
Turkmenistan	8248	Syria	5021
Ivory Coast	3782	Greece	3949
Greece	2641	Kazakhstan	3091
Kazakhstan	2060	Ivory Coast	2384
India	2025	India	2329
Total for Others	109048		92101
Others not Listed	10960		14377
Grand Total	120106		106549