



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 6/1/2001

GAIN Report #FR1034

France

Cotton and Products

Annual

2001

Approved by:

Frank J Piason

U.S. Embassy

Prepared by:

Xavier Audran

U.S. Embassy

Report Highlights:

French raw cotton imports increased in MY 1999/2000 and are expected to grow 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 2001. 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.

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
Textiles, Outlook	3
Policy, Outlook	3
Trade Agreements	4
Marketing Opportunities	4
Statistical Tables	5

Executive Summary

After a decrease in imports between MY 1998/99, as cotton users used existing large stocks instead of using newly imported raw cotton, French raw cotton imports increased slightly in MY 1999/2000 due to the fact that stocks are low. Another small increase is forecast for MY 2000/2001. 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 2000 show that yarn production slightly declined, both in uses of cotton fibers and synthetic fibers. The outlook for CY 2001 indicates another drop in yarn production.

Fabric production declined in CY 1999 and no rebound is expected for CY 2000 and CY 2001.

Important Note: Most CY 2000 and MY 2000/2001 data were not available in early June 2001. Most reports and data published by French textile associations are published prior to their annual conferences, which often takes place in the second half of each calendar year.

Raw cotton, outlook

Imports of raw cotton increased slightly between MY 1998/99 and MY 1999/00, even if preliminary data show that yarn production decreased slightly in MY 1999/2000. It seems that traders and manufacturers replenished their stocks of raw cotton which were depleted in the previous MY. Analysts expect raw cotton imports to remain stable in MY 2000/01.

The bulk of imports will continue to come from Uzbekistan. U.S. exports of raw cotton, already almost negligible, are not expected to regain significant market shares in France 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 up in CY 1998. This trend seems to have continued in CY 2000 with preliminary data showing a 1 to 2 percent decrease. One can expect yarn production to remain sluggish in CY 2001.

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: Industrie 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 2000 show another decrease. No rebound is expected for CY 2001.

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 1998 and CY 1999 (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 2000, due to lower demand both domestically and in France's main export markets. However, imports of clothing items increased.

French total textile trade in CY 1998, CY 1999 and CY 2000 (million USD) (HS code 50 to 63)

	Imports				Exports		
	CY 1998	CY 1999	CY 2000		CY 1998	CY 1999	CY 2000
Italy	2,855	2,574	2,368	Germany	1,950	1,724	1,447
Belgium	N/A	2,429	2,438	Belgium	N/A	1,434	1,292
Germany	1,864	1,750	1,616	Italy	1,310	1,186	1,124
Morocco	1,127	1,039	945	United Kingdom	1,193	1,138	1,007
Tunisia	929	942	916	Spain	864	879	853
Spain	822	832	827	Tunisia	646	632	604
China	719	813	890	Morocco	557	505	458
United Kingdom	902	800	692	United States	503	498	548
Portugal	844	770	629	Portugal	499	458	401
Turkey	651	633	598	Netherlands	461	438	424
Netherlands	653	567	633	Switzerland	417	402	354
India	476	485	495	Japan	437	396	387
Bangladesh	295	292	319	Hong Kong	201	195	207
Mauritius	246	254	239	Poland	179	192	183
United States	172	145	160	Romania	141	171	182
TOTAL	19,096	18,112	17,509	TOTAL	13,355	12,631	11,877

(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 better quality, an

enhanced reaction to consumers' demand and fashion trend 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.

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 2000 to USD 159 million of a total import figure of USD 17.5 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, CY 1999 and CY 2000 (million USD)

HS group	CY 1998	CY 1999	CY 2000
Miscellaneous textile articles	20.1	22.3	24.7
Woven apparel	48.4	21.4	20.7
Impregnated textile fabric	17.5	18.5	17.1
Manmade filament, fabric	17.0	17.9	23.6
Wadding, felt, twine, rope	21.0	15.3	13.6
Knit apparel	11.6	10.2	13.1
Knit, crocheted fabric	8.9	9.9	14.2
Manmade staple fiber	5.9	7.8	10.3
Animal hair, yarn, fabric	2.7	6.9	4.9
Cotton, yarn, fabric	10.5	6.7	7.2
Textile floor covering	4.3	5.1	6.1
Special woven fabric	2.9	2.4	3.5
Other veg. textile fabric	0.8	0.6	0.4

Silk, yarn, fabric	0.3	0.2	0.2
TOTAL	172.0	145.0	159.7

(Source French customs)

The Cotton Council International has no active marketing activities in France, apart from participation in several Paris fabric trade shows such as Premiere Vision.

Statistical Tables

PSD Table						
Country	France					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		08/1999		08/2000		08/2001
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	24000	24000	20000	21030	20000	17030
Production	0	0	0	0	0	0
Imports	107900	110730	115000	112000	0	110000
TOTAL SUPPLY	131900	134730	135000	133030	20000	127030
Exports	7000	7000	6500	6500	0	6500
USE Dom. Consumption	102700	104500	106000	107000	0	101000
Loss Dom. Consumption	2200	2200	2500	2500	0	0
TOTAL Dom. Consumption	104900	106700	108500	109500	0	101000
Ending Stocks	20000	21030	20000	17030	0	19530
TOTAL DISTRIBUTION	131900	134730	135000	133030	0	127030

Import Trade Matrix			
Country	France		
Commodity	Cotton		
Time period	Aug/Jul	Units:	MT
Imports for:	1998		1999
U.S.	59	U.S.	97
Others		Others	
Uzbekistan	46339	Uzbekistan	50446
Turkmenistan	14739	Turkmenistan	13543
Spain	9158	Spain	9063

Syria	7856	Tajikistan	5356
Greece	4782	Syria	5189
Tajikistan	4829	Burkina-Fasso	2860
Kazakshstan	4336	Greece	2600
Cote d'Ivoire	3159	Cote d'Ivoire	2151
India	2351	India	2130
Total for Others	97549		93338
Others not Listed	13124		14890
Grand Total	110732		108325