

## Scope to step up Indian textile exports to **South Korea**

**T**extile and apparel imports by South Korea increased at a CAGR of 4% to reach \$13.8 billion in 2016, while its exports declined at CAGR of -4% to touch \$13.3 billion in the past five years. The textile and apparel trade balance recorded a deficit of around \$0.5 billion in 2016.

Apparel is the largest imported category in South Korea, representing 59% of the total textile and apparel imports (2016). This is followed by man-made textiles, cotton textiles and carpets with a share of 20%, 14% and 1% respectively. Top 10 suppliers accounted for 87% of textile and apparel imports by South Korea. China is the largest supplier accounting for a 42% share, followed by Vietnam and Indonesia with a share of 22% and 5% respectively.

### India's textile and apparel exports to South Korea

India is the seventh largest supplier of textile and apparel products to South Korea, with its exports touching a level of \$374 million in 2016. It has registered CAGR of 5% over the last five years, and India's share has increased from 2.6% in 2012 to 2.7% in 2016.

Cotton textiles is the largest category with a share of

Table 1: South Korea's Total T&A Trade (In US\$ Bn.)

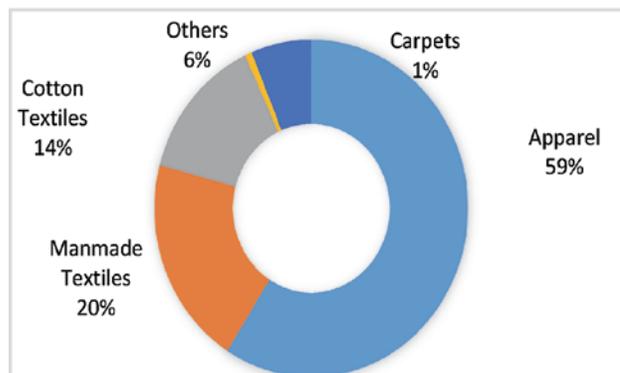
Year	Imports	Exports	Trade Balance
2012	11.8	15.4	3.6
2013	13.2	15.7	2.5
2014	14.2	15.7	1.5
2015	13.9	14.0	0.1
2016	13.8	13.3	-0.5
CAGR	4%	-4%	

Data Source: UN Comtrade

56% in India's T&A exports to South Korea. This is followed by man-made textiles, apparel and carpets with a share of 20%, 17% and 2% respectively.

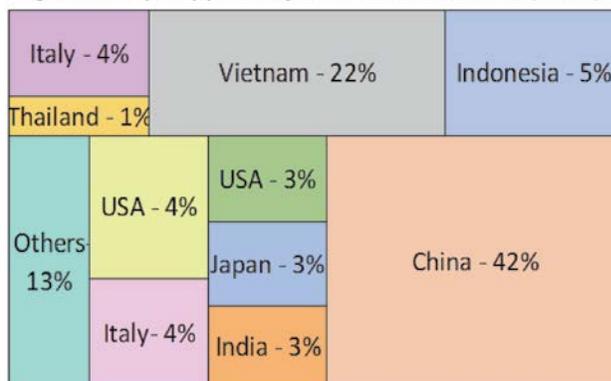
India signed a Comprehensive Economic Partnership Agreement (CEPA) with South Korea in 2010. Even after

Figure 1: Category-wise T&A Imports by South Korea (2016)



Data Source: UN Comtrade

Figure 2: Top Suppliers of T&A to South Korea (2016)



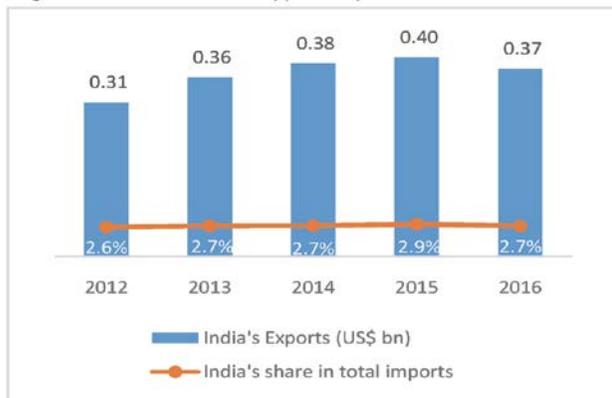
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Table 2: South Korea's Top10 textile and apparel imported commodities Values in US\$ mn

HS Code	Commodity	2014	2015	2016	CAGR
6204	Women's Suits, Ensemble etc., woven	1,007	987	1,014	0%
6203	Men's Suits, Ensembles etc., woven	938	953	922	-1%
6202	Women's Overcoats etc., woven	910	875	876	-2%
6201	Men's Overcoats, Cloaks etc., woven	940	809	774	-9%
6110	Sweaters, Pullovers, Vests etc., knitted	587	671	729	11%
5402	Synthetic Filament Yarn	813	722	692	-8%
6109	T-Shirts, Singlets, Tank Tops etc, knitted	593	623	678	7%
6211	Track Suits, Ski-Suits & Swimwear, woven etc.	428	453	457	3%
5603	Nonwovens	330	361	399	10%
5201	Cotton, Not carded or combed	562	483	377	-18%

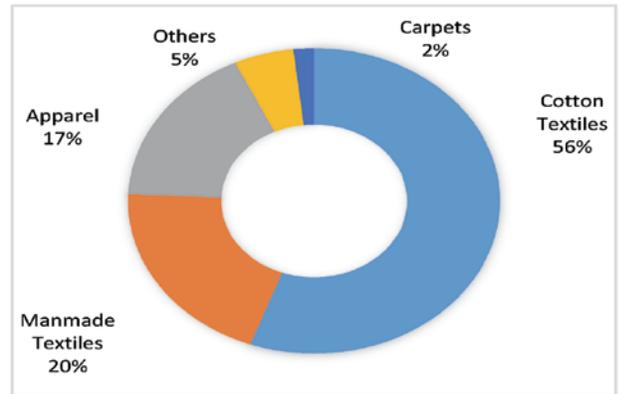
Data Source: UN Comtrade

Figure 3: India's Textile and Apparel Exports to South Korea



Data Source: UN Comtrade

Figure 4: Category-wise T&A Exports to South Korea(2016)



Data Source: UN Comtrade

Table 3 : India's potential categories of textile and apparel exports to South Korea

S.No	Market Segment	Existing Products	New Products
1	Cotton Textiles	<ul style="list-style-type: none"> <li>Cotton yarn</li> <li>Woven cotton fabrics</li> </ul>	<ul style="list-style-type: none"> <li>Bed and table linen of cotton</li> </ul>
2	Apparel	<p><b>Knitted</b></p> <ul style="list-style-type: none"> <li>T-shirts, Singlets of cotton, knitted</li> </ul> <p><b>Woven</b></p> <ul style="list-style-type: none"> <li>Men's shirts of cotton, woven</li> <li>Women's blouses of cotton, woven</li> </ul>	<p><b>Knitted</b></p> <ul style="list-style-type: none"> <li>T-shirts, Singlets of textile material other than cotton, knitted</li> </ul> <p><b>Woven</b></p> <ul style="list-style-type: none"> <li>Men's suits of cotton, woven</li> <li>Track suits of man-made fiber, woven</li> <li>Women's blouses of man-made fiber, woven</li> </ul>

Data Source: UN Comtrade and Wazir Analysis

seven years of its implementation, India's share in the South Korean market is miniscule. It is important to note that India is a supplier of all the leading commodities which are imported by South Korea, but the respective share of India is very low.

Competitors like China and Vietnam, known for their low-cost manufacturing, have captured a bigger market

share. However, Indian garment exporters and cotton-based home textiles manufacturers have a high potential to increase the market share in South Korea. For that, they need to focus on high quality products and work on faster delivery schedules.