

EU Quota Restrictions on Textiles and Clothing

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Introduction

Trade in textiles and clothing has been the focus of trade policy makers since at least the voluntary export restraints of the 1930s. More recently the impact of the phase-out of the WTO Agreement on Textiles and Clothing (ATC) quotas has become the subject of much debate. Particular attention has been paid to Chinese textile and clothing exports and the possibility of the reintroduction of quotas. There is also a plethora of bilateral agreements governing the clothing and textile trade. Therefore it is of considerable interest to assess the impact of textile and clothing quotas in trade volumes. Only quantitative evidence can guide us on the effectiveness of quotas. This paper will provide such evidence on EU import restrictions for clothing and textile products.

Over the past decade it is China and Turkey who have been the leading clothing and textile exporters into the EU market. Turkish textile and clothing exports into the EU market remained the subject of import duties and bilaterally agreed quota restrictions until 1996, despite these restrictions being abolished on other industrial products since 1971 due to the Turkey-EU Customs Union (CU). On the other hand, China have been subject to restrictions under the Multi-fibre Arrangements (MFAs), ATC and now a bilateral agreement to limit certain textile exports until the end of 2007. The current literature does not provide detailed econometric analysis in order to assess the impact of these trade restrictions.

In order to assess the impact of quota restrictions this paper will estimate EU import demand using the Almost Ideal Demand System (AIDS) while modelling the various restrictions in place, in particular the quota utilisation rate will be included as an explanatory variable. The basis for this approach is that if quota restrictions are in fact binding then we may expect importers to anticipate this and therefore choose to buy from another source. This reaction can most readily be understood when considering the EU

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imports from China in 2005, when the restrictions were so stringent that textile products were blocked. No other published study can be found to take this approach.

The paper begins with an overview of the trade arrangements concerning textiles and clothing, followed by an analysis of the patterns of EU clothing and textile imports. This will then lead to a discussion of how to model demand in the presence of quotas. Therefore explaining that the EU purchase of textile and clothing exports will be modelled using the Almost Ideal Demand System. Then finally the empirical analysis and results will be considered.

Trade Arrangements for Textiles and Clothing

For decades clothing and textile trade has not been subject to normal GATT rules. Thus the use of these import restrictions is widely debated. Table 1 gives an overview of international arrangements from the 1930s to the present day. In addition to having an idea of the arrangements in general it is important to consider the variety of measures have existed to restrict exports of textiles and clothing into the EU market specifically. These measures have varied across exporters, member states and products; where some exporters find themselves restricted according to bilateral agreements instead of the international agreements discussed in Table 1.

Under the MFA 4, 1986-1994, the EC restrained 19 countries (compared to 23 countries under the MFA 3): Argentina, Brazil, China, Czechoslovakia (latterly the Czech and Slovak Federal Republic), Hong Kong, Hungary, India, Indonesia, the Republic of Korea, Macao, Malaysia, Pakistan, Peru, Philippines, Poland, Romania, Singapore, Sri Lanka and Thailand². Although it was agreed that all textile products should be restricted, in practice this was not the case. Restrictions varied across products and countries, and were generally determined by the products importance in terms of trade. Under the MFA 4 there were various flexibility provisions, including the carrying over of unutilised portions of quota to the following year, using next year's quota and transferring a quota from one product to another. Most MFA quotas were negotiated for the EU as a whole.

² The EC formed an MFA agreement with Bangladesh that were not subject to restrictions.

Table 1: International arrangements

1930s - 1960	<p>Voluntary Export Restraints (VERs)</p> <p>VERs were adopted after the depression of the 1930s because developed countries felt that there was too much competition from developing countries in the textile and clothing industry.</p>
1961	<p>Short-Term Arrangement Regarding International Trade in Cotton Textiles (STA)</p> <p>As the number of developing countries expanded the GATT forbade the use of import quotas and therefore the STA was agreed. Its purpose was to provide temporary protection for developed countries as well as reducing the introduction of quotas. The STA allowed unilateral quotas to be imposed on countries when there were market distortions, and allowed the negotiation of bilateral quotas between developing country exporters and developed country importers. These quotas were then allocated among domestic producers by the exporting country.</p>
1962 - 1973	<p>Long-Term Cotton Textile Arrangement (LTA)</p> <p>The LTA said that countries should abolish their existing quotas and introduce new ones only if they were subject to (or would be subject to in the future) market distortions. These quotas could not be less than the trade before market distortions and had to be increased at five percent per year. Obviously this arrangement went against the principles of GATT. However it was thought that unless this sacrifice was made there would be an increasing number of illegal constraints.</p>
1974 - 1978	<p>Multi-fibre Arrangement (MFA)</p> <p>The MFA extended the LTA to include not just cotton but most fibres³. This arrangement allowed unilateral restrictions if there were market distortions, and bilateral agreements could be arranged but they were to be increased at six percent each year (with the exception of special cases). This arrangement was seen to be less restrictive than the LTA since the controls were in line with the GATT and controls, which pre-dated the MFA, were only allowed if they conformed to the current the MFA rules. There was also a 'swing' provision that allowed up to ten percent of unused quota to be carried over to the following year.</p>
1978-1981	<p>MFA 2</p> <p>This arrangement differed from the MFA because it allowed for mutual agreements to withdraw from certain aspects of the MFA.</p>
1981 - 1986	<p>MFA 3</p> <p>This arrangement reversed the provision made in the MFA 2 by allowing mutual agreements to withdraw from certain aspects of the MFA and replaced it with a more restrictive provision. There was also the introduction of a provision for what should happen when there were sudden increases in the level of imports, even when these levels remained within the quota limits. In addition re-negotiations of restrictions by two countries were allowed, there was a method established to monitor if import restriction were really temporary and unilateral restrictions were not allowed.</p>
1986 – 1994	<p>MFA 4</p> <p>This arrangement covered a wider range of products, gave preferential treatment to the least developed countries, got rid of unused quotas if required, and promised a return to normal GATT rules in the near future.</p>
1995 - 2005	<p>WTO Agreement on Textiles and Clothing (ATC)</p> <p>This agreement followed a four step process. At each step a larger percentage of products were brought under GATT rules⁴. For products that had quotas in place on 31 Dec 1994 these were also removed. The percentages applied to the importing country's textile and clothing trade levels in 1990. The agreement also said that the quotas should grow annually.</p>
2005 -	<p>Textile and clothing sector integrated into normal GATT rules i.e. quotas abolished</p>

³ This resulted in countries being less able to avoid the MFA as had been the case for the LTA where other types of fibres were used to avoid restrictions.

⁴ Step 1 (1 Jan 1995 – 31 Dec 1997): 16%; Step 2 (1 Jan 1998 – 31 Dec 2001): 17%; Step 3 (1 Jan 2002 – 31 Dec 2004): 18%; Step 4 (1 Jan 2005): 49%

In the early 1990s these quotas were allocated to member states according to traditional trade patterns and a “burden sharing formula”, with the provision to transfer quotas between member states. However the 1992 programme resulted in either the abolition of member state specific restrictions or their transformation into EU-wide restrictions. Therefore from 1993 member states could issue import authorisations valid in the whole EU market (subject to surveillance by a control system called Integrated System of License Management). Under the WTO Agreement on Textiles and Clothing (ATC) those restrictions agreed under the MFA 4 were phased out between 1995 and 2005. The EC adopted a stage-by-stage approach, in comparison to the US who submitted a programme stating their intentions for the full period. Therefore the EC informed the Textile Monitoring Body of their intentions at least 12 months in advance of the implementation of each stage.

There were also non-MFA measures affecting Albania, Bangladesh, Bulgaria, Cambodia, the Soviet Union (latterly the relevant republics), Japan, Cyprus, Egypt, Malta, Morocco, Tunisia, Turkey, Yugoslavia (latterly Bosnia-Herzegovina, Croatia and the Former Yugoslav Republic of Macedonia), Chile, Bolivia, Paraguay, Honduras, Laos, Venezuela, Costa Rica, Cuba, Ecuador, El Salvador, Nicaragua, Vietnam, Nepal, United Arab Emirates, Mongolia, Belarus, Chinese Taipei and People’s Democratic Republic of Korea⁵. The measures affecting Yugoslavia, Egypt, Malta, Morocco, Tunisia and Turkey were negotiated along side their respective association or cooperation agreements. In 1998 the Europe Agreements with Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia, the Czech and Slovak Federal Republic resulted in the elimination of quota restrictions. In addition surveillance on imports from Malta, Morocco and Tunisia ceased in 1998.

In the case of Turkey a voluntary export arrangement was signed in 1982 between the Istanbul Textiles and Clothing Exporters Association and the EC. This agreement originally provided quantitative limitations and a price mechanism for their cotton yarn exports, but was extended over the years to include more textile categories as well as clothing categories. Turkish exporters were allocated shares in the export quota, for different categories and in the early 1990s for different member states, based on past performance. In addition, around ten per cent was freely distributed to new entrants and for the expansion of sales. Shares for different categories and different member states could be transferred between companies, subject to a fee (although, if more than 50 per cent was transferred the company could not

⁵ Some of these measures consist of only surveillance.

participate in the free distribution). Following the Turkey-EU CU in 1996 these voluntary export restraints were abolished⁶.

Textile and Clothing Trade

China and Turkey are shown in Table 2 to be the leading exporters into the EU market for the entire period, 1993-2003. Together they export up to 30% of clothing and textiles into the EU market (authors' own estimation based on *Eurostat* database). Hong Kong and India also dominated exports, the former experiencing an erosion of its market share only in the last three years. Early on in the period Switzerland and the United States were both important exporters, but latterly were overtaken by countries such as Romania, Tunisia and Bangladesh. Countries such as Indonesia, Morocco and Poland also managed to spend the majority of the period in the top ten. Hence, for the following discussion we will focus on Turkey and China.

Figure 1 Figure 2 illustrate the share of EU imports of clothing and textiles, respectively, which originate from the EU over the period 1976-2003. In both figures there is a clear upward trend, although more pronounced for clothing products. In the case of clothing products (Figure 1) the trend in Chinese and Turkish shares appear to some extent mirror images of one another, suggesting that a rise in the share of imports from China is at the expense of the share of imports from Turkey and vice versa. Considering textiles in Figure 2 it appears that trends in the Chinese and Turkish shares are fairly alike thus one exporter does not seem to gain a market share at the expense of the other. There is a noteworthy decline in the share of textile imports originating from China between 1993 and 1995. This may be explained by the beginning of community MFA restrictions in 1993. Given that this same decline can not be identified in Figure 1 may suggest that quota were more restrictive for textiles than clothing. There is some evidence that this is true since to date the EU maintains restrictions on only textile imports.

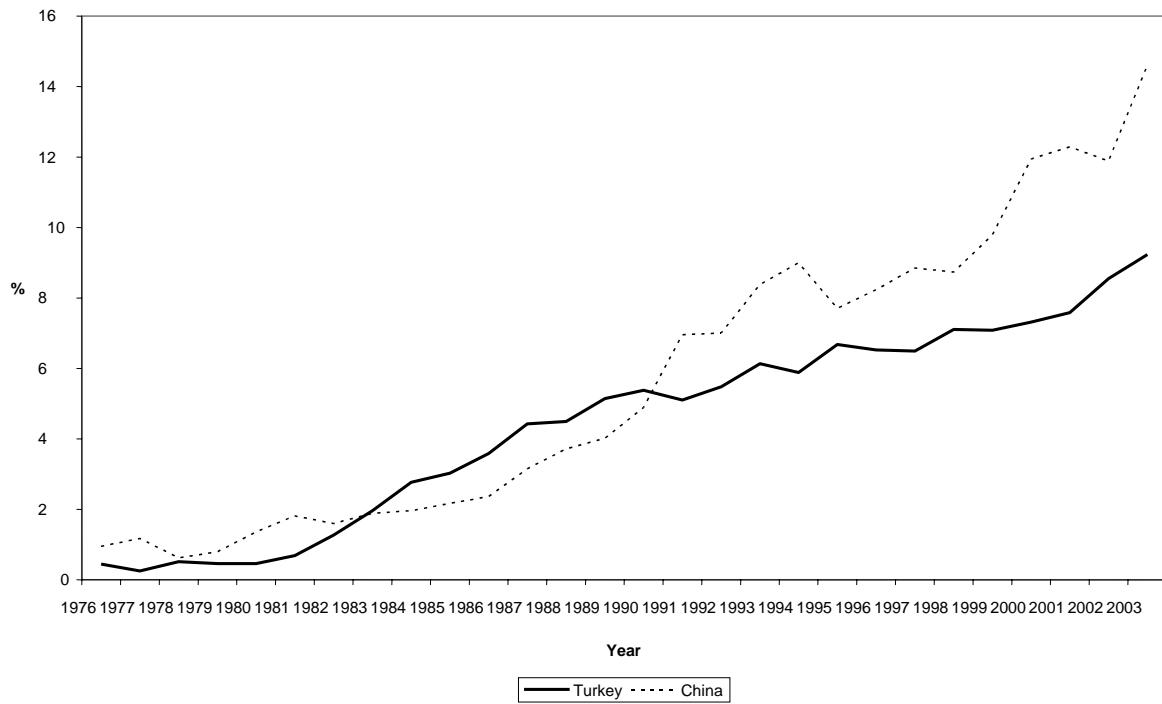
⁶ The Turkey-EU CU also led to Turkey introducing EU restrictions on imports from third countries.

Table 2: Top 20 Exporters of Textiles and Clothing to the EU Market, 1993 - 2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1	China	China	China	China	China	China	China	China	China	China	China
2	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey
3	Hong Kong	Hong Kong	India	India	India	India	India	India	India	India	India
4	India	India	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Romania	Romania	Romania
5	United States	Switzerland	Poland	United States	United States	Tunisia	Tunisia	Tunisia	Tunisia	Tunisia	Bangladesh
6	Switzerland	United States	United States	Tunisia	Tunisia	Poland	Poland	Romania	Bangladesh	Bangladesh	Tunisia
7	Indonesia	Poland	Tunisia	Poland	Poland	United States	Romania	Bangladesh	Morocco	Morocco	Morocco
8	Morocco	Tunisia	Switzerland	Morocco	Morocco	Morocco	Morocco	Morocco	Hong Kong	Poland	Poland
9	Tunisia	Morocco	Morocco	Switzerland	Indonesia	Indonesia	Indonesia	Poland	Poland	Hong Kong	Hong Kong
10	Poland	Indonesia	Indonesia	Indonesia	Switzerland	Romania	Bangladesh	Indonesia	Indonesia	Indonesia	Pakistan
11	Pakistan	Pakistan	Pakistan	Pakistan	Romania	Bangladesh	United States	United States	United States	Pakistan	Czech Republic
12	South Korea	Thailand	Bangladesh	Bangladesh	Bangladesh	Switzerland	Switzerland	South Korea	Pakistan	Czech Republic	Indonesia
13	Thailand	Bangladesh	Romania	Romania	Pakistan	Pakistan	South Korea	Pakistan	South Korea	United States	Switzerland
14	Japan	South Korea	Australia	Hungary	South Korea	South Korea	Pakistan	Switzerland	Switzerland	South Korea	South Korea
15	Bangladesh	Romania	Hungary	Czech Republic	Australia	Hungary	Hungary	Czech Republic	Czech Republic	Switzerland	United States
16	Hungary	Australia	Thailand	Thailand	Hungary	Czech Republic	Czech Republic	Hungary	Hungary	Hungary	Hungary
17	Romania	Hungary	Czech Republic	South Korea	Taiwan	Taiwan	Thailand	Thailand	Thailand	Thailand	Bulgaria
18	Taiwan	Japan	South Korea	Australia	Thailand	Thailand	Taiwan	Taiwan	Bulgaria	Bulgaria	Thailand
19	Australia	Czech Republic	Japan	Taiwan	Czech Republic	Australia	Japan	Japan	Taiwan	Taiwan	Taiwan
20	Slovenia	Taiwan	Slovenia	Japan	Japan	Japan	Sri Lanka	Sri Lanka	Australia	Sri Lanka	Sri Lanka

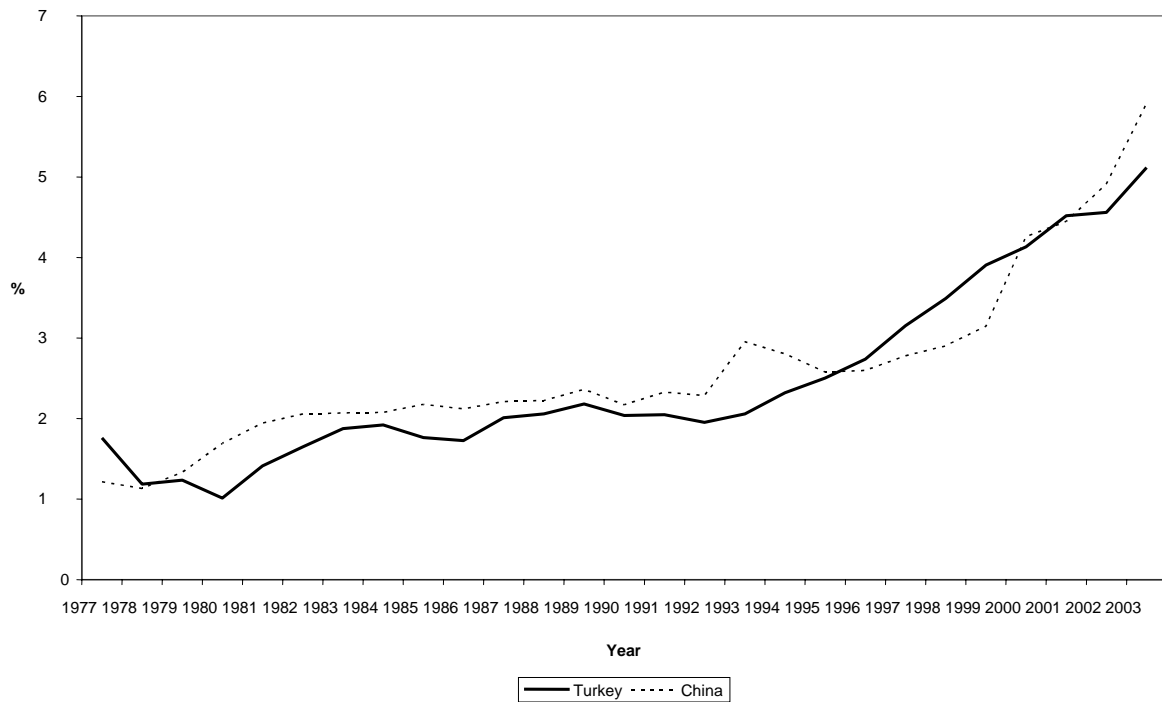
Source: Author's own estimation based on Eurostat database.

Figure 1: EU Clothing Imports (% of Total Imports)



Source: UN Comtrade Database

Figure 2: EU Textile Imports (% of Total Imports)



Source: UN Comtrade Database

Modelling Demand in the Presence of Quotas

This paper seeks to assess the impact of quota restrictions through the estimation of import demand. It will be assumed that if the quota restrictions are binding then importers will build up this expectation, which will act as a non-price determinant of demand. Therefore in this paper the quota utilisation rate will be included as an explanatory variable when estimating import demand. The AIDS will be estimated since it is derived from the standard theoretical framework, uses a general utility function meaning it can approximate almost any form, is not based on the limiting separability assumption, and homotheticity is only satisfied if $\sum_j \gamma_{ji} = 0$ is imposed.

In order to make estimation simpler we can take advantage of the collinearity of prices and use the Stone's (1953) index as an approximation:

$$(1) \quad \log P^* = \sum_k w_k \log p_k$$

Deaton and Muellbauer (1980) show that when Stone's index is used it is found to be an excellent approximation of P (i.e. $P \approx \theta P^*$). If this is true, the only estimate affected by this substitution is the constant α_i , which now becomes $\alpha_i^* = \alpha_i - \beta_i \log \phi$. Therefore the AIDS demand functions in budget share form:

$$(2) \quad w_i = \alpha_i^* + \sum_j \gamma_{ij} \log p_j + \beta_i \log \{x / P^*\}$$

The restrictions that are implied on the parameters as follows:

$$(3) \quad \sum_{i=1}^n \alpha_i = 1$$

$$(4) \quad \sum_{i=1}^n \gamma_{ij} = \sum_{i=1}^n \beta_i = 0$$

$$(5) \quad \sum_j \gamma_{ij} = 0$$

$$(6) \quad \gamma_{ij} = \gamma_{ji}$$

The first two restrictions (3 and (4) satisfy the adding up property, which says the system of demand functions add up to total expenditure (i.e. $\sum w_i = 1$). The data should add by construction. The third restriction (5) satisfies the homogeneity property, which says that the demand functions are homogenous of degree zero in prices. Then we have the property of Slutsky symmetry that is cross equation linear restrictions, imposed using standard estimation techniques. In addition the AIDS must also satisfy the negativity condition, which cannot be guaranteed simply by restrictions on the parameters. This condition is satisfied if the matrix C:

$$(7) \quad c_{ij} = \gamma_{ij} + \beta_i \beta_j \log(x/P) - w_i \delta_{ij} + w_i w_j$$

where

$$\begin{aligned} \delta_{ij} &= 0 \text{ for } i \neq j \\ \delta_{ij} &= 1 \text{ for } i = j \end{aligned}$$

is negative semidefinite. Thus if the AIDS is to be considered a “proper” demand system all these properties must be satisfied.

The own-price Marshallian elasticity can be estimated using:

$$(8) \quad \varepsilon_{ii} = \frac{\gamma_{ii}}{w_i} - \beta_i - 1$$

Similarly the cross price elasticity:

$$(9) \quad \varepsilon_{ij} = \frac{\gamma_{ij}}{w_i} - \frac{\beta_i w_j}{w_i}$$

And the expenditure elasticity:

$$(10) \quad \eta_i = \frac{\beta_i}{w_i} + 1$$

Empirical Analysis

Model Specification

Incorporating the quota utilisation rate into the AIDS demand functions the equation to be estimated across time for each product are as follows:

$$(11) \quad w_i = \alpha_i^* + \sum_j \gamma_{ij} \log p_j + \beta_i \log\{x/P\} + \sum_l \theta_{il} z_l$$

Where:

w_i is share domestically produced or imported from/by country/region i

p_j is the price of the product domestically produced or imported from/by country/region j

x is the total expenditure domestic production and all imports of the product

z_l is the quota utilisation rate of imports from country l

Note that for the following empirical analysis Turkey and China will be explicitly modelled as exporters into the EU market and the remaining exporters will be incorporated into the rest of world category.

Data

Quota Restrictions

A major contribution of this research paper is its consideration of quota restrictions. Therefore Table 3 summarises for twelve major exporters into the EU market the quota restrictions that are present. We have already noted that it was from 1993 onwards that an EC level quota existed. Hence, the period considered in the analysis will be 1993-2003, which covers almost the entire period of community MFA quota restrictions⁷. Consideration of quotas has been allowed to drive

⁷ At the time of writing this paper data for quota restrictions was available for 2004 but the remaining data was only available up-to and including 2003. Therefore Table 3 and appendix C shows information pertaining to 2004 in order to provide a fuller picture but the analysis only uses up-to and including 2003.

the decision of the period of analysis since it is believed that if quotas are properly introduced into the model it will provide the most reliable results.

Table 3: EU Quota Restrictions

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
United States	No quota restrictions											
Switzerland	No quota restrictions											
Tunisia	Surveillance						No quota restrictions					
Bangladesh	Surveillance											
Turkey	Surveillance		Quota restrictions under the MFA		No quota restrictions							
Morocco	Surveillance		Quota restrictions and surveillance				No quota restrictions					
Poland	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC				No quota restrictions					
Romania	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC				No quota restrictions					
China	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC									
Hong Kong	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC									
India	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC									
Indonesia	Quota restrictions under the MFA		Phasing out of quota restrictions under ATC									

Working quota levels, amounts licensed and working quota utilisation rates are all available from the *Système Intégré de Gestion de Licenses*. Working levels are the quantitative limits adjusted following the use of flexibility provisions provided for under the relevant legal texts. The working

quota utilisation rates, where restrictions are present, are shown in Appendix 2 by exporting country and EU product category. Exporting countries that will be incorporated into the rest of world category but have been identified in the previous section to be of some importance are also included in Appendix 2. A description of the categories is given in Appendix 1. A concordance between these categories and the CN codes is available from Annex I of the “Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries”.

It is worth examining the quota utilisation rates in order to establish approximately how binding these restrictions were. Faini, de Melo and Takacs (1995) suggest that rates above 80 per cent could be considered as a rough cut-off for full quota utilisation. In 1995 for the eleven categories where quotas were imposed on Turkish exports to the EU market seven were fully utilised. Therefore, where present, quotas do appear to have been binding in the majority of cases confirming that Turkish products are competitive in the EU market (GATT, 1994). It is noteworthy that Turkish products are not as competitive in the US market, resulting in the quotas been left unfilled in the majority of categories (U.S. Customs and Border Protection). Turning to consider the quota utilisation rates for Chinese exports to the EU market we find 22 categories facing quota restrictions over the entire period and out of these ten faced consistently binding quotas. Therefore we have a situation where Turkey faces quota restrictions for one year over a small number of categories, but where present the restrictions appear to be largely binding. Yet for China they have faced quota restrictions over the entire period over a large number of categories where the restrictions were largely binding.

Tariffs

EU tariff restrictions on clothing and textile imports also need to be considered. One possibility would be to include dummy variables reflecting the changes in tariffs. Yet superior to this is including tariffs in prices:

$$p = uv(1 + t)$$

Tariff data was obtained from the *UN Trade Analysis and Information System (TRAINS)*. Tariffs are classified according to the Harmonised System (HS) nomenclature. For some years this database provides effectively applied rates, which take into account applicable preferential rates. EU imports from China are subject to tariff restrictions over the entire period, whereas Turkey is subject to tariff restrictions over the period 1993-1995. The tariff rates levied on EU imports from Turkey and China are shown in Appendix 3 and Appendix 4⁸. One should note that Chinese exports into the EU market received preferential GSP treatment. The TRAINS provides information on these preferential tariffs faced by Chinese exporters for each year of our analysis. The tariffs which Chinese exports are subject to appear to have either remained fairly stable over the period or gradually declined (in many cases the decline fall in tariff rate began around 1999). However the information on preferential rates, due to the CU, levied on Turkish exports into the EU market is more limited. The TRAINS publishes the preferential rates for 1993. Therefore we assume the rates are stable over the period 1993-1995 - this seems reasonable given the vast majority of import duties were zero⁹.

I needed to make a choice between alternative methods of averaging. Clearly the optimal weighting method would use imports under free trade conditions. However these weights are not available so possibly the most appealing of these options could be to weight according to import values, although this may cause a downward bias in our tariffs. Therefore often it is more appropriate to simply calculate an un-weighted average. Despite the expectation that these simple average tariffs would suffer from an upward bias looking at all the non-zero tariffs levied by the EU on Turkish imports in Table 4 we find that simple tariffs are not consistently larger in value than those weighted according to Turkish imports, thereby giving justification for the use of simple averages.

⁸ Some tariff rates are missing and therefore for the analysis these were interpolated (both linearly and geometrically for comparison) where possible. The tariffs shown have been calculated using the aggregation procedure where by HS codes split over more than one EU product category are split equally between the EU product categories in which they appear. For the purpose of the analysis all three-aggregation procedures were applied and the results compared.

⁹ In Appendix 3 the rates may differ over the three years since the rates are assumed to remain stable at the HS level as long as a MFN rate was reported. Therefore when the rates were aggregated up to the EU product categories any missing values at the HS level would cause there to be a difference in rates at the EU product category level across the three years.

Table 4: Simple vs. Weighted Tariff Rates Levied on Turkish Imports into the EU Market

		117	118	124	125A	126	127A	134	148B	151A	154	157	161	46	51
Simple	1993	14	6.5	7.5	9	8	4.75	4.9	9.43	4	0.42	3.5	12	2.5	1.4
	1994	14	6.5	7.5	9	8	4.75	4.9	9.43	4	0.42	3.5	12	2.5	1.4
	1995	14	0	7.5	9	8	9.5	4.9	9.43	4	0	3.5	12		1.4
Trade weighted	1993	14	0.52	7.5	9	8	9.18	4.9	11	4	0.13	0.67	11.4	2.5	1.4
	1994	14	0.2	7.49	9	8	8.47	4.9	11.1	4	0.01	0.74	11.5	0.33	1.4
	1995	14	0	7.48	9	8	9.5	4.9	9.8	4	0	1.89	13.2	0	1.4

Source: Authors own calculations based on the *UN Trade Analysis and Information System*

Domestic Prices and Production

Given that we believe imports and domestic sales are non-separable ideally we would like to incorporate home sales and prices into the AIDS symmetrically with all the import shares. Unfortunately disaggregate EU production and prices are unavailable therefore we use intra-EU trade to proxy prices with unit values and production with quantities traded. This is clearly second best since we are ignoring the domestic production of member states, nevertheless superior to assuming separability. It should be noted that intra-EU dispatches (exports) are used. There should of course in principle be no difference between intra-EU arrivals (imports) and dispatches. However, since the introduction of Intrastat in 1993 intra-EU arrivals have been on average 5% below the value of intra-EU dispatches suggesting under-reporting of intra-EU arrivals (Eurostat, 2002).

Products Categories

Given that quotas have been incorporated into this model it makes sense to aggregate quantities, unit values and tariffs up to the EU product categories used in the *Système Intégré de Gestion de Licenses*. This aggregation can be carried out with the help of the concordance discussed in the previous section. One issue that arises is that the concordance does not provide a one/many-to-one mapping of one/many CN codes into a single EU product code; instead there are some CN codes that are split over two or more EU product categories. In these cases, since we are offered no guidance in the documentation as to the percentage of each CN code that goes into each EU product

category, we are left with three obvious possibilities for such codes: drop the CN codes, include the whole of the CN codes each of the times they appear (thereby including multiples of these codes) or split the CN codes equally between the EU product categories in which they appear. The latter of these options seems likely to be the most appropriate. Yet we cannot be certain and therefore repeat the empirical analysis with all three aggregation procedures.

Once the values and quantities have been aggregated the values must be deflated and then unit values can be calculated.

Deflating Import Values

Since I was unable to find an EU import deflator, or even a time-series of EU expenditure on imports in current and constant prices, I have constructed a deflator for each EU country and then taken a textile and clothing import weighted average across the countries. I have continued to proxy the EU with Germany, Italy, France and the UK.

The data for expenditure on imports comes from the *OECD Annual National Accounts – Vol. 1*. In the cases of Germany, Italy and France, from 1999 onwards, the data is published in euro denomination. Prior to 1999 the OECD converted the data from national denomination into ‘national euro’ denomination, by applying the irrevocable conversion rate (Schreyer and Suyker, 2002). Therefore it is only the UK expenditure data, since it has not adopted the euro, which needs to be converted from pounds into ECU/euro denomination. This conversion required the pounds per ECU/euro exchange rate data from *Eurostat*.

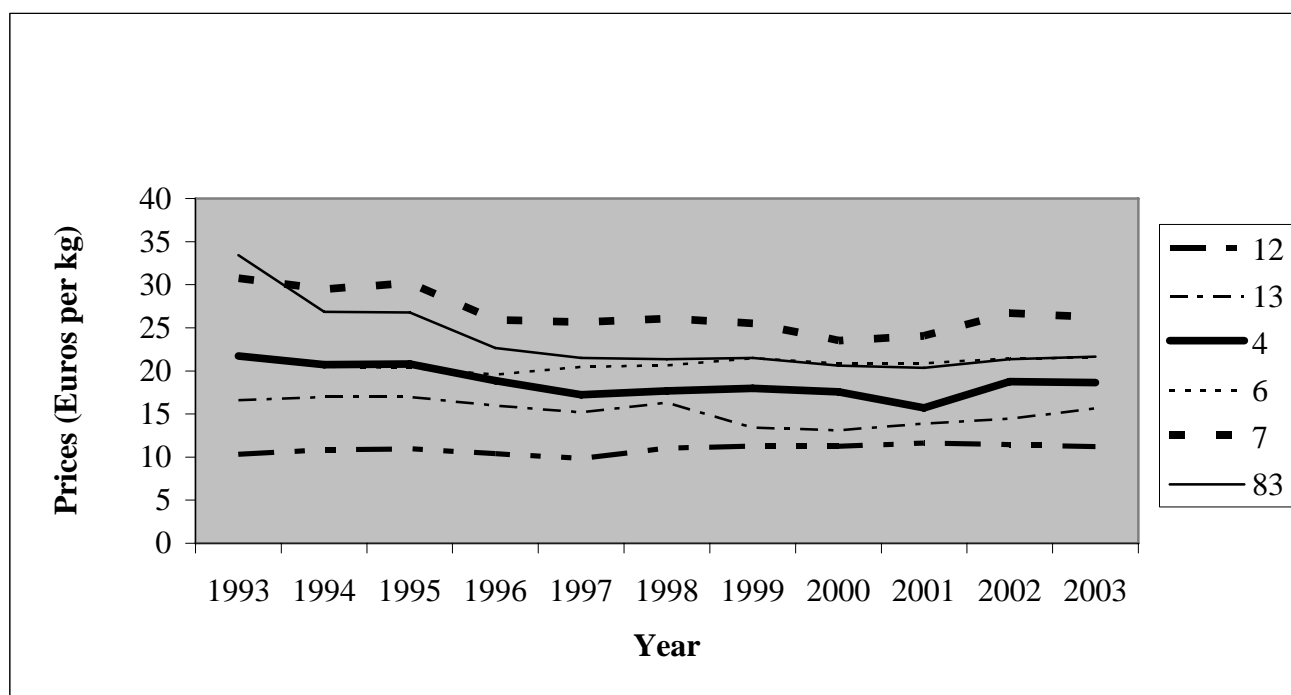
For weighting purposes German, Italian, French and British imports of textiles and clothing were collected from the *OECD: International Trade by Commodity Statistics*. Note that this data is published in U.S. dollars and therefore also required converting into ECU/euro denomination. *Eurostat* U.S. dollars per ECU/euro exchange rate data was used for this purpose.

Unit Values

Given the available data unit values are used as a proxy for prices. Once the values have been deflated unit values were found by dividing through by quantities. This generates missing values when both the values and quantities are zero. Therefore two methods of interpolation were applied: linear and geometric. Neither procedure is ideal. Hence the empirical analysis will be repeated with the three different aggregation procedures as well as two methods of interpolation for each. Tariffs were similarly interpolated using both methods then incorporated to give prices, as discussed earlier.

According to the theory we would expect that quota restrictions would lead to a rise in import prices. Therefore Figure 3 graphs the import prices of Turkish clothing and textile products that had quota utilisation rates in excess of 80% in 1995, thereby suggesting that these categories were subject to binding quota restrictions in the EU market in this year. There does seem to be some evidence of a fall in prices post 1995 when the restrictions were lifted.

Figure 3: EU import prices of selected Turkish clothing and textile products where binding quotas present in 1995¹⁰



Source: Author's own calculations

¹⁰ $p = uv(1 + t)$

Empirical Results

We will estimate three versions of the AIDS starting with the standard AIDS.

Standard AIDS

$$(12) \quad w_i = \alpha_i + \sum_{j=1}^{n-1} \gamma_{ij} \log(p_j / p_n) + \beta_i \log(x / P^*) + \sum_l \theta_{il} z_l$$

(12 is obtained through substituting $\sum_j \gamma_{ij} = 0$ into equation (11 thereby imposing homogeneity.

This is then simultaneously estimated using a fixed effects panel while imposing the cross equation restrictions, $\gamma_{ij} = \gamma_{ji}$, which satisfy slusky symmetry. Given that the adding-up properties are also automatically satisfied we have estimated a ‘proper’ demand system.

The panel covers the period 1993-2003 and consists of a dummy for each EU product category where the country/regions are Turkey, China, the domestic EU market and the rest of the world. Given the period for this analysis and hence the limited observations we have not estimated each product category separately.

A well-known feature of this model is that the disturbance covariance matrix is singular. Therefore the commonly applied solution is to drop one of the equations, in this case the rest of world equation, and estimate the remaining equations. The parameters for the rest of the world equation can be derived from the adding up property:

$$(13) \quad \alpha_n^* = 1 - \sum_{i=1}^{n-1} \alpha_i^*$$

$$(14) \quad \beta_n = - \sum_{i=1}^{n-1} \beta_i$$

$$(15) \quad \gamma_{nj} = - \sum_{i=1}^{n-1} \gamma_{ij}$$

The results of the estimations are robust across the linearly interpolated and geometrically interpolated data as well as the choice of dealing with exceptions. Therefore only the results for the linearly interpolated data where the exceptions were proportionally split over the EU product categories they appeared in are presented in Table 5.

When we consider the P values for the F-test we find that overall the model is significant, in addition to the R²'s being high. It is also necessary to test the restrictions before we turn to interpret the results.

Table 5: Standard AIDS Estimation

	WINTRAEU	WCN	WTR
LOG(PINTRAEU/PROW)	0.031*** (0.007)	0.004 (0.006)	0.005* (0.003)
LOG(PCN/PROW)	0.004 (0.006)	0.135*** (0.014)	-0.004** (0.002)
LOG(PTR/PROW)	0.005* (0.003)	-0.004** (0.002)	0.005** (0.002)
LOG(X/P*)	-0.022*** (0.006)	0.043*** (0.014)	0.005*** (0.002)
TRQuota	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)
CNQuota	0.000 (0.000)	-0.001*** (0.000)	-0.000 (0.000)
Constant	0.519*** (0.060)	0.343** (0.148)	-0.034* (0.019)
R-squared	0.90	0.76	0.82
Prob > F	0.00	0.00	0.00

Notes:

1/ Standard errors in parentheses below estimates

2/ * significant at 10%; ** significant at 5%; *** significant at 1%

3/ EU product Categories in parentheses at the top of each column

4/ CN denotes China, TR denotes Turkey and ROW denoted Rest of the World

Testing the restrictions

It is appropriate to use a Likelihood Ratio (LR) test in order to test the homogeneity and symmetry restrictions, both individually and separately. The LR test statistic is:

$$LR = 2 \log L - 2 \log L_R$$

where L and L_R denotes the log likelihood values for the unrestricted and restricted model respectively. Table 6 lists the values of the LR statistic for each version of the model. The unrestricted log likelihood values were found by estimating equation (11 (dropping the rest of world equation for the reason already discussed) using Iterative Zellner Seemingly Unrelated Regression¹¹. On the other hand, the log likelihood values for the homogenous model were found by estimating equation (12 using Iterative Zellner Seemingly Unrelated Regression.

Table 6: Likelihood Ratio Statistic

	Homogeneity and Symmetry	
Homogeneity Symmetry	Symmetry	Symmetry
233.46	16.94	250.40

At the 5% level the critical values are $\chi_3^2 = 7.82$ for homogeneity (since the homogeneity restriction results in one less parameter in each equation, of which there are three), $\chi_3^2 = 7.82$ for symmetry (since the homogenous and symmetric model involves three cross-equation restrictions compared to the homogeneous model) and $\chi_6^2 = 12.59$ for homogeneity and symmetry (since the homogenous and symmetric model involves one less parameter in each equation, of which there are three, and three cross-equation restrictions in comparison to the unrestricted model). Therefore both restrictions are rejected. This is a fairly common problem when estimating the AIDS (Winters, 1984). One possible reason is the neglect of dynamics as well as the inadequacies of the data.

¹¹ The use of Iterative Zellner Seemingly Unrelated Regression provides the same estimates of the coefficients as when equation-by-equation OLS is used since all the equations have identical explanatory variables. Normally OLS would be used for the estimation of the unrestricted and homogeneous model. It is only because we wish to test the restrictions that OLS is not applied in this case.

The negativity condition is satisfied if the C matrix (equation (7)) is negative semidefinite, i.e. all the eigenvalues are nonpositive. Therefore eigenvalues have been calculated: -0.154, 7.328E-18, -0.025, -0.019. These values indicate that the negativity condition is also not satisfied.

Interpreting the coefficients

It is of course important to firstly note the coefficient on the quota utilisation rate variable. It appears that both the Turkish and Chinese quota utilisation rates are insignificant in determining the share of domestically produced or imported products. In terms of the Turkish quota this is not surprising since Turkish products were subject to quota restrictions in only one year of the period covered by the analysis. Yet the Chinese quota restrictions are widely agreed to have been binding and have been (and continue to be) the subject of much debate.

Despite the clear advantages of estimating the AIDS over the log-linear demand equation there is one disadvantage in that a straightforward interpretation of the other coefficients cannot be made. Given this problems equations (8), (9)(10) have been used to estimate the price and income elasticities, as shown in Table 7Table 8¹². We find negative own-price elasticities and a mixture of positive and negative cross-price elasticities. Income elasticities are constructed using estimated coefficients of $LOG(X/P^*)$, all of which are significant. The estimated income elasticities are all around unity.

Table 7: Price Elasticities

		Quantities			
		INTRAEU	CN	TR	ROW
Price	INTRAEU	-0.79	-0.01	0.20	-0.06
	CN	0.06	-0.47	-0.25	-0.22
	TR	0.03	-0.02	-0.76	-0.01
	ROW	-0.16	-0.68	-0.43	-0.66

¹² Not all estimated coefficients used to calculate price and income elasticities are statistically significant.

Table 8: Income Elasticities

INTRAEU	0.8675275
CN	1.1824376
TR	1.241672
ROW	0.9549816

Three-Stage Estimation of AIDS

There is a well-known issue of the endogeneity of prices when estimating the AIDS. Therefore to attempt to overcome this problem we carry out a three-stage estimation of the panel. The instruments are tariffs and first-order lags of prices. Homogeneity is imposed and this estimation technique also allows cross-equation restrictions meaning symmetry is also imposed. The results are shown in Table 9 and given the number of significant coefficients this estimation does not seem an improvement. Most likely lagged prices and tariffs act as poor instruments.

Table 9: Three-Stage Estimation

	WINTRAEU	WTR	WCN
LOG(PINTRAEU/PROW)	0.049 (0.059)	0.025 (0.023)	0.020 (0.073)
LOG(PCN/PROW)	0.020 (0.073)	-0.052 (0.032)	0.236* (0.127)
LOG(PTR/PROW)	0.025 (0.023)	0.002 (0.014)	-0.052 (0.032)
LOGZ	-0.053 (0.036)	0.031* (0.018)	-0.011 (0.071)
TRQuota	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
CNQuota	0.000* (0.000)	-0.000 (0.000)	-0.001*** (0.000)
Constant	0.934** (0.425)	-0.339 (0.223)	1.026 (0.860)
Observations	488	488	488
Adjusted R-squared	0.89	0.51	0.74

Dynamic AIDS

Given the poor performance of our instruments adding dynamics may be an alternative that would attempt to deal with the issue of endogeneity. Earlier we also suggested that the neglect of dynamics might be partly responsible for the rejection of the restrictions. Therefore we estimate the following model:

$$(16) \quad w_{i,t} = \alpha_i + \psi_i w_{i,t-1} + \sum_{j=1}^{n-1} \gamma_{ij} \log(p_{j,t-1} / p_{n,t-1}) + \beta_i \log(x/P^*)_t + \sum_l \theta_{il} z_{l,t}$$

We have continued to impose homogeneity and find the results shown in Table 10 when estimating the panel using Iterative Zellner Seemingly Unrelated Regression. These results suggest there is a slow adjustment process and endogenous prices. Nevertheless it still appears that both the Turkish and Chinese quota utilisation rate continues to be insignificant in determining the share of domestically produced or imported products.

Table 10: Dynamic AIDS Estimation

	WINTRAEU	WTR	WCN
WINTRAEU[-1]	0.633*** (0.041)		
WTR[-1]		0.860*** (0.033)	
WCN[-1]			0.569*** (0.050)
LOG(PINTRAEU/PROW)[-1]	-0.032*** (0.008)	-0.004** (0.002)	0.002 (0.023)
LOG(PTR/PROW)[-1]	-0.002 (0.007)	-0.003* (0.001)	-0.010 (0.020)
LOG(PCN/PROW)[-1]	0.015*** (0.006)	0.003** (0.001)	-0.095*** (0.018)
LOG(X/P*)	0.014*** (0.005)	0.004*** (0.001)	0.114*** (0.013)
TRQuota	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
CNQuota	-0.000 (0.000)	-0.000 (0.000)	-0.001*** (0.000)
Constant	-0.127** (0.052)	-0.050*** (0.010)	-1.162*** (0.135)
Observations	494	494	494
R-squared	0.92	0.92	0.76

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

Conclusions

This paper has considered the impact of EU clothing and textile quota restrictions. The examination of quota utilisation rates finds evidence that restrictions are binding with respect to imports originating from both Turkey and China. Similarly the analysis of the impact on EU import prices provides some support for this conclusion. Yet when estimating the Almost Ideal Demand System and incorporating the quota utilisation rate as an explanatory variable we can not confirm our findings. The quota variable for Turkey and China was found to be insignificant in explaining EU purchases of textiles and clothing across all categories, in the model specifications with and without dynamics. These econometric results do not suggest the EU quotas were completely unrestrictive, but there is no evidence that the presence of quotas resulted in the expectation by importers of binding quotas and thus a shift to alternative suppliers.

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Appendix 1: Description of EU Product Categories

Category	Description
1	Cotton yarn, not put up for retail sale (K)
2	Woven fabrics of cotton, other than gauze, terry fabrics, pile fabrics, chenille fabrics, tulle and other net fabrics (K)
2 A	Of which: Other than unbleached or bleached
3	Woven fabrics of synthetic fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (incl. terry fabrics) and chenille fabrics (K)
3 A	Of which: Other than unbleached or bleached
4	Shirts, T-shirts, lightweight fine knit roll, polo or turtle necked jumpers and pullovers (other than of wool or fine animal hair), undervests and the like, knitted or crocheted (P)
5	Jerseys, pullovers, slip-overs, waistcoats, twinsets, cardigans, bed-jackets and jumpers (others than jackets and blazers), anoraks, wind-cheaters, waister jackets and the like, knitted or crocheted (P)
6	Men's or boys' woven breeches, shorts other than swimwear and trousers (incl. slacks); women's or girls' woven trousers and slacks, of wool, of cotton or of man made fibres; lower parts of track suits with lining, others than category 16 or 29, of cotton or of man-made fibres (P)
7	Women's or girls' blouses, shirts and shirt-blouses, whether or not knitted or crocheted, of wool, of cotton or man-made fibres (P)
8	Men's or boys' shirts, other than knitted or crocheted, of wool, cotton or man-made fibres (P)
9	Terry towelling and similar woven terry fabrics of cotton; toilet linen and kitchen linen, other than knitted or crocheted, of terry towelling and woven terry fabrics, of cotton (K)
10	Gloves, mittens and mitts, knitted or crocheted (P)
12	Panty-hose and tights, stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than for babies, including stockings for varicose veins, other than products of category 70 (P)
13	Men's or boys' underpants and briefs, women's or girls' knickers and briefs, knitted or crocheted, of wool, of cotton or of man-made fibres (P)
14	Men's or boys' woven overcoats, raincoats and other coats, cloaks and capes, of wool, of cotton or of man-made textile fibres (other than parkas) (of category 21) (P)
15	Women's or girls' woven overcoats, raincoats and other coats, cloaks and capes; jackets and blazers, of wool, of cotton or of man-made textile fibres (other than parkas) (of category 21) (P)
16	Men's or boys' suits and ensembles, other than knitted or crocheted, of wool, of cotton or of man-made fibres, excluding ski suits; men's or boys' track suits with lining, with an outer shell of a single identical fabric, of cotton or of man-made fibres (P)

17	Men's or boys' jackets or blazers, other than knitted or crocheted, of wool, of cotton or of man-made fibres (P)
18	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, other than knitted or crocheted (K)
	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, night-dresses, pyjamas, négliges, bathrobes, dressing gowns and similar articles, other than knitted or crocheted
19	Handkerchiefs, other than knitted or crocheted (P)
20	Bed linen, other than knitted or crocheted (K)
21	Parkas; anoraks, windcheaters, waister jackets and the like, other than knitted or crocheted, of wool, of cotton or of man-made fibres; upper parts of tracksuits with lining, other than category 16 or 29, of cotton or of man-made fibres (P)
22	Yarn of staple or waste synthetic fibres, not put up for retail sale (K)
23	Yarn of staple or waste artificial fibres, not put up for retail sale (K)
24	Men's or boys' nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted (P)
	Women's or girls' night-dresses, pyjamas, négliges, bathrobes, dressing gowns and similar articles, knitted or crocheted
26	Women's or girls' dresses, of wool, of cotton or of man-made fibres (P)
27	Women's or girls' skirts, including divided skirts (P)
28	Trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted, of wool, of cotton or of man-made fibres (P)
29	Women's or girls' suits and ensembles, other than knitted or crocheted, of wool, of cotton or of man-made fibres, excluding ski suits; women's or girls' track suits with lining, with an outer shell of an identical fabric, of cotton or of man-made fibres (P)
31	Brassières, woven, knitted or crocheted (P)
32	Woven pile fabrics and chenille fabrics (other than terry towelling or terry fabrics of cotton and narrow woven fabrics) and tufted textile surfaces, of wool, of cotton or of man-made textile fibres (K)
33	Woven fabrics of synthetic filament yarn obtained from strip or the like of polyethylene or polypropylene, less than 3 m wide (K)
	Sacks and bags, of a kind used for the packing of goods, not knitted or crocheted, obtained from strip or the like
35	Woven fabrics of synthetic fibres (continuous), other than those for tyres of category 114 (K)
37	Woven fabrics of artificial staple fibres (K)

	Of which:Other than unbleached or bleached
38B	Net curtains, other than knitted or crocheted
39	Table linen, toilet linen and kitchen linen, other than knitted or crocheted, other than of terry towelling or a similar terry fabrics of cotton (K)
40	Woven curtains (including drapes, interior blinds, curtain and bed valances and other furnishing articles), other than knitted or crocheted, of wool, of cotton or of man-made fibres (K)
59	Carpets and other textile floor coverings, other than the carpets of category 58 (K)
61	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft, assembled by means of an adhesive, other than labels and similar articles of category 62 Elastic fabrics and trimmings (not knitted or crocheted), made from textile materials assembled from rubber thread (K)
67	Knitted or crocheted clothing accessories other than for babies; household linen of all kinds, knitted or crocheted; curtains (incl. drapes) and interior blinds, curtain or bed valances and other furnishing articles knitted or crocheted; knitted or crocheted blankets and travelling rugs, other knitted or crocheted articles including parts of garments or of clothing accessories (K)
68	Babies' garments and clothing accessories, excluding babies' gloves, mittens and mitts of categories 10 and 87, and babies' stockings, socks and sockettes, other than knitted or crocheted, of category 88 (K)
72	Swimwear, of wool, of cotton or of man-made fibres (P)
73	Track suits of knitted or crocheted fabric, of wool, of cotton or of man-made textile fibres (P)
74	Women's or girls' knitted or crocheted suits and ensembles, of wool, of cotton or of man-made fibres, excluding ski suit (P)
76	Men's or boys' industrial or occupational clothing, other than knitted or crocheted (K)
	Women's or girls' aprons, smock overalls and other industrial or occupational clothing, other than knitted or crocheted
77	Ski suits, other than knitted or crocheted (K)
78	Garments, other than knitted or crocheted, excluding garments of categories 6, 7, 8, 14, 15, 16, 17, 18, 21, 26, 27, 29, 68, 72, 76 and 77 (K)
83	Overcoats, jackets, blazers and other garments, including ski suits, knitted or crocheted, excluding garments of categories 4, 5, 7, 13, 24, 26, 27, 28, 68, 69, 72, 73, 74, 75 (K)
87	Gloves, mittens and mitts, not knitted or crocheted (P)
88	Stockings, socks and sockettes, not knitted or crocheted; other clothing accessories, parts of garments or of clothing accessories other than for babies, other than knitted or crocheted (P)
90	Twine, cordage, ropes and cables of synthetic fibres, plaited or not (K)
91	Tents (K)
96	Non-woven fabrics and articles of such fabrics, whether or not impregnated, coated, covered

	or laminated (K)
97	Nets and netting made of twine, cordage or rope and made up fishing nets of yarn, twine, cordage or rope (K)
112	Other made up textile articles, woven, excluding those of categories 113 and 114 (K)
117	Woven fabrics of flax or of ramie (K)
118	Table linen, toilet linen and kitchen linen of flax or ramie, other knitted or crocheted (K)
120	Curtains (incl. drapes), interior blinds, curtain and bed valances and other furnishing articles, not knitted or crocheted, of flax or ramie (K)
148B	Coir yarn
154	Silkworm cocoons suitable for reeling (K); Raw silk (not thrown); Silk waste(incl. cocoons unsuitable for reeling), yarn waste and garnetted stock, not carded or combed Wool not carded or combed; Fine or coarse animal hair, not carded or combed; Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock Garnetted stock of wool or of fine or coarse animal hair; Flax, raw or processed but not spun: flax tow and waste (including yarn waste and garnetted stock); Ramie and other vegetable textile fibres, raw or processed but not spun: tow, noils and waste, other than coir and abaca of heading N° 5304; Cotton, not carded nor combed; Cotton waste (incl. yarn waste and garnetted stock); True hemp (<i>cannabis sativa</i>), raw or processed but not spun: tow and waste of true hemp (including yarn waste and garnetted stock); Abaca (<i>Manila hemp</i> or <i>Musa Textilis Nee</i>), raw or processed but not spun: tow and waste of abaca (including yarn waste and garnetted stock); Jute or other textile bast fibres (excl. flax, true hemp and ramie), raw or processed but not spun: tow and waste of jute or other textile bast fibres (including yarn waste and garnetted stock); Other vegetable textile fibres, raw or processed but not spun: tow and waste of such fibres (including yarn waste and garnetted stock)
156	Blouses and pullovers knitted or crocheted of silk or silk waste for women and girls (K)
157	Garments, knitted or crocheted, other than those of categories 1 to 123 and 156 (K)
161	Garments, not knitted or crocheted, other than those of categories 1 to 123 and category 159 (K)
163	Gauze and articles of gauze put up in forms or packings for retail sale (K)

Source: Système Intégré de Gestion de Licenses

Appendix 2: EU Quota Utilisation Rates

Category	Turkey	Morocco			Poland					Romania				
	1995	1995	1996	1997	1993	1994	1995	1996	1997	1993	1994	1995	1996	1997
1	22.31	NR	NR	NR	NR	NR	NR	NR	NR	S	S	S	NR	NR
2	70.39	NR	NR	NR	23.35	29.62	28.63	20.96	17.81	13.66	45.11	33.87	29.3	40.01
2A	S	NR	NR	NR	32.93	31.45	27.81	18.79	19.23	8.43	52.89	30.51	26.07	36.9
3	S	NR	NR	NR	14.97	14	10.98	9.87	9.05	8.94	11.93	11.45	8.62	3.74
3A	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
4	90.63	NR	NR	NR	24.04	33.56	34.47	32.4	36	28.15	28.47	46.08	41.98	55.9
5	S	NR	NR	NR	64.25	61.99	60.36	75.64	80.93	77.11	54.54	63.03	84.47	82.2
6	86.61	S	71.89	61.11	52.46	57.43	82.94	74.2	81.15	47.18	39.59	50.04	53.38	71.84
7	99.41	S	S	S	NR	NR	NR	NR	NR	23.72	51.47	90.63	99	90.27
8	81.72	S	S	S	23.88	18.11	24.69	29.84	56.47	50.04	32.1	45.5	46.77	58.83
9	S	NR	NR	NR	57.51	60.2	51.82	42.67	49.95	NR	NR	NR	NR	NR
10	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
12	98.27	NR	NR	NR	27.93	26.57	10.47	NR	NR	31.89	32.83	41.03	34.76	44.04
13	93.03	NR	NR	NR	NR	NR	NR	NR	NR	15.84	S	S	NR	NR
14	NR	NR	NR	NR	5.58	9.63	11.17	NR	NR	24.86	16.18	20.71	17.07	37.69
15	NR	NR	NR	NR	32.01	45.12	52.35	66.89	69.75	39.85	46.38	81.45	69.62	82.85
16	NR	NR	NR	NR	8.52	11.74	16.01	NR	NR	18.01	S	S	NR	NR
17	NR	NR	NR	NR	NR	NR	NR	NR	NR	45.87	37.85	45.16	45.63	77.67
18	77.64	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
19	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
21	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
22	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
23	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
24	S	NR	NR	NR	19.99	13.85	14.71	NR	NR	17.06	13.79	13.04	9.04	11.68
26	65.26	S	S	S	11.82	19.16	34.16	37.14	33.26	27.24	S	S	NR	NR
27	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
28	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
29	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
31	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
32	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
33	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
35	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37	NR	NR	NR	NR	NR	NR	NR	NR	NR	S	S	S	NR	NR
37 A	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
39	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
61	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
68	NR	NR	NR	NR	NR	NR	NR	NR	NR	12.18	S	S	NR	NR
72	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
73	S	NR	NR	NR	NR	NR	NR	NR	NR	8.73	3.97	10.16	NR	NR
74	S	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
76	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
77	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
78	NR	NR	NR	NR	NR	NR	NR	NR	NR	36.55	S	S	NR	NR
83	95.54	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
90	NR	NR	NR	NR	72.77	63.91	46.72	67.1	94.41	NR	NR	NR	NR	NR
97	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
117	NR	NR	NR	NR	22.12	60.66	38.92	19.1	28.74	0.02	S	S	NR	NR
118	NR	NR	NR	NR	11.91	9.37	10.13	NR	NR	18.94	25.34	31.56	18.52	11.71
163	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR

Appendix 2 (continued): EU Quota Utilisation Rates

Category	China											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1	71.91	96.35	56.11	17.83	23.07	12.61	5.63	0.16	1.25	3.15	8.5	28.56
2	99.91	98.62	99.97	79.57	94.45	91.1	99.91	99.62	94.72	99.84	97.26	96.41
2A	46.52	53.74	68.99	63.8	60.51	71.01	99.99	97	99.97	98.37	99.96	85.38
3	89.34	92.18	99.85	99.78	94.94	84.83	99	96.51	87.02	99.28	99.98	84.49
3A	100	86.17	99.82	98.67	82.31	90.21	97.49	93.15	86.54	97.37	100	59.09
4	99.07	98.78	99.36	99.55	99.84	99.3	99.92	99.43	99.43	99.58	99.93	96.93
5	99.52	99.95	99.58	99.94	99.83	99.36	99.92	99.68	99.58	99.64	99.79	99.15
6	99.2	96.09	99.58	99.74	99.96	99.55	99.93	99.6	99.47	99.45	99.9	97.27
7	99.12	98.26	99.27	99.73	99.73	98.65	99.89	99.55	99.44	99.24	99.42	96.16
8	99.07	96.41	98.87	99.61	99.84	99.64	99.86	99.45	99.56	99.81	99.64	93.61
9	88.57	68.45	56.29	56.8	59.91	65.57	95.28	99.92	99.94	99.15	99.97	92.36
10	60.48	68.72	74.49	84.62	98.5	99.65	99.89	99.93	81.75	NR	NR	NR
12	94.23	82.31	68.59	97.77	97.79	99.58	99.48	90.81	95.46	98.6	94.77	50.37
13	88.9	83.53	99.7	99.77	98.29	99.4	99.65	99.74	99.29	98.78	99.9	98.39
14	NR	46.48	77.5	96.12	99.92	86.49	99.71	98.92	91.02	47.51	59.8	51.45
15	78.08	69.69	64.91	97.95	99.78	98.65	99.91	99.64	99.4	98.89	99.72	96.14
16	30.68	26.63	24.63	21.35	25.37	32.28	48.96	85.35	83.83	90.77	99.92	85.55
17	NR	89.49	6.78	36.78	87.57	85.53	65.72	85.38	83.03	31.87	42.9	38.94
18	96.77	87.01	93.82	99.55	99.56	99.28	99.77	99.83	81.9	NR	NR	NR
19	91.07	84.29	99.75	93.31	65.72	71.83	77.26	60.44	62.06	NR	NR	NR
21	96.59	95.59	99.68	99.85	99.76	89.77	97.55	99.65	92.63	NR	NR	NR
22	20.11	38.78	42.53	44.57	40.51	56.69	49.01	46.68	42.63	50.18	57.63	50.95
23	32.19	24.41	12.89	2.68	5.23	0.64	0.79	0.06	1.6	1.05	0.59	0.4
24	77.6	69.82	77.45	87.41	80.92	77.97	95.69	99.93	79.42	NR	NR	NR
26	61.88	61.24	99.76	98.86	87.04	99.18	99.65	96.5	98.9	98.38	99.88	90.66
27	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
28	NR	55.44	61.34	85.01	99.89	99.6	99.93	99.02	76.43	75.61	99.71	93.9
29	NR	NR	59.56	51.78	69.19	61.29	94.65	99.85	99.6	99.59	99.83	97.69
31	99.69	99.27	99.98	98.55	96.95	99.32	99.98	99.88	99.57	99.78	99.89	98.66
32	31.64	41.72	66.25	21.28	55.43	59.9	39.3	60.31	87.79	NR	NR	NR
33	34.13	36.56	27.47	61.18	31.15	30.83	41.64	53.84	41.65	NR	NR	NR
35	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37	60.37	97.44	71.85	71.71	63.76	43.19	35.97	70.05	38.12	NR	NR	NR
37 A	8.63	8.35	8.67	13.57	11.92	9.18	25.32	99.05	61.14	NR	NR	NR
39	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
61	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
68	NR	67.9	63.8	77.51	92.47	95.43	99.93	99.81	88.17	NR	NR	NR
72	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
73	79.99	98.64	100	99.95	99.89	91.36	99.7	99.75	81.87	NR	NR	NR
74	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
76	73.86	76.67	97.34	99.71	99.89	99.8	99.34	98.66	77.26	NR	NR	NR
77	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
78	87.11	86.88	99.63	99.8	99.55	98.92	99.81	98	98.96	99.46	99.73	82.43
83	54.09	45.11	42.65	70.03	92.36	99.28	99.66	94.52	99.2	98.61	99.68	93.2
90	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
97	NR	28.38	32.37	39.06	49.31	70.95	76.79	74.83	68.91	67.63	75.28	73.9
117	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
118	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
163	96.8	91.65	93.3	99.3	99.74	99.92	100	95.03	100	99.98	99.9	82.42

Appendix 2 (continued): EU Quota Utilisation Rates

Category	Hong Kong											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
2	26.57	15.36	14.87	17.43	18.93	15.37	17.7	17.88	18.11	17.67	19.07	10.32
2A	25.76	17.09	14.02	15.94	16.71	15	16.82	17.8	19.07	18.92	21.9	11.77
3	2.14	0.39	0.19	0.11	0.06	0.02	0.03	0	0	0	0	0
3A	3.02	0.56	0.2	0.13	0.1	0.03	0.02	0	0	0	0	0
4	90.16	99.99	72.99	73.81	64.68	66.47	99.63	99.69	64.2	85.84	96.08	80.22
5	98.26	99.97	99.85	99.91	99.95	99.29	99.86	99.68	99.7	99.69	99.67	99.46
6	96.22	99.01	96.45	98.2	99.91	99.45	99.59	98.01	93.02	91.16	92.68	81.18
7	98.7	99.96	93.02	95.07	95.58	87.84	87.36	83.41	72.45	87	74.46	62.32
8	98.41	99.7	86.24	78.17	67.48	60.2	63.83	56.26	50.44	52.92	53.29	35.64
9	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
10	50.71	57.69	61.71	57.33	56.35	56.69	48.77	38.13	30.2	NR	NR	NR
12	14.08	17.19	23.96	23.67	31.26	27.68	11.24	6.61	4.28	4.96	6.49	1.82
13	98.76	84.1	42.18	55.22	67.33	58.49	66.6	99.67	84.46	99.5	99.01	57.99
14	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
15	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
16	11.37	8.03	2.76	1.76	1.08	0.48	0.59	0.82	0.01	0.22	3.03	0.02
17	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
18	27.62	20.67	16.92	10.28	8.35	6.82	9.76	12.43	5.18	NR	NR	NR
19	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
21	95.64	99.99	99.99	99.08	91.74	73.87	77.55	87.32	68.44	NR	NR	NR
22	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
23	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
24	67.9	26.08	18.38	8.93	3.66	1.1	0.82	1.35	0.56	NR	NR	NR
26	62.74	60.52	76.71	94.04	70.3	66.6	78.98	80.64	45.78	54.13	52.41	52.76
27	37.22	38.4	49.42	36.46	23.92	16.61	14.53	12.4	4.54	NR	NR	NR
28	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
29	16.93	12.67	9.17	6.69	2.99	1.07	2.29	3.83	4.42	14.44	35.61	9.49
31	82.97	73.84	82.43	81.41	58.56	52.77	75.6	88.43	84.06	96.71	97.6	83.32
32	8.73	5.31	2.25	2.42	3.38	3.57	4.55	4.35	13.77	NR	NR	NR
33	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
35	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37 A	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
39	18.74	5.92	1.32	0.1	0.03	0.02	0	0.54	0.16	0.01	0	0
61	1.14	2.9	2.45	0.13	0.31	NR	NR	NR	NR	NR	NR	NR
68	46.93	55.21	50.69	42.27	25.8	22.56	29.79	41.09	24.84	NR	NR	NR
72	59.3	49.11	30.97	26.81	12.88	NR	NR	NR	NR	NR	NR	NR
73	32.83	35.34	45.92	72.59	65.83	46.98	22.76	15.27	14.04	NR	NR	NR
74	6.32	7.52	3.25	2.97	1.39	NR	NR	NR	NR	NR	NR	NR
76	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
77	10.15	6.82	5.42	5.11	3.05	NR	NR	NR	NR	NR	NR	NR
78	44.37	42.39	36.98	72.79	57.82	49.62	61.96	60.65	33.71	19.37	30.79	25.67
83	87.94	90.14	56.98	52.64	51.75	74.56	95.5	77.48	66.62	93.64	95.66	77.17
90	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
97	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
117	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
118	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
163	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR

Appendix 2 (continued): EU Quota Utilisation Rates

Category	India											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1	100	99.96	99.66	99.95	99.78	99.94	92.01	99.85	93.17	100	99.93	93.57
2	99.97	99.89	99.72	99.86	99.87	96.3	90.38	88.62	94.43	77.99	66.81	62.37
2A	42.03	37.55	66.31	62.08	65.45	68.99	47.41	73.62	99.97	85.63	48.2	46.63
3	99.98	99.81	99.92	99.9	99.98	99.56	78.93	70.68	48.28	43.44	23.97	20.59
3A	12.56	18.97	36.97	37.74	57.76	44.06	56.64	52.67	45.4	44.39	38	34.18
4	99.93	99.58	99.99	99.75	99.98	99.85	99.98	96.32	100	99.98	99.99	93.83
5	99.92	98.36	99.96	99.74	99.85	95.35	99.92	90.96	100	99.93	99.99	91.15
6	99.75	98.81	99.99	99.78	99.97	100	99.91	89.12	100	99.96	99.94	91.41
7	99.89	99.36	95.94	99.76	99.8	95.76	97.61	93.16	86.25	99.91	99.99	92.34
8	99.88	99.71	99.99	99.87	89.57	92.29	94.25	90.36	99.04	99.95	99.97	99.49
9	71.78	99.99	99.99	99.97	98.95	81.78	95.79	91.57	79.62	64.88	75.85	79.56
10	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
12	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
13	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
14	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
15	22.55	28.43	66.37	37.82	25.52	15.91	18.25	49.72	67.68	19.61	17.57	17.13
16	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
17	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
18	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
19	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
21	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
22	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
23	NR	93.26	87.55	72.27	91.18	51.61	56.96	76.44	70.58	96.46	78.56	88.12
24	NR	98.36	75.68	94.88	87.56	61.76	84.54	88.88	59.8	NR	NR	NR
26	98.64	99.93	99.96	99.82	95.69	100	99.97	76.27	99.97	99.91	99.99	88.11
27	87.51	99.77	99.99	86.46	76.59	78.39	78.82	82.89	67.8	NR	NR	NR
28	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
29	45.6	49.34	94.05	49.3	44.53	27.45	54.5	59.35	40.58	38.87	48.32	33.99
31	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
32	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
33	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
35	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37 A	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
39	83.29	99.16	100	99.05	99.86	99.88	87.08	92.82	88.84	86.93	100	86.69
61	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
68	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
72	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
73	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
74	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
76	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
77	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
78	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
83	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
90	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
97	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
117	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
118	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
163	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR

Appendix 2 (continued): EU Quota Utilisation Rates

Category	Indonesia											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1	97.66	99.9	99.91	99.82	99.89	99.76	60.89	31.89	38.75	57.64	67.12	44.64
2	84.09	85.14	90.78	92.35	100	99.7	93.42	69.01	90.91	92.15	73.11	59.54
2A	59.45	42.86	40.74	48.18	51.41	50.39	37.61	35.04	83.48	83.74	49.26	55.5
3	85.29	76.06	78.27	89.85	100	100	95.42	74.4	74.52	82.12	70.86	54.67
3A	68.82	59.65	65.5	51.93	44.76	42.21	39.86	28.38	29.96	31.24	28.98	23.23
4	94.71	88.67	77.08	67.43	66.1	65.48	81.52	86.98	89.3	78.32	84.7	92.85
5	99.95	99.96	99.97	99.91	100	99.75	99.97	98.12	99.72	97.62	99.96	97.59
6	82.68	91.52	74.04	83.17	73.21	86.36	99.95	100	99.26	99.91	99.98	90.95
7	77.65	85.93	79.65	76.8	78.4	86.06	90.96	88.62	79.27	58.26	54.23	61.91
8	92.81	91.81	82.98	81.62	94.01	99.78	98.67	86.74	74.92	78.33	64.3	60.21
9	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
10	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
12	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
13	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
14	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
15	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
16	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
17	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
18	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
19	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
21	97.18	87.9	80.46	76.19	79.82	69.37	63.09	60.05	49.43	NR	NR	NR
22	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
23	NR	96.38	70.03	98.7	100	94.44	91.62	78.38	65.53	83.74	64.48	59.9
24	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
26	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
27	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
28	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
29	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
31	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
32	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
33	NR	90.01	70.19	49.42	16.53	41.98	24.62	20.08	13.95	NR	NR	NR
35	100	100	100	100	99.37	99.93	82.54	58.41	61.3	51.64	33.37	21.42
37	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
37 A	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
39	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
61	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
68	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
72	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
73	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
74	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
76	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
77	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
78	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
83	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
90	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
97	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
117	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
118	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
163	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR

Notes: 1/ NR: No restrictions
2/ S: Surveillance

Appendix 3: Tariff Rates applied to EU imports from Turkey

Year	1	10	109	110	111	112	114	117	118	12	120	122	124	125A	125B	126	127A	127B	128	129	13	130B	134	
1993	0	0	0	.	0	.	0	14	6.5	0	0	.	7.5	9	0	8	4.8	0	.	.	0	0	4.9	
1994	0	0	0	.	0	.	0	14	6.5	0	0	.	7.5	9	0	8	4.8	0	.	.	0	0	4.9	
1995	0	0	0	.	0	.	0	14	0	0	0	.	7.5	9	0	8	9.5	0	.	.	0	0	4.9	
Year	135	136	137	139	14	140	142	146A	146B	146C	147	148A	148B	149	15	150	151A	151B	154	157	16	160	161	
1993	.	.	0	.	0	.	0	.	.	.	0	.	9.4	.	0	.	4	0	0.4	3.5	0	.	12	
1994	.	.	0	.	0	.	0	.	.	.	0	.	9.4	.	0	.	4	0	0.4	3.5	0	.	12	
1995	.	.	.	.	0	.	0	.	.	.	.	.	9.4	.	0	.	4	0	0	3.5	0	.	12
Year	17	18	19	2	20	21	22	23	24	26	27	29	3	31	32	35	36	37	38B	39	4	40	41	
1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year	42	43	46	50	51	53	54	55	56	59	60	61	62	63	65	66	67	68	69	7	70	72	73	
1993	0	0	2.5	0	1.4	.	.	0	0	0	0	0	0	0	.	0	0	0	0	0	0	0	0	
1994	0	0	2.5	0	1.4	.	.	0	0	0	.	0	0	.	0	.	0	0	0	0	0	0	0	
1995	0	0	.	0	1.4	.	.	0	0	0	.	0	0	.	0	.	0	0	0	0	0	0	0	
Year	74	75	77	78	8	83	84	85	86	87	88	9	90	91	93	94	95	96	97	98	99			
1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	.	0	.	0	0			
1994	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	.	0	.	0	0			
1995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	.	0	.	0	.			

Source: Author's own estimation based on the *UN Trade Analysis and Information System*

Appendix 4: Tariff Rates applied to EU imports from China

Year	1	10	109	110	111	112	114	117	118	12	120	122	124	125A	125B	126	127A	127B	128	129	13	130B	134
1993	5.66	8.01	14	14	14	6.3	5.5	0	3.25	13	0	3.1	0	0	0.6	.	0	1.2	2.5	3.5	0.31	1.2	0
1994	5.73	8.01	14	14	14	6.3	5.33	0	3.25	13	0	3.1	0	0	0.6	0	2.38	0.6	2.5	3.5	0.31	1.2	0
1995	4.57	6.75	11.7	11.7	11.7	5.3	4.11	11.3	7.95	10.6	3.53	2.6	6.1	7.2	1.69	.	5.7	0.98	2	2.9	9.35	0.98	3.7
1996	4.22	6.73	11.3	11.3	11.3	5.3	4.11	10.3	7.95	10.6	3.53	2.6	5.5	6.3	1.5	.	5.58	0.9	2	2.9	9.35	0.9	3.7
1997	4.2	6.73	11.3	11.3	11.3	5.3	4.11	10.3	7.65	10.2	3.4	2.6	5.5	6.3	1.5	5.7	3.35	2.05	2	2.9	9	0.9	3.4
1998	4.09	6.72	11.1	11.1	6.21	5.3	3.87	9.79	7.65	10.2	3.4	2.6	5.17	6.3	1.41	5.37	4.65	0.87	2	2.9	9.01	0.87	3.4
1999	4.65	7.84	13	13	12	6.3	4.63	11	8.55	12	3.4	2.64	5.15	5.85	1.35	5.55	4.85	2.33	.	3.5	10.1	0.85	4
2000	3.73	6.71	10.8	10.8	10.8	5.3	4.11	8.8	7.65	10.2	3.4	2.6	4.5	5.1	1.25	4.7	5.2	2	.	2.9	9	0.8	3.4
2001	3.62	6.7	10.7	10.7	10.7	5.3	4.11	8.3	7.65	10.2	3.4	2.6	4.3	4.6	1.16	4.4	3.6	1.99	2	2.9	9	0.78	3.4
2002	3.29	6.33	9.9	9.9	9.9	5	3.42	7.3	7.2	9.6	3.2	1.47	3.66	2.44	1.02	3.8	3.33	1.85	2	2.8	8.48	0.7	3.2
2003	3.16	6.32	9.7	9.7	9.7	5	3.42	6.8	7.2	9.6	3.2	1.23	3.52	2.2	0.93	3.5	3	1.83	.	2.8	8.48	0.66	3.2
Year	135	136	137	139	14	140	142	146A	146B	146C	147	148A	148B	149	15	150	151A	151B	154	157	16	160	161
1993	0	0	0	0	14	.	0	0	0	0	0	.	0	.	4.67	.	0	0	0.32	4.06	4.67	0	1
1994	0	0	0	0	14	.	0	0	0	0	0	0	0	2	4.67	2	0	0	0.17	4.06	4.67	0	1
1995	4.5	2.23	2.65	4.7	11.7	.	2.37	7.85	7.85	5.1	0	0	5.95	1.7	11.7	1.7	3.4	2.37	0.18	7.05	11.7	8.5	10.9
1996	4.5	2.23	2.65	4.7	11.3	.	2.37	.	.	5.1	0	0	7.8	1.7	11.3	1.7	3.4	2.37	0.15	6.81	11.3	8.5	10.5
1997	4.5	2.23	2.65	4.7	11.3	.	2.27	.	.	5.1	0	0	7.8	1.7	11.3	1.7	3.4	2.27	0.11	6.81	11.3	8.5	10.5
1998	4.51	2.23	2.65	4.7	11.1	.	2.27	5.09	5.09	5.1	0	0	5.81	1.7	11.1	1.7	3.4	2.27	0.06	6.71	11.1	8.5	10.3
1999	5.3	2.25	2.68	5.6	12	.	2.27	5.1	5.1	6	0	0	6.29	1.7	12.4	1.7	4	2.27	0.06	7.15	13	10	11.4
2000	4.5	2.23	2.65	4.7	10.8	.	2.27	5.1	5.1	5.1	0	0	5.73	1.7	10.8	1.7	3.4	2.27	0	6.52	10.8	8.5	10
2001	4.5	2.23	2.65	4.7	10.7	.	2.27	5.1	5.1	5.1	0	0	5.7	1.7	10.7	1.7	3.4	2.27	0	6.46	10.7	8.5	9.94
2002	4.2	2.1	2.5	4.4	9.9	7	2.13	4.8	4.8	4.8	0	0	5.33	1.6	9.9	1.6	3.2	2.13	0	5.98	9.9	8	9.19
2003	4.2	2.1	2.5	4.4	9.7	6.7	2.13	4.8	4.8	4.8	0	0	5.28	1.6	9.7	1.6	3.2	2.13	0	5.86	9.7	8	9.01

Appendix 4 (Continued): Tariff Rates applied to EU imports from China

Year	17	18	19	2	20	21	22	23	24	26	27	29	3	31	32	35	36	37	38B	39	4	40	41
1993	0	12.5	10	10	13	14	9	9	0	12.3	2	7	10.4	2.17	11.8	10.3	9.63	11	6.5	6.5	6.5	4.88	5.64
1994	0	12.5	10	10	13	14	9	9	0	12.3	2	7	10.5	2.17	12.8	10.4	9.43	11	6.5	6.5	6.5	4.88	6.9
1995	11.7	10.3	8.5	8.3	10.6	11.7	7.2	7.2	10.2	11.7	11.7	11.7	9.1	1.83	11.4	8.78	8.44	9	5.3	5.3	10.6	6.18	5.98
1996	11.3	10.1	8.5	7.9	10.6	11.3	6.3	6.3	10.1	11.3	11.3	11.3	8.6	1.83	10.4	8.3	7.97	8.5	5.3	5.3	10.6	6.18	5.23
1997	11.3	9.89	8.5	7.9	10.2	11.3	6.3	6.3	9.86	11.3	11.3	11.3	8.57	1.83	10.5	8.32	7.97	8.5	5.1	5.1	10.2	5.95	5.23
1998	11.1	9.84	8.5	7.74	4.2	11.1	5.88	5.88	9.8	11.1	11.1	11.1	8.33	1.84	9.98	8.06	7.73	8.25	5.1	5.1	10.2	5.95	5.57
1999	13	10.8	9.25	7.65	10.2	12.4	6.5	6.5	10.8	12.5	12.2	12.5	9.53	2.17	10.3	9.19	8.82	9.5	5.1	5.1	12	5.95	5.25
2000	10.8	9.74	8.5	7.4	10.2	10.8	5.1	5.1	9.69	10.8	10.8	10.8	7.9	1.83	8.89	7.62	7.31	7.8	5.1	5.1	10.2	5.95	4.33
2001	10.7	9.71	8.5	7.3	10.2	10.7	4.6	4.6	9.65	10.7	10.7	10.7	7.59	1.83	8.35	7.33	7.03	7.5	5.1	5.1	10.2	5.95	3.91
2002	9.9	9.09	8	6.7	9.6	9.9	4	4	9.02	9.9	9.9	9.9	6.89	1.73	7.4	6.46	6.38	6.8	4.8	4.8	9.6	5.6	3.4
2003	9.7	9.03	8	6.5	9.6	9.7	3.6	3.6	8.95	9.7	9.7	9.7	6.7	1.73	6.85	6.27	6.19	6.6	4.8	4.8	9.6	5.6	3.07
Year	42	43	46	50	51	53	54	55	56	59	60	61	62	63	65	66	67	68	69	7	70	72	73
1993	2.38	8.25	2.5	13	1.4	5.8	.	8	9	4.75	5.6	5.74	7.77	.	0	0	6.3	3.69	0	14	13	14	0
1994	1.19	7.45	2.5	13	1.4	5.8	.	8	9	4.75	5.6	5.74	7.77	6.5	0	0	6.3	3.69	0	14	13	14	0
1995	6.1	5.93	2	13.1	1.2	4.9	7.9	6.4	7.3	6.75	4.7	5.35	6.43	.	9.8	.	8.26	3.13	10.6	11.7	10.6	11.7	11.7
1996	5.56	6.1	2	10.3	0.9	4.9	.	5.7	6.6	6.48	4.7	5.35	6.13	5.5	9.1	5.8	8.16	3.11	10.6	11.3	10.6	11.3	11.3
1997	5.38	5.8	2	11.2	0.9	4.9	.	5.7	6.6	6.37	4.7	5.35	6.13	5.5	9.1	5.8	8.3	3.11	10.2	11.3	10.2	11.3	11.3
1998	5.31	5.59	2	10.4	0.5	4.9	6.4	5.37	6.27	6.83	4.7	5.35	6	5.51	8.77	5.8	8.26	3.1	10.2	11.1	10.2	11.1	11.1
1999	5.53	6.33	2	11.8	0.5	4.93	.	6	7	7	5.6	5.87	6.93	6.5	10	6.9	9.53	3.1	12	12.6	12	13	13
2000	4.5	5.13	2	9.21	0	4.9	5.4	.	5.6	6.07	4.7	5.35	5.73	5.5	8.1	5.8	8.18	3.09	10.2	10.8	10.2	10.8	10.8
2001	3.86	4.87	2	8.67	0	.	4.9	4.4	5.2	5.95	4.7	5.35	5.57	5.5	7.8	5.8	8.16	3.07	10.2	10.7	10.2	10.7	10.7
2002	3.33	4.4	2	7.58	0	4.6	4.1	3.8	4.6	5.51	4.4	5.08	5.13	4.52	6.68	5.5	7.56	2.89	9.6	9.9	9.6	9.9	9.9
2003	3	4.2	2	6.99	0	4.6	3.6	3.5	4.3	5.42	4.4	5.08	5	4.46	6.41	5.5	7.5	2.88	9.6	9.7	9.6	9.7	9.7

Appendix 4 (Continued): Tariff Rates applied to EU imports from China

Year	74	75	77	78	8	83	84	85	86	87	88	9	90	91	93	94	95	96	97	98	99
1993	10.5	2	7	7	0	11.2	0	0	6.5	4.32	5.72	8.83	0	14	0	3.5	0	0	11	5.8	5.55
1994	10.5	0	7	7	0	11.2	0	0	6.5	4.32	5.72	8.25	0	14	0	3.5	0	0	11	5.8	5.55
1995	10.2	11.7	5.85	11.7	10.6	10.6	6.8	5.3	5.5	3.65	4.81	7.3	9.8	11.7	2.54	2.95	.	3.62	9	4.9	4.7
1996	9.89	11.3	5.65	11.3	10.6	10.3	6.8	5.3	5.5	3.65	4.74	7.03	9.1	11.3	2.54	2.95	5.6	3.62	8.5	4.9	4.7
1997	9.89	11.3	5.65	11.3	10.2	10.2	6.8	5.3	5.5	3.65	4.74	6.97	9.1	11.3	2.54	2.95	5.6	3.51	8.5	4.9	4.7
1998	9.74	11.1	5.57	11.1	10.2	10.1	6.8	5.3	5.51	3.66	4.72	6.86	8.77	11.1	2.55	2.95	5.6	3.51	8.25	4.9	5.06
1999	11.1	13	5.53	13	11.4	11.5	6.8	5.36	6.5	3.9	5.04	7.7	8.5	13	2.55	3.26	6.7	3.51	8.08	5.8	5.55
2000	9.45	10.8	5.4	10.8	10.2	9.82	6.8	5.3	5.5	3.65	4.66	6.63	8.1	10.8	2.54	2.95	5.6	3.51	7.8	4.9	4.85
2001	9.36	10.7	5.35	10.7	10.2	9.73	6.8	5.3	5.5	3.65	4.64	6.2	7.8	10.7	2.54	2.95	5.6	3.51	7.5	4.9	4.97
2002	8.66	9.9	4.95	9.9	9.6	9	6.4	5	5.2	3.44	4.35	6.07	7	9.9	2.38	1.82	5.3	3.3	6.8	4.6	4.55
2003	8.49	9.7	4.85	9.7	9.6	8.82	6.4	5	5.2	3.44	4.32	5.93	6.7	9.7	2.38	1.75	5.3	3.3	6.6	4.6	4.55

Source: UN Trade Analysis and Information System