

0824

AP-9/30/08

Senate Info. - 11/4/08

Undergraduate Distance Education Review Form
(Required for all courses taught by distance education for more than one-third of teaching contact hours.)

Existing and Special Topics Course

Course: FSMR 357 Global Issues in Textiles and Apparel

Instructor(s) of Record: Dr. Eun Jin Hwang

Phone: 7-2346

Email: eun.hwang@iup.edu

Step One: Proposer

A. Provide a brief narrative rationale for each of the items, A1- A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?
2. How will each objective in the course be met using distance education technologies?
3. How will instructor-student and student-student, if applicable, interaction take place?
4. How will student achievement be evaluated?
5. How will academic honesty for tests and assignments be addressed?

B. Submit to the department or its curriculum committee the responses to items A1-A5, the current official syllabus of record, along with the instructor developed online version of the syllabus, and the sample lesson. This lesson should clearly demonstrate how the distance education instructional format adequately assists students to meet a course objective(s) using online or distance technology. It should relate to one concrete topic area indicated on the syllabus.

Step Two: Departmental/Dean Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative

Sally J. McCombie 9-18-08
 Signature of Department Designee Date

Endorsed: *Parveen G. Zoni* 9-23-08
 Signature of College Dean Date

Received

SEP 23 2008

Liberal Studies

A. Provide a brief narrative rationale for each of the items, A1- A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?

Dr. Eun Jin Hwang has been teaching this course for several years. She completed a facilitator training course which was offered by the Socrates Distance Learning Technologies Group, the faculty training organization of Education Management Corporation (EDMC) Online Higher Education during Spring 2006. And she has taught online class during Fall 2004 in Korea. She incorporated WebCT into this course during Spring 2007. Students took exams and submitted papers on-line. Students could access the syllabus, class notes, announcement on-line as well.

2. How will each objective in the course be met using distance education technologies?

The on-line course will consist of course material, quizzes and assignments presented on-line through WebCT. Chat Room and Discussion Thread participation through the use of WebCT will be course requirements.

1. Recognize how broadly dispersed the textile and apparel industry are around the world.
 - Instructor will cover in Module 3 and the final project will help to research about how widely dispersed the textile and apparel industry are around the world.
2. Identify forces which affect domestic production, consumption, and distribution of textiles and apparel
 - Instructor will cover in Day 4 and Day 5 (Module 1). The final project will help to identify forces which affect domestic production, consumption, and distribution of textiles and apparel.
3. Identify and analyze the polices, agreements, regulations, and organizations which impact the international trade of textile and apparel.
 - Instructor will cover in Day 6 and Day 8 (Module 2). The final project and documented term project will help to identify and analyze the polices, agreements, regulations, and organizations which impact the international trade of textile and apparel.
4. Analyze the impact of foreign trade on the U.S. textile and apparel industry, foreign relations, the economy, the retail institutions, and the consumers.
 - Instructor will cover in Day 6 & Day 10 (Module 2) and Day 12 (Module 3). The final project and documented term project will help to Identify and analyze the polices, agreements, regulations, and organizations which impact the international trade of textile and apparel.

Forward form and supporting materials to Liberal Studies Office for consideration by the University-wide Undergraduate Curriculum Committee. Dual-level courses also require review by the University-wide Graduate Committee for graduate-level section.

Step Three: University-wide Undergraduate Curriculum Committee Approval

Recommendation: Positive (The objectives of this course can be met via distance education)
 Negative

Gail Sedquist Sept. 30, 2008
Signature of Committee Co-Chair Date

Forward form and supporting materials to the Provost within 30 calendar days after received by committee.

Step Four: Provost Approval

Approved as distance education course Rejected as distance education course

Geord W. Stinson 10/3/08
Signature of Provost Date

Forward form and supporting materials to Associate Provost.

5. Evaluate the current status of technology, research and development, and marketing, and promotion of the textile and apparel industry.

- Instructor will cover in Day 2, 3, 4 (Module 1) and Day 8 (Module 2). Individual papers and projects will require to research current status of technology, research and development, and marketing, and promotion of the textile and apparel industry.

3. How will instructor-student and student-student, if applicable, interaction take place?

Students will be required to actively participate in on-line discussions. There will be questions embedded in the notes as well as daily postings by the instructor. The instructor will facilitate the discussions. Students will participate in chat room discussions within groups assigned to work on designated activities. The instructor will be available at regular times for contact via telephone, email or chat room.

4. How will student achievement be evaluated?

Multiple assessment techniques will be implemented to evaluate student achievement including:

- Timed exam using WebCT with password protection
- Daily assignments posted on WebCT
- Group projects
- Individual papers and projects
- Discussion contribution

5. How will academic honesty for tests and assignments be addressed?

The on-line quizzes will be designed in a manner such that items are randomly numbered so that no two exams are exactly identical. The exams will not be printable. Students will be turning their paper to Turnitin.com. This is used to prevent plagiarism. This method was implemented by the instructor for this course during the Spring 2008 semester

C. Submit to the department or its curriculum committee the responses to items A1-A5, the current official syllabus of record, along with the instructor developed online version of the syllabus, and the sample lesson. This lesson should clearly demonstrate how the distance education instructional format adequately assists students to meet a course objective(s) using online or distance technology. It should relate to one concrete topic area indicated on the syllabus.

FSMR 357 – Global Issues in Textiles and Apparel

Spring, 2008

(Syllabus of Record)

Catalog Description:

Prerequisite: ECON 121

3 Credits, 3 Lecture Hours, 0 Lab Hours (3c-01-3sh)

The study of the global textile and apparel industry with emphasis on the U.S textile complex and the U.S. market within an international context.

Course Objectives:

Upon completion of this course the student will:

1. Recognize how broadly dispersed the textile and apparel industry are around the world.
2. Identify forces which affect domestic production, consumption, and distribution of textiles and apparel.
3. Identify and analyze the policies, agreements, regulations, and organizations which impact the international trade of textiles and apparel.
4. Analyze the impact of foreign trade on the U.S. textile and apparel industry, foreign relations, the economy, the retail institutions, and the consumer.
5. Evaluate the current status of technology, research and development, and marketing, and promotion of the textile and apparel industry.

Required Text:

Kunz, G., & Garner, M. (2007). *Going global: The textile and apparel industry*. New York: Fairchild Publications.

Reamy, D., & Steele, C. (2006). *Perry's department store an importing simulation*. New York: Fairchild Publications.

Course General Policies:

A. Attendance:

Attendance in class is very important. The students are required to stay the entire duration of the class period to get credit for the same. Any student, who leaves before the class period without the consent of the instructor, will be marked absent and will not get any credit for that class period.

Class attendance and participation are required. Excessive absences will result in grade point reductions. Please make sure to sign the attendance sheet by your name each class period. The student is responsible for all material covered in class regardless of the reason for the absence. It is not the instructor's responsibility to provide that information. However, reports must be presented in person in class on date indicated.

a. Excused Absence Policy:

If you have an unavoidable "excused" absence such as family crisis, death, or personal illness, you must provide me with some type of documentation of the event such as an obituary, mass card, or doctor's excuse form. If such an event does occur, please email me to alert me of the absence. After the absence, it is your responsibility to arrange a time with me to find out what material you have missed.

If you know of an absence ahead of time such as a job interview or school-sponsored trip, it is your responsibility for finding out the material that you will be missing ahead of time. Again, it is your responsibility for finding out the material that you will be missing ahead of time. Again, it is your responsibility to arrange a time with me to find out what material you will be missing.

b. Un-Excused Absence Policy:

If you miss class due to any other reason than stated above, you are responsible in finding out what material you missed. You may come speak to me during my office hours in this regard.

B. Assignments Requirements:

The due dates for all assignments are included in the syllabus, but may be subject to change. During the semester, the instructor will keep students informed of any changes. It is the student's responsibility to contact someone in the class if he or she miss class near a scheduled due date. Assignments are due in class AT THE BEGINNING OF the class in which the specified due date. Instructor WILL NOT ACCEPT LATE PAPERS and instructor WILL NOT ACCEPT E-MAIL SUBMISSION OF PAPERS FOR ANY REASON. Having your work completed on schedule is a key to early success in your business career. I would suggest

that you start now to develop good work habits for meeting deadlines. Partial credit will NOT be given for late work.

Late assignments WILL NOT BE ACCEPTED! The only exception to this rule is if you have documentation of an excused absence (i.e., doctor's note, obituary, or mass card). In either event, written documentation is required before an assignment is accepted. If you have an excused absence the date an assignment is due, your assignment will be expected during the next class period after you return. Only under special circumstances will this policy be modified! If you have prior knowledge of an absence, it is expected that your project be turned in PRIOR to your absence.

Quizzes and in class assignments will be given at random. If you arrive late, you will not be allowed to take the quiz. In Class assignments will not be made up.

In-Class Assignments. There are **NO MAKE-UPS FOR IN-CLASS ASSIGNMENTS!** Some content will be assigned during the previous class period to be completed outside of class and brought to the next class for in-class utilization. If this content is not completed as assigned no credit will be given for that days in-class assignment.

Course Requirements & Evaluation

• Three Exams	300
• Buying Simulation Project -Paper	317
• Buying Simulation Project – Presentation	42
• Documented Term Paper Project	125
• Attendance (30 X 2points)	60
• Assignments	200
• Participations	20
TOTAL	1064

Grading System:

Below is the grading scale that will be used to determine the final letter grade:

A = 90 – 100 B = 80 – 89 C = 70 – 79 D = 60 – 69 F = 59 and below

Classroom Etiquette:

To create and maintain a positive learning environment, proper classroom etiquette/decorum is vital. It is expected that students conduct themselves in a mature, professional manner. Essentially you are

The following guidelines will help us to achieve this goal:

1. Refrain from chatting with your neighbor(s) during class.
2. Reading writing and studying of material other than for this class is not acceptable.
3. Completing assignments that were due the day of class. During class is not acceptable. The instructor has the right to not accept the assignment.
4. Make every effort to get to class on time and stay until class is dismissed. If you have to leave early or are going to be late, inform the instructor in advance.
5. Obtaining class content and assignments if absent is your responsibility.
6. Sleeping during class is not acceptable.
7. Respect others. Turn off all electronic equipment (cell phones, CD players, MP3; etc) prior to entering the classroom. These are to remain off until class is dismissed.

PLEASE MAKE SURE YOUR CELL PHONE IS TURNED OFF DURING CLASS TIME!

1st Offense: If a student's cell phone rings or buzzes during class, the student will forfeit any future opportunity of extra credit but can keep the extra credit currently earned.

2nd Offense: The student's previously earned extra credit will be taken away.

3rd and Any Further Offenses: The student will be asked to take their belongings and leave the class.

8. Read and follow *the Academy Integrity Policy and Procedures*. That appears in the IUP Undergraduate Catalog.
9. Respect and maintain the appearance of the classroom.

Class Lectures:

The textbook, while useful, will not be the only source of information for the class. Periodically, additional readings will be assigned. Class lectures are intended to enrich or supplement the assigned readings. They are NOT intended to summarize or substitute for the readings. Exams will be designed to assess the student's knowledge of ALL reading materials and the material presented in class lecture, as well as any oral reports and guest speaker presentations.

Participation:

Participation:

1. Participation includes ALL in-class activities and supplementary assignments. If you are not in class, you will not receive credit for the activity.
2. Students are expected to be in class on time. Recurrent tardiness will negatively affect a student's participation grade.
3. Each student's initial participation grade will be calculated based on the percentage of classes attended. Participation in class discussion, class activities and tardiness will either positively or negatively affect the final participation grade.

Written Assignments:

1. There will be written assignments throughout the semester.
2. **All papers and assignments must follow the APA guidelines in the Publication Manual of the American Psychological Association (5th ed.)** Not following the APA guidelines will result in grade point **reduction**.
3. All papers must be typed (double-spaced), stapled and properly identified – Student Name, Class and Project Title – points will be deducted for papers not meeting these requirements. Handwritten assignments will NOT be accepted.
4. Assignments and exercises are to be submitted in hard copy on due dates that will be announced in advance. Assignments must be handed in at the beginning of the class period on the designated date. Late assignments **will not** be accepted. If you will be missing class, prior arrangements to hand in assignments must be made.
5. All research and abstracts must be properly documented. Plagiarism will not be tolerated. Academic dishonesty in any form is unacceptable.

Practice being professional at all times. **Presentations require professional dress.**

Be prepared for each class period. Read chapters and come ready to participate in classroom discussion.

This syllabus is subject to change with advance notice. The instructor reserves the right to change or add assignments with prior notice.

If you are having difficulty in this class, it is your responsibility to bring this to my attention.

FSMR 357 – Global Issues in Textiles and Apparel

Spring, 2008

Tentative Class Schedule

Schedule is tentative and subject to change

WEEK	DATE	TOPIC	TEXT
1.	Jan. 15 Jan. 17	Introduction Class Chapter One -Introduction to Globalization	Chap. 1 – K&G
2.	Jan. 22-Jan. 24	Chapter One -Introduction to Globalization Discussion Paper Due Introduction: Perry’s Background Information	Chap. 1 – K&G Chap. 1 – Reamy & Steele (R&S)
3.	Jan. 29-31	Chapter Two -Textiles and Apparel Supply Matrix	Chap. 2 – K&G
4.	Feb. 5 & 7	Chapter Three -Consumption and Well-Being	Chap. 3 – K&G
5.	Feb. 12 & 14	Chapter Four - Trade Barriers and Regulation	Chap. 4 – K&G
6.	Feb. 19 Feb. 21	EXAM #1: Chapters 1, 2, 3 Chapter Five - Illegal and Unethical Trade Activity	Chap. 5 – K&G
7.	Feb. 26 Feb. 28	Chapter Five - Illegal and Unethical Trade Activity Chapter Six - Politics and Political Positioning	Chap. 5 – K&G Chap. 6 – K&G
8.	Mar. 4 Mar. 6	Chapter Six - Politics and Political Positioning Chapter Seven - Europe and the European Union	Chap. 6 – K&G Chap. 7 – K&G
	Mar. 10 - 14	Spring Break	
9.	Mar. 18 Mar. 20	Chapter Seven - Europe and the European Union Documented Term Paper Project Due Chapter Eight – The Americas and Caribbean Basin	Chap. 7 – K&G Chap. 8 – K&G
10.	Mar. 25 Mar. 27	EXAM #2: Chapter 4, 5, 6, 7 Chapter Eight -The Americas and Caribbean Basin	Chap. 8 – K&G
11.	Apr. 1 Apr. 3	Chapter Eight -The Americas and Caribbean Basin Chapter Nine - Asia and Oceania	Chap. 8 – K&G Chap. 9 – K&G
12.	Apr. 8 Apr. 10	Chapter Nine - Asia and Oceania Chapter Ten -The Middle East and Africa	Chap. 9 – K&G Chap. 10 – K&G
13.	April 14 April 17	Chapter Ten -The Middle East and Africa Chapter Eleven - Corporate Social Responsibility	Chap. 10 – K&G Chap. 11 – K&G
14.	April 21 April 24	EXAM #3: Chapter 8, 9, 10, 11 Work Day	
15.	May 1	5:00pm – 7:00pm Perry’s Import Simulation Project DUE and Presentation	

FSMR 357 – Global Issues in Textiles and Apparel

Online Syllabus

Instructor	Dr. Eun Jin Hwang	E-mail	eun.hwang@iup.edu
Class Room	WEBCT	Class Meets	December 15 – January 6
Office & Phone number	208 Ackerman Hall 724-357-2346	Office Hours	

Catalog Description:

Prerequisite: ECON 121

3 Lecture Hours, 0 Lab Hours, 3 Credits, (3c-01-3cr)

The study of the global textile and apparel industry with emphasis on the U.S textile complex and the U.S. market within an international context.

Course Objectives:

Upon completion of this course the student will:

1. Recognize how broadly dispersed the textile and apparel industry are around the world.
2. Identify forces which affect domestic production, consumption, and distribution of textiles and apparel.
3. Identify and analyze the policies, agreements, regulations, and organizations which impact the international trade of textiles and apparel.
4. Analyze the impact of foreign trade on the U.S. textile and apparel industry, foreign relations, the economy, the retail institutions, and the consumer.
5. Evaluate the current status of technology, research and development, and marketing, and promotion of the textile and apparel industry.

Required Text:

Kunz, G., & Garner, M. (2007). *Going global: The textile and apparel industry*. New York: Fairchild Publications.

Reamy, D., & Steele, C. (2006). *Perry's department store an importing simulation*. New York: Fairchild Publications.

Course General Policies:

A. Assignments Requirements:

The due dates for all assignments are included in the syllabus, but may be subject to change. During the semester, the instructor will keep students informed of any changes. This course contains several assignments. To complete the assignments, click on the particular Discussion or Assignment link that accompanies the given day's lecture before reading the materials that day so that you will know what you are going to have to complete by due date. Assignments are due the specified due date. Instructor WILL NOT ACCEPT LATE PAPERS. Having your work completed on schedule is a key to early success in your business career. Try to keep up with assignments. This is fast-paced learning environment. Falling behind can be very stressful and discouraging, which will impact your ability to learn and enjoy the course. I would suggest that you start now to develop good work habits for meeting deadlines. Partial credit will NOT be given for late work.

Late assignments WILL NOT BT ACCEPTED!

Quizzes and in class assignments will be given at random.

Course Requirements & Evaluation

• Two Exams	200
• Final Exam	100
• Discussion Paper	50
• Buying Simulation Project -Paper	317
• Documented Term Paper Project	125
• Discussion (Need to Participate 7 Discussion out of 11, each participation worth 10points)	70
TOTAL	862

Grading System:

Below is the grading scale that will be used to determine the final letter grade:

A = 90 – 100% B = 80 – 89% C = 70 – 79% D = 60 – 69%

F = 59 and below

Class Lectures:

Class Lectures:

The textbook, while useful, will not be the only source of information for the class. Periodically, additional readings will be assigned. Class materials are intended to enrich or supplement the assigned readings. It is important that you read these carefully so that you don't overlook essential content. They are NOT intended to summarize or substitute for the readings. Exams will be designed to assess the student's knowledge of ALL reading materials and the material presented in WebCT.

Links/Web Site:

Some of the material in this course will require you to explore Web sites. Bring to the course the issues that you find most interesting and compelling.

Discussion:

Due to the highly interactive nature of this course, you will frequently find yourself in the "Discussion Area." Participation in discussion is required during the entire course. Each student's initial Participation grade will be calculated based on the number of participations in discussion

Written Assignments:

- There will be written assignments throughout the Winter Session.
- **All papers and assignments must follow the APA guidelines in the Publication Manual of the American Psychological Association (5th Ed.)** Not following the APA guidelines will result in grade point **reduction**.
- All papers must be typed (double-spaced) and properly identified – Student Name, Class and Project Title – points will be deducted for papers not meeting these requirements.
- Late assignments **will not** be accepted.
- All research and abstracts must be properly documented. Plagiarism will not be tolerated. Academic dishonesty in any form is unacceptable.

Be prepared for each class. Read chapters and ready to participate in discussion thread.

This syllabus is subject to change with advance notice. The instructor reserves the right to change or add assignments with prior notice.

If you are having difficulty in this class, it is your responsibility to bring this to my attention.

FSMR 357 – Global Issues in Textiles and Apparel

Winter, 2008

Tentative Class Schedule

Schedule is tentative and subject to change

DAY	DATE	TOPIC	TEXT	COURSE OBJECTIVE
		MODULE 1: Embarking on a Global Adventure		
1.	Dec. 15	Introduction Class		
2.	Dec. 16	Introduction to Globalization Discussion Paper Due	Chap. 1 – K&G	#5
3.	Dec. 17	Introduction: Perry's Background Information	Chap. 1 – Reamy & Steele (R&S)	#5
4.	Dec. 18	Textiles and Apparel Supply Matrix	Chap. 2 – K&G	#2 & #5
5.	Dec. 19	Consumption and Well-Being Submit your group members' names, country's name, and topic of your team project.	Chap. 3 – K&G	#2 & #5
		MODULE 2: World Trade and Regulation		
6.	Dec. 22	Trade Barriers and Regulation	Chap. 4 – K&G	#3 & #4
7.	Dec. 23	EXAM #1: Chapters 1, 2, and 3		
8.	Dec. 24	Illegal and Unethical Trade Activity	Chap. 5 – K&G	#3 & #5
	Dec. 25	Holiday No Class		
9.	Dec. 26	Politics and Political Positioning	Chap. 6 – K&G	#4
		MODULE 3: Trading Partners		
10.	Dec. 29	Europe and the European Union Documented Term Paper Project Due	Chap. 7 – K&G	#1
11.	Dec. 30	The Americas and Caribbean Basin	Chap. 8 – K&G	#1 & #4
12.	Dec. 31	EXAM #2: Chapter 4, 5, 6, and 7		
	Jan. 1	Holiday No Class		
13.	Jan. 2	Asia and Oceania	Chap. 9 – K&G	#1
14.	Jan. 3.	The Middle East and Africa	Chap. 10 – K&G	#1
15.	Jan. 4	Corporate Social Responsibility	Chap. 11 – K&G	#1
16.	Jan. 5	Perry's Import Simulation Project Due		
17.	Jan. 6	Final Exam – Chapter 8, 9, 10, and 11		

FSMR 357 – Discussion Paper

Due December 17 – 50 Points

Please Read Chapter One “Introduction to Globalization” and answer following questions (5 points each). Please type your answers and submit your assignment to Turnitin.com by December 16.

1. Identify two primary differences among domestic trade, international trade, and global trade.
2. Why might small firms be more likely to be involved in international trade than global trade?
3. What is the purpose of trade agreements among nations?
4. What is the meaning of a trade surplus and a trade deficit?
5. Why are developed countries more likely to have trade deficits in apparel?
6. Identify the several primary means that firms can use to grow.
7. What kind of collaboration between textiles and findings manufacturers would assist the apparel manufacturing process? In what ways have apparel manufacturers and retailers become similar?

Documented Term Paper Project

Due December 29, 2008

Project objectives

- To reinforce learning gained from the course.
- To acquire expertise in gathering information about the industry.
- To study one area of the course content in depth.
- To update information related to course content.
- To improve written communication skills.
- To synthesize volume of information into concise communiqué.

Project components

- Research, develop, and present a documented paper on an assigned topic.
- Present a half-page handout of key findings for class on WebCT

Determining topics

Each student registered for this course will pick up a topic for their term paper. Examples of topics include the following:

- Individual free trade agreements, such as the new ones with Egypt and Morocco; NAFTA, and DR-CAFTA, as well as EU activity in this arena.
- Individual countries, especially those that are generating considerable activity in the global market—China, India, Vietnam, France, Italy—a list of over 40 nations would be feasible without the students encountering much difficulty securing information.
- Specific topics such as counterfeiting, tariffs, garment labeling, ISO quality standards, new sizing standards, ILO activity, WTO activity in textiles, logistics, and social responsibility.

Some difficulties may be encountered in locating information on some of these topics from traditional library sources, but the Internet offers a wealth of information. It is expected that each

student will look beyond the library for current information, seeking Internet sources for business periodicals and government web sites.

Paper Content Outline

- Introduction
- Brief history related to topic
- Current economic status; textile and apparel industry involvement, including company names and product lines as appropriate
- Conclusion; tie the findings into the structure of this class, such as how and where it is related to the course outline
- Potential for employment related to this topic
- Reference list

Minimum Standards for Written Presentation of Your Paper

1. Use sub-headings within the body of paper for each content area listed above.
2. Use citations within the paper to document sources of all factual information.
3. Minimum of ten (10) sources beyond the textbook, including business periodicals and web sites.
4. Minimum length is 5 pages.
5. Use one recognized research paper format throughout the paper. Consistency and completeness is the goal.
6. Present paper typed, double-spaced, paginated, and spell-checked.
7. Submit your paper to Turnitin.com

Presentation of Your Paper

The reports would be short, of necessity, with students addressing the most critical findings on their topics, whether it is definitions, current status, or recent business trends. Prepare a half page of paper for class will submit to WebCT so all students can share the information.

Document Term Paper Project - Grading Sheet

Name _____

- _____ Introduction (15 points)
- _____ Brief History Related to Topic (15 points)
- _____ Current Economic Status; Textile and Apparel Industry involvement, including company names and product lines as appropriate (15 points)
- _____ Conclusion : Tie the findings into the structure of this Class, such as how and where it is related to the course outline (20 points)
- _____ Potential for Employment Related to This Topic (5 points).
- _____ Reference List and APA Styles (10 points)
- _____ Use Sub-Heading (5 points)
- _____ Use Citation within the Paper to Document Sources of All Factual Information (5 points)
- _____ Minimum of ten (10) sources beyond the textbook (5 points)
- _____ Minimum Length – 5 Pages (3 points)
- _____ Typed, Double-Spaced, Paginated, Spell-Checked (5 points)
- _____ Use One Recognized Research Paper Format throughout the Paper (5 points)
- _____ Presentation – A Half Sheet of Summary (10 points)

TOTAL _____ /123

PERRY'S DEPARTMENT STORE
An Importing Simulation Project
Due January 6th, 2009

1. Table 02.04 in the text is a list of the top 25 countries that export textiles and apparel to the U.S. (see page 11 – Gutherie & Regni, 2006)
 - a. Team up with two of your classmates (Communicate each other by e-mail to form team.)
 - b. Each team read Chapter one –“Introduction-Perry’s Background Information”- pp. 1-12 (Gutherie & Regni, 2006).
 - c. Each team picks one of the top 25 countries (use chat room to discuss about team project).
 - d. Each team chooses men’s, ladies’, juniors’, or children’s jeans as the topic for team project.
 - i. **Submit your group members’ names, country’s name, and topic of your team project to WebCT.**
 - ii. **Due December 19, 2008**
 - iii. 5 points
2. **Research the state of the textile and apparel industry in your assigned countries.**
 - i. Need to prepare overviews
 - i. Manufacturers
 - ii. Mills
 - iii. Showrooms, and
 - iv. The retail industry for each assigned country
 - ii. Better understand the dynamics of global textile and apparel team should **research and report on fashion association** located in your assigned countries

- i. For example, Bangladesh Garment Manufacturers and Exporters Association (BGME)
- iii. You can obtain most of this information through Internet research or by reading current articles.
- iv. Many countries have Web sites available through their departments of commerce.
- v. You can also find information at
 - i. www.export.gov/market
 - ii. www.state.gov– U.S. Department of State
- vi. Minimum 4 pages

3. Create a country profile of your country.

- a. You can find most, if not all, of the information on the Internet.
- b. You can follow the guidelines set up on the Country Profile Worksheet (see page 9).
- c. You should not limit your research to the initial guidelines.
- d. Every country has unique characteristics that you should note on the profile.
- e. This should be an objective profile based on fact gathered from at least five different resources.
- f. Use the CIA country Profiles at
 - i. <http://cia.gov/cia/publications/factbbok/index.html>
- g. Minimum of 4 pages

- 4. Each team creates a “Sourcing Guideline” for Perry’s Department Store. To formulate the guideline, each team should conduct research on**
- a. Three different apparel companies,
 - b. Preferably jean manufacturers, and
 - c. Review the Apparel Industry Partnership’s Agreement (AIPA), developed April 14, 1997, by the U.S. Department of Labor.
 - i. The AIPA is available on the Internet, and students can just go to
<http://www.itcilo.it/english/actrav/telearn/global/ilo/guide/apparell.htm>
www.itcilo.it/english/actrav/telearn/global/ilo/guide/apparel.htm
 - d. The guidelines should cover
 - i. Code of conduct,
 - ii. External monitors, and
 - iii. Internal monitors in the workplace, based on the AIPA.
 - e. Another great resource on the Department of Labor’s Web site at www.dol.gov is
 - i. “The Apparel Industry and Codes of Conduct.”
 - ii. This report is based on a survey of companies that focus on the use of child labor in the production of apparel for the U.S. market and reviews the extent to which U.S. apparel importers have established guidelines.
 - iii. The report will be helpful to each team as they create the sourcing guidelines
 - iv. Also, most apparel companies, such as JCPenney and Nike, post their guidelines on their websites

f. Minimum 4pages

5. Business Protocol

- a. Write an executive summary discussing how to work across cultures with your country.
- b. Using the outline create an executive summary of the culture from which you will import jeans.
- c. To complete this profile, you can draw on the resources <http://www.culturalsavvy.com> and <http://www.executiveplanet.com>
- d. Your summary should include the following:
 - I. Type of culture (polychronic or monochronic)
 - Polychronic
 - For cultures that juggle many tasks at the same time
 - Monochronic
 - For cultures that organize single tasks into linear sequences

BUSINESS CHARACTERISTICS OF CULTURES

BUSINESS TRAITS	POLYCHRONIC	MONOCHRONIC
Meetings	Can be interrupted	Are hardly ever interrupted
Relationships	Very important	Not emphasized on a personal level
Status level	Usually wants to conduct business only with a high-level person in a company	Status not important; usually wants to conduct business with person who can make decisions
Eye contact	Usually does not make eye contact	Considers the person rude of eye contact is not made
Punctuality	Very flexible	Extremely important
Contracts	Hand shake is good	Expects a written contract
Deadlines	Very flexible	Not flexible

- II. Masculine or feminine (basis of culture) and gender issues
- III. Negotiation style and strategies
- IV. Type of communication (high-context or low-context)
- V. Social and cultural elements
 - A. Appropriate business dress
 - B. Introductions
 - C. Greetings
 - D. Presentation of business cards
 - E. First name or title
 - F. Gestures
 - G. Colors, numbers, and their meanings
 - H. Space
 - I. Gift giving
 - J. Time
 - K. Joke telling
- VI. Business entertaining
 - A. Proper use of utensils
 - B. Table manners
 - C. Alcoholic beverages

D. Appropriate conversation subjects

e. Minimum 4pages

6. Importing Trade Agreements, Laws, and Policies Worksheet

As a buyer, you must understand all laws and trade agreements that will affect importing jeans into the United States.

- a. Conduct in-depth research about specific trade agreements and importing laws that have the potential to impact the importation of jeans.
- b. Use a minimum of five resources.
- c. Under the “Agencies, Association, and Organizations” and “Economics and Statistical Information” sections of the Helpful Web Site Resources, you will find Web sites that can help you begin your research.
- d. You need to used at least five-page paper using the following outline as a guide:
 - I. Part I: State and define the trade agreements specific to your country.
 - II. Part II: List and define the laws of the United States that importers must follow when importing jeans.

e. Minimum 5 pages

7. The Entry Process

Understand the process, procedure, and all necessary forms and documents associated with importing jeans into the United States from your assigned country.

- a. **Create an entry package using the forms and documents associated with importing jeans.**
- b. **Write a two-page paper discussing the process and defining the forms and documents used.**
- c. You may visit Export 911 at www.export911.com or the Customs Web site at www.cbp.gov.
- d. Minimum 2 pages and forms & Documents associated with importing jeans

8. You can find information by doing keyword searches on the Internet as well as in magazine and newspaper articles and interviews.
9. You also may refer to the Helpful Web Sites Resources in the “Perry’s Department Store-An Importing Simulation” folder (WebCT) and book.
10. Save your entire search for your country because you will need the information as the importing simulation progress.
11. Double space & Type
12. Please Include References Using APA format
13. Please site your references in text
14. Include Page Numbers and Names of Group Members
15. Hand in your paper on January 5 (webCT e-mail)

Table 02.04

TOP 25 COUNTRIES THAT IMPORT TEXTILE AND APPAREL INTO THE UNITED STATES

RANK	COUNTRY	% OF IMPORTS
	World	100
1	China	27.8
2	Mexico	7.8
3	Honduras	5.5
4	Bangladesh	5.0
5	El Salvador	3.9
6	Indonesia	3.7
7	India	3.6
8	Vietnam	3.6
9	Dominican Republic	3.3
10	Cambodia	3.1
11	Pakistan	2.5
12	Thailand	2.4
13	Hong Kong	2.4
14	Philippines	2.3
15	Guatemala	2.2
16	Sri Lanka	2.1
17	Taiwan	1.7
18	South Korea	1.6
19	Costa Rica	1.3
20	Macau	1.2
21	Jordan	1.2
22	Turkey	1.1
23	Malaysia	0.9
24	Nicaragua	0.9
25	Canada	0.9

SOURCE: Data from Apparel & Footwear Association. Reprinted courtesy of American Apparel & Footwear" Association.



WORKSHEET

COUNTRY ANALYSIS

.....
Country selected to import denim jeans _____

1. **Stability of the country:** Discuss the status of the government, relationships with other countries, social unrest, and so on.

2. **Conditions that may affect lead-time of production:** List any natural disasters, cultural situations, and so on.

3. **Trade organizations the country is a member of**

4. **Export Laws, quotas, or duties that apply to the product of import**

5. **Type of foreign currency and current exchange rate**

6. **Ports within the country and shipping companies**

7. **Suppliers within your selected country that manufacture denim jeans. Discuss the pros and cons of each supplier, and select the supplier that best suits your needs.**

8. **Effects Of Quota Removal**

Helpful Web Site Resources

❖ Trade Publications and Information Sources

- *Apparel* (formerly *Bobbin*): www.apparelmag.com/
- *Apparel News*: www.apparelnews.net
- *Apparel Search*: www.apparelsearch.com
- *Daily News Record (DNR)*: Men's fashion weekly publication on Monday, www.dailynewsrecord.com
- *Emerging Textiles*: textile and apparel trade info: www.emergingtextiles.com
- *Just-Style*: textile, apparel, and footwear industry newsletter: www.just-style.com
- *Textile Industries*: www.textileindustries.com
- *Textile Solutions*: textile developments: www.textilesolutions.com
- *Textile World*: www.textileworld.com
- *Women's Wear Daily (WWD)*: www.wwd.com

❖ Agencies, Associations, and Organizations

- American Apparel and Footwear Association: www.americanapparel.org/
- Andean Community (CAN): www.comunidadandina.org
- American Association of Exporters and Importers: www.aaci.org
- Apparel Net: <http://apparelnet.com>
- Export/import information and INCOTERMS: www.export911.com
- Federation of International Trade Associations: www.fita.org
- Global Sources, product and trade information: www.globalsources.com
- Import Administration, U.S. Department of Commerce: www.ia.ita.doc.gov
- International Trade Centre (ITC): www.intracen.org
- Office of Textiles and Apparel: www.otexa.ita.doc.gov
- Office of the United States Trade Representative: www.ustr.gov
- The World Factbook: www.cia.gov/cia/publications/factbook
- Tradeport: www.tradeport.org/countries/
- United Nations Industrial Development Organization (Unido): www.unido.org
- U.S. Association of Importers of Textiles and Apparel: www.usaita.com
- United Nations: <http://www.un.org>
- United States Customs and Border Protection: www.cbp.gov
- United States Department of Commerce: www.doc.gov
- United States Federal Trade Commission: www.ftc.gov
- United States International Trade Commission: www.usitc.gov
- United States International Trade Commission,
Department of Commerce: www.ita.doc.gov
- World Trade Organization: www.wto.org

❖ Economic and Statistical Information

- Currency Converter: www.xe.com/ucc/
- Foreign Trade Statistics: www.census.gov/foreign-trade/www/
- International Finance Corporation: <http://globaleage.msu.edu>
- International Monetary Fund: www.imf.org
- International Trade Statistics: www.intracen.org/tradstat
- Office of Trade and Economic Analysis: www.trade.gov/tradestats
- Organization for Economic Cooperation and Development (OECD): www.oecd.com
- United States Census Bureau: www.census.gov, www.factfinder.census.gov
- United States Statistical Information: www.stat-usa.com
- World Bank: www.worldbank.org

❖ Country Profile Information

- Library of Congress: www.memory.loc.gov/frd/cs/cshome.html
- International Trade Administration: www.trade.gov/td/tic/
- The Office of Textiles and Apparel: www.otexa.ita.doc.gov
- U.S. Department of State: www.state.gov

❖ Fredericksburg, Virginia Information

- www.co.caroline.va.us
- www.fact-index.com
- www.simplyfredericksburg.com
- www.fredericksburgvirginia.net
- <http://fredericksburg.com>
- www.fredericksburgva.gov

Perry's Department Store – An Importing Simulation Project

Grading Sheet

Names: _____

↓ Part I: Research the State of the Textile and Apparel Industry in Assigned Countries (30 points).

- I. _____ Overview of Manufacturers (5 pts).
- II. _____ Overview of Mills (5 pts).
- III. _____ Overview of Showrooms (5 pts).
- IV. _____ Overview of the Retail Industry (5 pts).
- V. _____ Report on Fashion Association (5 pts).
- _____ Minimum of 4 pages (2 pts).
- _____ Reference Citation (3 pts).

↓ Part II: Create a Country Profile of Country (55 points).

- I. _____ Stability of the Country (5 pts).
- II. _____ Conditions that May Affect Lead-Time of Production (5 pts).
- III. _____ Trade Organizations the Country is a Member of (5 pts).
- IV. _____ Export Laws, Quotas, or Duties that apply to the Product of Import (5 pts).
- V. _____ Type of Foreign Currency and Current Exchange Rate (5 pts).
- VI. _____ Ports within the Country and Shipping Companies (5 pts).
- VII. _____ Suppliers within Your Selected Country that Manufacture Denim Jeans.
Discuss the Pro and Cons of each Supplier, and Select the Supplier that Best Suits Your Needs. (10 pts).
- VIII. _____ Effects of Quotas Removal (5 pts).
- IX. _____ Five Different Resources (5 pts).

_____ Minimum of 4 pages (2 pts).

_____ Reference Citation (3 pts).

↓ **Part III: Sourcing Guideline for Perry's Department Store (55 points).**

- I. _____ Review the AIPA (5 pts.)
- II. _____ Code of Conduct (15 pts.)
 - a. _____ #1 Company or manufacture (5 pts.)
 - b. _____ #2 Company or manufacture (5 pts.)
 - c. _____ #3 Company or manufacture (5 pts.)
- III. _____ External Monitors (15 pts.)
 - d. _____ #1 Company or manufacture (5 pts.)
 - e. _____ #2 Company or manufacture (5 pts.)
 - f. _____ #3 Company or manufacture (5 pts.)
- IV. _____ Internal Monitors in the Workplace (15 pts.)
 - g. _____ #1 Company or manufacture (5 pts.)
 - h. _____ #2 Company or manufacture (5 pts.)
 - i. _____ #3 Company or manufacture (5 pts.)

_____ Minimum of 4 pages (2 pts.)

_____ Reference Citation (3 pts.).

↓ **Part IV: Business Protocol (77 points).**

- I. _____ Type of Culture (Polychronic or Monochronic) (5 pts.)
- II. _____ Masculine or Feminine and Gender Issues (5 pts.)
- III. _____ Negotiation Style and Strategies (5 pts.)
- IV. _____ Type of Communication (High- or Low-Context) (5 pts.)
- V. _____ Social and Cultural Elements (36 pts.)
 - a. _____ Business Dress (3 pts.)
 - b. _____ Introductions (3 pts.)

- c. _____ Greetings (3 pts.)
- d. _____ Presentation of Business Cards (3 pts.)
- e. _____ First Name of Title (3 pts.)
- f. _____ Gestures (3 pts.)
- g. _____ Colors, Numbers, and Their Meanings (6 pts.)
- h. _____ Space (3 pts.)
- i. _____ Gift Giving (3 pts.)
- j. _____ Time (3 pts.)
- k. _____ Joke Telling (3 pts.)

VI. _____ Business Entertaining (16 pts.)

- a. _____ Proper Use of Utensils (4 pts.)
- b. _____ Table Manners (4 pts.)
- c. _____ Alcoholic Beverages (4 pts.)
- d. _____ Appropriate Conversation Subjects (4 pts.)

_____ Minimum of 4 pages (2 pts.)

_____ Reference Citation (3 pts.)

✚ Part V: Importing Trade Agreements, Laws, and Policies Worksheet (40 points).

- I. _____ Trade Agreements that will Affect Importing Jeans into the U.S. (10 pts.)
- II. _____ State and Define the Trade Agreements Specific to your Country (10 pts.)
- III. _____ List and Define the Laws of the U.S. that Importers Must Follow When Importing Jeans (10 pts.)

_____ Minimum of Five Resources (5 pts.)

_____ Minimum of 5 pages (2 pts.)

_____ Reference Citation (3 pts.)

↓ **Part VI: The Entry Process (25 points).**

- I. _____ Forms and Documents Associated with Importing Jeans (10 pts.)
- II. _____ Two-Page Paper Discussing the Process and Defining the Forms and Documents Used (10 pts.).

_____ Minimum of 5 pages (2 pts.)

_____ Reference Citation (3 pts.)

↓ **Part VII: Overall (30 points).**

_____ The topic of the paper clearly and concisely introduced. The introduction include a clear and concise statement. (5 pts.)

_____ There is a conclusion. The paper provide a brief summary of what has been discussed. (5 pts.)

_____ Smooth transitions between sections (5 pts.).

_____ The paper follow the paper guidelines (Minimum 26 pages, 12-point font, double spacing, typed) (5 pts.)

_____ APA Format (5 pts.)

_____ Page Numbers & Names of Group Members (5 pts.)

Comments:

TOTAL:

/ 312

FSMR 357 - Global Issues in Textiles and Apparel

Lecture Plan

Day 6 – December 22, 2008

Lecturer: Dr. Eun Jin Hwang

Lecture 6 : World Trade and Regulation (Module 2)

A. Issues Covered in the Lecture

I. Introduction of Trade

- Phases of Globalization
- Trade
- Trade Policy
 - Export Policy
 - Import Policy
 - Protectionism
 - Free Trade
 - Fair Trade
- Protected Trade
 - Trade Barriers
- General Agreements on Tariffs and Trade (GATT)
 - Purpose of GATT
 - Aims of GATT

II. Textile Trade

- Short Term Arrangement (STA)
- Long Term Arrangement (LTA)
- Multi-Fiber Arrangement (MFA)
 - Effects of MFA
 - Reflections on MFA
- Success of Asian Countries
 - Sri Lanka
 - Cambodia
 - Bangladesh

- Pakistan
- India
- New Rules of Trade
 - The Uruguay Round
 - World Trade Organization (WTO)
 - Agreement of Textile and Clothing (ATC)

III. The US Market

- Free Trade Zones
- Regional Trading Blocks
 - NAFTA
 - CBI
 - AGOA
- US & EU
 - Tariffs
 - Nominal Tariffs
 - Specific and Ad valorem Tariffs
 - Combined Tariffs
 - Free Trade Agreements
 - Harmonized System (HS)

B. Required Reading for Lesson 6:


Kunz, G., & Garner, M. (2007). *Going global: The textile and apparel industry*. New York: Fairchild Publications.

- Chapter Four: World Trade and Regulation

C. Discussion Questions

- Discuss following issues in the appropriate discussion thread by Day 7.
- What is the effect of duty paid on imported goods in the market in the importing country?
- How might exchange rates of various currencies affect levels of imports and export?

Company
LOGO



Trade Barriers and Regulation
Chapter

FSMR 357

Phases of Globalization (Box 4.1)

- Globalization of Countries
 - 1400 - 1914
- Globalization of Companies
 - 1915 - 2000
- Globalization of Individuals
 - 2001 -

Trade

- “Buying and selling or bartering of goods and/or services”
- Protectionism
- Free Trade
- Fair Trade

Trade Policy

Has consisted mainly of a constantly evolving series of official objectives, laws, and actions designed to influence the flow of exports and imports of goods and services (Cohen, Blecker, & Whitney, 2003)

Trade Policy

- Combination of
 - economic perspective
 - political positions
- Export Policy
- Import Policy

• *Export Policy*

– Efforts to sell domestically produced goods and service in foreign markets.

• *Import Policy*

– Determines the relative availability of foreign-made goods and services in domestic markets

- *Protectionism*
 - Seeks to use trade barriers to minimize imports
- *Free Trade*
 - Relies on market forces to determine the volume and variety of imports (Cohen et al., 2003)
- *Fair Trade*

Protected Trade

- To prevent domestic companies from having to compete with foreign companies in their own domestic markets.
- To make competition fairer in international market

Trade Barriers

- Allows the domestic companies
 - to charge higher prices
 - Grow and increase the number of job offered
 - Make a greater contribution to the domestic economy
- Source of government revenue

General Agreement on Tariffs and Trade (GATT)

Comprised of:

- 120 members, with 30 associated countries
- Agreed to adhere rules of conduct and
- Provide a mechanism through which countries could discuss issues related to trade

Purpose of GATT

- Liberalize world trade (all goods)
- Put on secure basis
- Contribute to economic growth and development
- Code of rules and forum for trade concerns

Aims of GATT

- Trade without discrimination
- Protection through tariffs versus quotas
- Stable basis for trade
- Consultation, conciliation, and settlement of differences

Aims of GATT

- "Waiver" and possible emergency action
- Prohibited quantitative restrictions on imports
- Did allow for regional trading arrangements

13

GATT

Developing countries use the following to restrict textile and apparel products from their markets:

- Import substitution policies
 - promote country's own products
- Balance of payment provision of
 - deviate to remedy serious balance of payments problems

14

GATT

- Several GATT members chose not to adhere to GATT's regulation on no quotas (EU)
- Changes in GATT fundamentals were made to address market disruption

15

GATT

GATT legitimized several exceptions to the agreement's normal rules to accommodate the problems of textile and apparel trade:

- Potential increase of imports
- Imports singled out a single country
- Sizable price difference between imports and domestic goods

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GATT

- Several amendments to GATT were created to address market disruption
 - STA
 - LTA
 - MFA I
 - MFA II
 - MFA III
 - MFA IV
- The textile industry fell under the regulations of general trade

17

Textile Trade Since 1961

Trade rules for all other sectors (GATT)

Textiles

18

Short Term Arrangement (STA) 1960

- One-year restriction on 64 categories of Cotton
- More than 50% of cotton were restricted
 - weight or value
- Stop gap measure
- First major agreement to move textiles
- Quotas were legitimized

19

Long Term Arrangement (LTA) 1962

- Include 19 major trading partners
- Related to cotton textiles,
 - allowed 5% growth in imports per year
- Negotiate bilateral agreements with exporting countries

20

Long Term Arrangement (LTA) 1962

- Impose unilateral restraints
 - If a country and an exporting country could not arrive at an agreement
- Renewed in 1967 and 1970

21

Events Occurring Prior to MFA

- Man-made fibers
- Emergence of newly developed countries in textile industry
- Increase in imports into US despite LTA
- These changes were the catalyst for developed countries to protect their industries, in particular the US
- Resulted in the Multifiber Agreement

22

Multifiber Arrangement (MFA) 1974

- Represents compromise to mediate the different positions of exporting (developing) and importing (developed) countries (50 members)
- Include cotton, wool, man-made fibers

23

Multifiber Arrangement (MFA) 1974

- Each signatory member negotiates bilateral agreements with its trading partners with whom textile trade is a concern
- Quotas
 - Established in bilateral agreement and puts restraints on exporting country's product

24

The Garment Industry

- the challenges in the garment industry following the phase out of the quota system
- private – public partnership to overcome the challenges

25

MFA 1974

Ceilings were put on

- Aggregate Ceiling:
 - Total amount of SME
- Group Ceilings:
 - Groupings (e.g., sweaters)
- Category Ceilings:
 - Product categories (e.g., man-made sweaters)

26

MFA 1974

Features:

- Textile Surveillance Body was created to monitor MFA
- Stricter rules for determining market disruption
- Increase in import growth per year to 6%
- Quota flexibility: "swing", carry forward", and "carryover"

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MFA 1974

- Renewed in 1977, 1981, 1986
- Increased trade restraints
- 1980 – US had 18 bilateral agreements
- 1990 – US had 60 bilateral agreements

28

Effects of the MFA

MFA introduced in 1974 to regulate the trade in textiles & clothing

Asia became the world's foremost exporter of apparel.

29

Effects of the MFA

Many developing countries embarked on the garment industry using quota as an instrument for market access.

Buyers were compelled to move from country to country in search of quotas

30

MFA

- The primary effect of the MFA was driving apparel production around the world
- US imports of textiles and apparel increased from \$2.3 billion in 1973 to \$68 billion in 2000

Reflections on the MFA

Concerns:

- Removal of a sector of trade from GATT rules
- Discrimination is permitted (MFN-GATT)
- Quotas were permitted

Reflections on the MFA

Concerns:

- Not compensation is required to restricted country (Favorable negotiations)
- Concept of market disruption introduced
- Gentlemen's agreement between US & EU

Success Of Asian Countries

- *SRI LANKA*
 - Garment exports account for over 52% of exports.
 - Over 1 million employed out of 6.5 Million.
 - Only 20% knit fabrics but fair quantity of accessories made locally

Success Of Asian Countries

- *CAMBODIA*
 - Garment exports account for 85% of exports.
 - All fabrics & large quantity of accessories imported
- *BANGLADESH*
 - Garment exports represent 75% of exports.
 - 80% Knit & 20% woven fabrics now produced locally

Success Of Asian Countries

- *PAKISTAN*
 - Garment exports represents over 67% of total exports but similar to
- *INDIA*
 - Have invested large sums in modern fabric mills
 - Have the capacity to specialize in cotton based fabrics & garments

Departures from GATT for the Textile & Apparel Industry

Arguments in support of special agreements

- Only pertained to problematic products
- Addressed a small proportion of trade
 - Developed to less developed

Departures from GATT for the Textile & Apparel Industry

Arguments in support of special agreements

- Smaller participation by countries than GATT
- EU did provide for special consideration to some less developed countries

New Rules of Trade

The Uruguay Round

Starting in 1986 finally came into effect in 1995 in Geneva.

Textile and Apparel have to be integrated into the mainstream by removal of all quotas over a 10 year phase out.

World Trade Organization (WTO)

- During the UR of GATT in 1994
 - GATT was replaced with the WTO
- Today
 - 150 members of WTO
 - Doha Round of Talks
 - Farm subsidies
 - Removal of tariffs

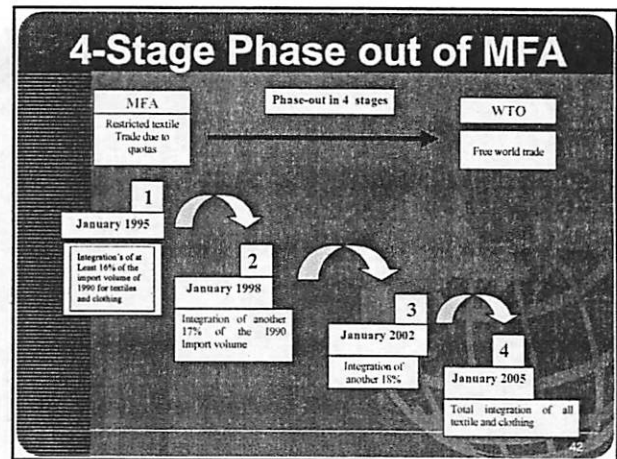
Agreement of Textiles and Clothing

ATC lays down the modality of phasing out the MFA over a period of 10 years.

Total elimination of quotas would be done in four stages

Three stages have been already completed.

The fourth stage is due on Dec. 31, 2004 where all the popular or 'hot' categories will be phased out.

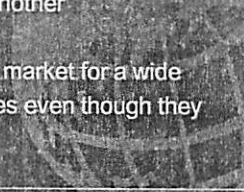


Assumptions on ATC

The movement of industry from the developed to the developing countries will continue

The greatest relocation would be from one developing country to another

The MFA guaranteed a market for a wide range of poorer countries even though they were not competitive



43

Assumptions on ATC (cont'd)

Without MFA there will be a concentration of the industry in countries with inherent advantages:

- Availability of fabric
- Infrastructure for Marketing and Transport
- Low Wages



44

Assumptions on ATC (cont'd)

Without MFA there will be a concentration of the industry in countries with inherent advantages:


- Favorable Trading Terms
- Proximity to the Market



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Company LOGO

THE US MARKET



Free Trade Zones

A site within a nation that has been Granted duty free entry of specific goods from another nation(s)



47

Free Trade Zones

- Imported goods can be stored,
- Undergo repackaging or minor operations
- They exported to another country
- Imported goods are not subject to duties



48

Free Trade Zones

- Qualified Industrial Zone (QIZ)
 - Involved more than one nation

49

REGIONAL TRADING BLOCKS (USA)

- **NAFTA**
 - The North American Free Trade Agreement
 - Result a growth in Textiles & Clothing in Mexico at the expense of Asia

50

REGIONAL TRADING BLOCKS (USA)

- **CBI**
 - The Caribbean Basin Initiative
 - Result growth of Garment trade in the Caribbean at the expense of Asia

51

Regional Trading Blocks (USA)

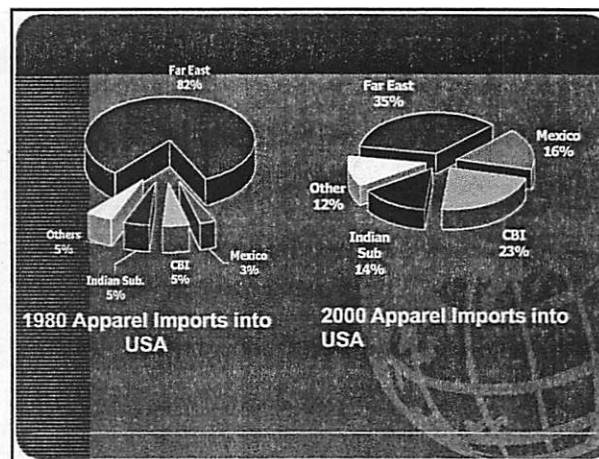
- **AGOA**
 - The African Growth and Opportunities Act
 - Result Movement & Relocation of Factories to Africa

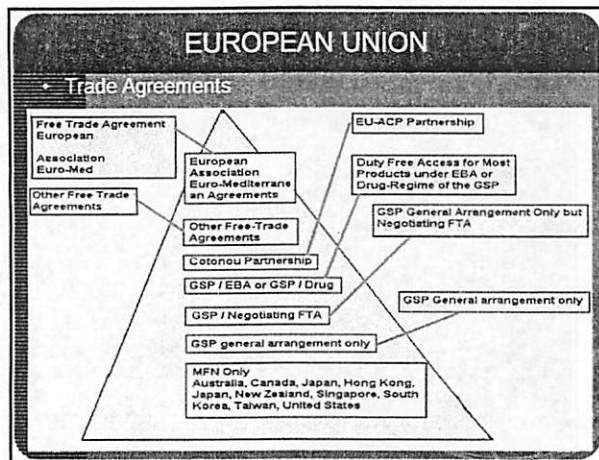
52

1980 → **2000**

- Continuation of MFA
- Signing of NAFTA
- Signing of CBI

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TARIFFS

- Most tariffs on Garments to the Developed Countries are high.
- EU has a tariff of 12.5%
- USA varies between 0 - 30%

TARIFFS

- With increased competition a 1% tariff difference can loose a large order
- Tariff concessions can be obtained bilaterally or multilaterally
- Tariffs are on the basis of reciprocity

Free Trade Agreements

- Many countries are negotiating FTA's with the USA.
- The Tariff advantage could be relatively short term as many others strive to obtain better market access.
- The USA has indicated total duty free by 2015

Free Trade Agreements

- The EU pursue the implementation of the Doha Agenda
 - but have many agreements providing duty free access
- New members States of the EU and their close proximity could also be a challenge

Harmonized System (HS)

- The Harmonized Commodity Description and Coding System
- A global classification system
- To describe most trade in goods
- Based a six-digit numbering similar to NAICS
- The World Customs Organization (WCO)

Tariffs

- A tax on imported or exported good
- Increases the cost of the goods
- Increases the selling price in the importing country
- Nominal Tariffs
 - Specific
 - Ad valorem

61

Nominal Tariffs

- The rates published in each country's tariff schedule
 - Determining how much duty has to be paid for specified products
- *Specific Tariffs*
 - A fixed amount of money per physical unit of product
- *Ad valorem Tariffs*
 - Are a fixed percentage of the value of the product

62

Specific and Ad valorem tariffs

Product	Rates of Duty
Specific Tariffs	
Chickens, ducks, turkeys	\$0.02 each
Cattle, 1,550kg or more	\$0.007 per kg
Ad valorem Tariffs	
Reptile leather luggage	8.5% ad valorem
Women's raincoats	8.9% ad valorem
Combined Tariffs	
Baby sweaters of wool	\$0.318 per kg + 14.4% ad valorem
Men's ties of man-made fibers	\$0.248 per kg + 12.7% ad valorem

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