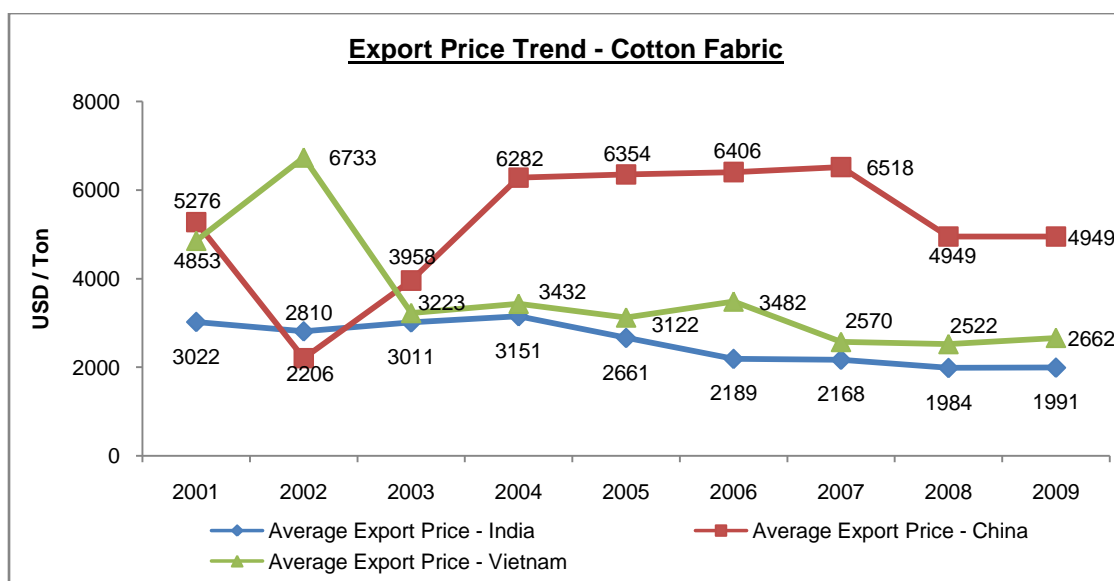


## Textiles & Garments: Export Price Comparison

Export pricing is the most important factor for promoting exports and winning orders in highly competitive international trade. It is important for the exporters to keep the prices low keeping in mind all export benefits and expenses. Increases in the EPI are typically due to strong foreign demand or higher internal costs within the exporter's country.

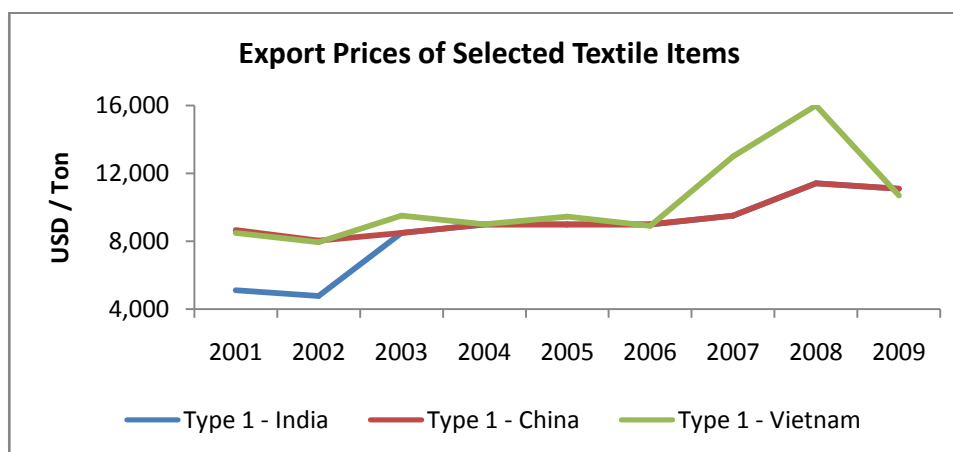
### 1. Cotton Segment

India's export price of cotton textile has been lower than that of China & Vietnam for a large part of the decade.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments; The Export Price represented in the chart above is only of cotton textiles and doesn't include the price of garments made out of cotton fabric)

The graph below presents a contrarian trend to the above chart, wherein for a technologically superior product e.g. *Woven fabrics of cotton, >=85%, more than 200 g/m<sup>2</sup>, bleached*, China has either matched or beaten India's export price over the years, which signifies that India's low export price is mainly because of its low value items.



(Note: Type 1 - Woven fabrics of cotton, >=85%, more than 200 g/m<sup>2</sup>, bleached)

In the further sections, we would analyse the various determinants of cost and the reasons for China’s dominance in the sector and Vietnam’s increasing strength in spite of India holding a price advantage.

## 2. Man-Made Fibres

There is a considerable difference in export price of Japan and the other two countries when it comes to textiles made of man-made fibres. This difference is due to the technologically superior products manufactured by the Japanese firms. Although India is one of the largest producers of man-made fibres, its export prices are still higher than that of products coming out of Taiwan. In next few sections we would probe this further to ascertain the reasons for this disparity.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments; The Export Price represented in the chart above is only of man-made yarn & fibres and doesn't include the price of garments made out of man-made fabric)