

NEW ZEALAND An Emerging Market for Indian Apparel Exporters



**Source:
Apparel
India**

New Zealand: an emerging market for Indian Apparel Exporters

Source: Apparel India

Over the past 20 years the government has transformed New Zealand from an agrarian economy dependent on concessionary British market access, to a more industrialised, prosperous, developed and free market economy. This dynamic growth has boosted incomes, but has left behind some at the bottom of the ladder and has further broadened and deepened the technological capabilities of the industrial sector. Per capita income rose for ten consecutive years until 2007, in purchasing power parity terms, but fell in 2008-09. New Zealand is the 51st largest country in the world in terms of PCI (in PPP) and 63rd economy in GDP (in PPP) terms.

The economy posted a 1.7 per cent decline in 2009, but pulled out of recession late in the year, and achieved 2.1 per cent growth in 2010. Nevertheless, key trade sectors remained vulnerable to weak external demand. The government plans to raise productivity growth and develop its infrastructure, while reigning in the government's spending.

Table 1. Key Macro-economic indicators of New Zealand

Details	Year	Figures
Population	(2010 est.)	4, 252, 277
Population Growth Rate	(2010 est.)	0.901%
GDP (Purchasing Power Parity-PPP)	(2009 est.)	\$119.20 billion
Annual Rate of Inflation	(2009 est.)	2.6%
GDP Per Capita (PPP)	(2009 est.)	\$28, 000
Industry	(2009 est.)	24%
Major Ports	Auckland, Lyttelton, Manukau Harbor, Marsden Point, Tauranga, Wellington	

Source: World Fact Book, CIA



Total export of New Zealand stood at US\$ 30931 million in 2010 which increased by 24 per cent from 2009, while total import were to the tune of US\$ 3015 million, almost 18 per cent higher than 2009. New Zealand exported 2.1 per cent of the total export to India, while in its total import from the world, India accounted for less than 0.8 per cent. India's share in New Zealand's export has increased by 0.5 per cent in 2010 from 2009 while share in import remained stagnant since 2009.

In New Zealand's total export, apparel sector accounted for less than 0.5 per cent share while in import, accounted for more than three per cent in 2010. New Zealand's apparel export to world in 2010 stood at



US\$ 169.2 million which was 19.1 per cent higher than 2009 and the import stood at US\$ 884 million which was 16.5 per cent higher than 2009.

New Zealand's import of knitted garments is higher than the woven garments and in the last three years, share of knitted garments has increased substantially. Import from India was higher for woven garments, compared to knitted garments. Overall apparel import from India has increased by 14.6 per cent in 2010 compared to 2009. **Table 2** highlights segment wise import of New Zealand from the world and India.

Years	World			India			India's Share in %		
	61	62	RMG	61	62	RMG	61	62	RMG
2007	408.2	399.2	807.4	2.9	7.5	10.5	0.7	1.9	1.3
2008	425.9	409.5	835.4	2.9	9.2	12.1	0.7	2.2	1.4
2009	399.1	359.8	758.9	4.3	9.7	14	1.1	2.7	1.9
2010	465.9	418.6	884.5	5	11.1	16.1	1.1	2.6	1.8
Growth 2010/2009	16.7	16.4	16.6	15.8	14	14.6			

Source: UN Comtrade, 2010

China is the top most apparel supplier to New Zealand, while India is the third largest apparel supplier after China and Australia. China accounts for almost 81 per cent share in New Zealand's total apparel import from the world, while India accounted for 1.8 per cent in 2010. Australia, which is the second largest apparel supplier to New Zealand, accounted for four per cent share in total apparel import of New Zealand.

Rank in 2010	Countries	2007	2008	2009	2010	Share 2010 in %	Growth 10/09
		RMG	RMG	RMG	RMG		
	World	807.4	835.4	758.9	884.5	100	16.6
1	China	643.7	664.4	605.3	713.7	80.7	17.9
2	Australia	50.9	50	38.9	39.8	4.5	2.1
3	India	10.5	12.1	14	16.1	1.8	14.6

Source: UN Comtrade

Apparel Import at HS four Digit

New Zealand, imports 34 products at HS 4 digit from the world and among these products, there are four categories where, there had been a decline in import from the previous year, while rest of the thirty categories registered increase in import. Categories which registered decline were 6207, 6217, 6215 and 6213. Highest growth was registered by the 6113 import, which increased by 74 per cent in 2010 from 2009. **Table 4** highlights the top three import categories at HS 4 digit and India's share in these categories. Top three apparel imports from India at HS 4 digit are 6204, 6109 and 6214 (Shawls, scarves, mufflers, mantillas, veils and the likes).



Table 4: Top Three Apparel Import of New Zealand from World, US\$ million								
HS Code	Description	World			India			
		2009	2010	Growth in %10/09	2009	2010	Share in %, 2010	Growth in % 10/09
6204	Women's of girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts	119	136	14.41	4	4.2	3.09	5.43
6109	T-shirts, singlets and other vests, knitted or crocheted	79.7	90.9	14.15	1.4	1.6	1.75	15.91
6110	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted	86	90.1	4.78	0.3	0.4	0.41	27.53

Source: UN Comtrade



Apparel Import at HS six Digit

There are 219 apparel items imported by New Zealand at HS 6 digit from the world. In 2010, there were 155 product categories that registered positive growth, while rest of the 64 categories registered decline from the previous year. In case of import from India 80 product categories registered decline and rest of the 96 categories registered increase, in the import from last year.

The import items from the world are shown in **Table 5**. The table also highlights India's share in the same.

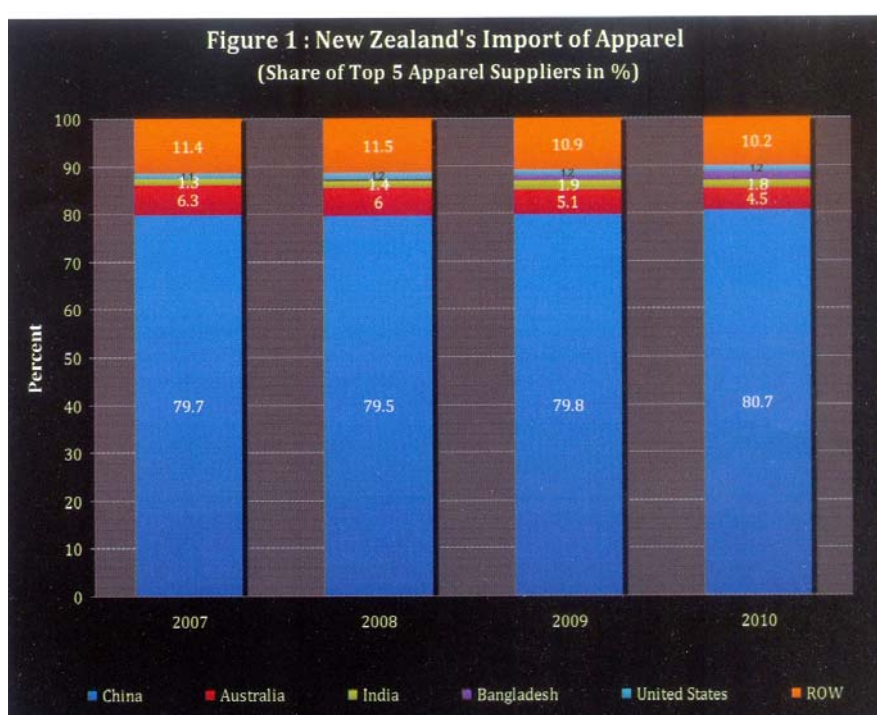


Table 5: New Zealand's 3 top import of apparel at HS 6 digit, US\$ million

HS Code	Description	World			India			
		2009	2010	Growth in %10/09	2009	2010	Share in %, 2010	Growth in % 10/09
610910	T-shirts, singlets and other vests, knitted or crocheted of Cotton	55.4	63.2	14.1	1.3	1.5	2.4	19.7
620462	Women's of girls' suits, ensembles, jackets, blazers, dresses, skirts, of Cotton	41.7	45.8	9.9	0.3	0.2	0.5	-14.1
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted of MMF	38.4	39.8	3.5	0	0.1	0.1	9.9

Source: UN Comtrade

Competitive Picture of Indian apparel export in New Zealand

Table 6 shows the competitive positions of the top five suppliers for three items. These three items constitute more than 20 per cent share in total apparel import of New Zealand from the world. China has been found the dominant supplier followed by Australia. India remained at the fourth position for two products and at the third position for one product category.



Table 6: Top 3 Apparel import of New Zealand and Share of Top 5 Suppliers Vis-à-vis India

HS Code	Description	Share of Top 4 Competitors %	Import from India, US \$million	India's Share
6204	Women's of girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers	Australia (9.4), Bangladesh (0.6), China (76.6), USA (1.1)	4.2	3.1
6109	T-shirts, singlets and other vests, knitted or crocheted	Australia (3.8), Bangladesh (5.8), China (78), USA (1.5)	1.59	1.7
6110	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted	Australia (2), Bangladesh (1.9), China (87), USA (.5)	0.37	0.4

Source: UN Comtrade

MFN applied tariff rates as per the WTO 2010 is 9.6 per cent for clothing sector.
Source: Apparel India: March 2011