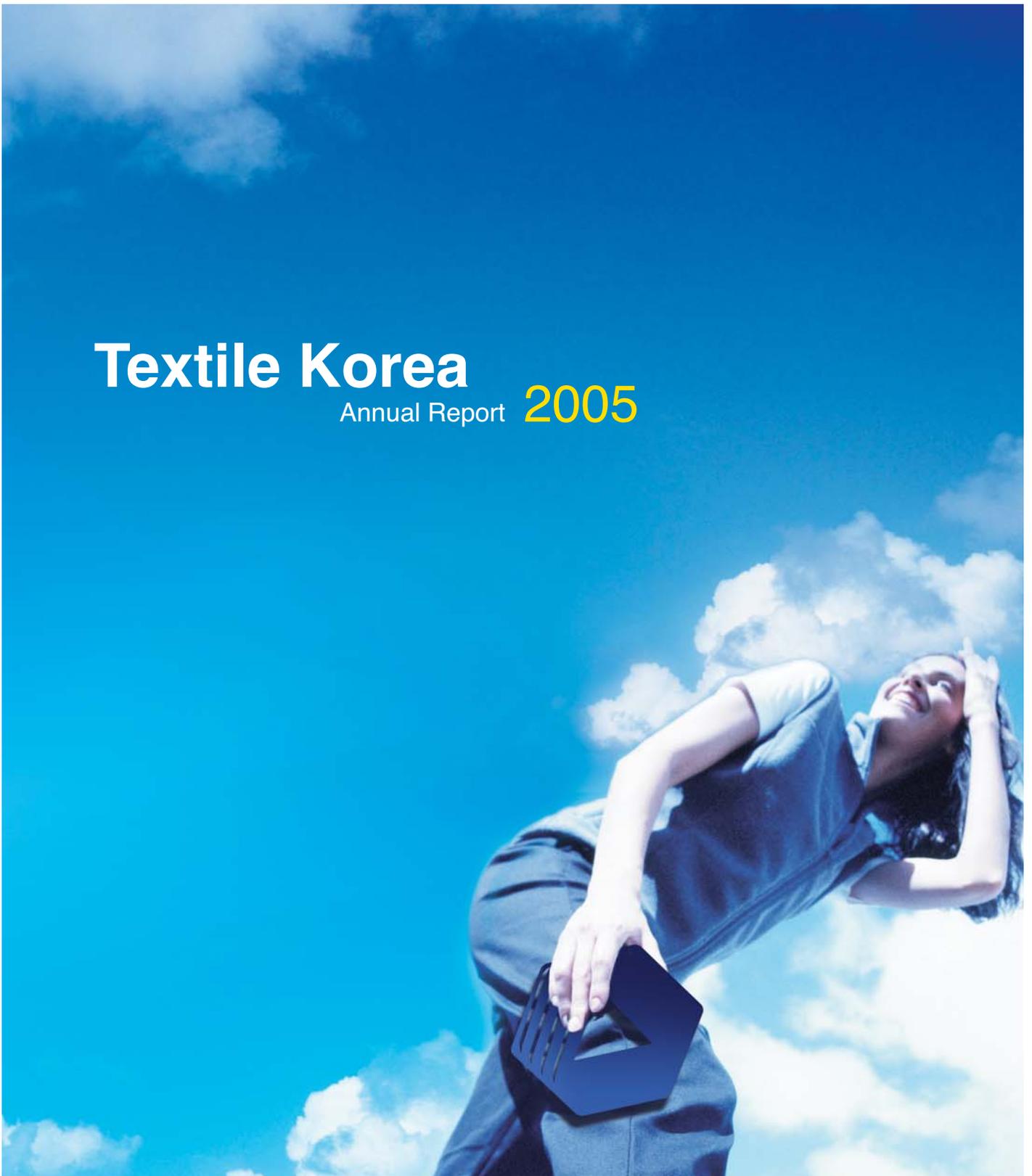


Textile Korea

Annual Report 2005



Korea Federation of Textile Industries (KOFOTI)

Korea's textile industry is among the world leaders in exports and production. It is number one in synthetic fabric exports, number three in synthetic textile exports and number four in total textile exports. Already a textile powerhouse, Korean manufacturers are working to upgrade quality, technology and design capabilities to remain at the pinnacle of the industry worldwide.

The **world's textile industry** is experiencing a sea change in line with the tidal waves of globalization, liberalization and digitalization. Amid this turbulence, Korea continues to promote the textile sector as a next-generation growth engine.



Contents

Message From the Chairman	04
Focus & Highlights 2004-2005	06
Position & Performance	13
KOFOTI...Korean Textile Industry Leader	23
Exhibitions	32
Statistics & Reference	36

Five Keys to Global Textile Leadership



Having been newly elected as the chairman of Korea Federation of Textile Industries (KOFOTI) in March this year, it gives me great pleasure to introduce our organization as well as the Korean textile industry in this annual report.

First of all, it is important to emphasize that textiles remain a key industry for the Korean economy after being considered the mother of Korea's modernization drive.

Today, compared with industries in advanced countries like Japan that have completed the high-tech transition, Korea's textile sector is still in the process of integrating the latest technological advances, which means that there is a lot of promise for the industry in the future. At the same time, the domestic textile industry is dealing with counterparts in newly developing countries like China. But instead of a competitive relationship, Korea has taken a complementary course that is focused on differentiation and specialization.

Of particular note, the development of the Kaesung Industrial Complex in North Korea, a joint project by the governments of North and South Korea, is a bright spot for the future of the industry. In fact, apparel producers account for the largest percentage of enterprises in the complex. When all of the planned apparel investment is realized, there will be a significant ripple effect on related sectors including cotton spinning, yarns and fabrics.

At this juncture, I have identified five tasks that are required to build a stronger foundation for the industry and for KOFOTI.

First, we need to upgrade the basic structure of the textile sector to improve our international competitiveness. This means that we have to fundamentally address our high-cost, low-efficiency





processes. To do this, we will carry out a systematic diagnosis by sector and take the necessary actions to reduce cost burdens and improve efficiencies.

Second, it is necessary to expand our efforts to stimulate textile exports and imports. From the beginning, the textile sector has been highly dependent on exports for its survival and growth. However, with the rapidly improving standard of living in Korea, domestic textile demand has emerged as a second pillar for the industry.

Third, we need to address upgrades in technology innovation, manpower cultivation and facility investment. The future of our industry really rides on our success in these areas, and this is the optimum time to make the needed investments. Currently we are able to take advantage of favorable interest rates as low as 3% per annum, whereas in the past interest rates as high as 20% stifled required investments in these areas.

Fourth, the industry needs to pay special attention to the promotion of apparel and fashion sectors. These will be the core of our resurgence, as they are the engine for the overall development of related upstream and downstream segments.

Finally, the Korean industry has to be a more active player in shaping the new global textile paradigm. This means adopting a more proactive role in international cooperation activities. With the repeal of the global textile quota system and ongoing trade liberalization, we should move to adopt global standards to help ease potential trade friction with other countries.

Seho Kyong
Chairman, Korea Federation of Textile Industries

The repeal of the Multifibre Arrangement (MFA) will accelerate the formation of a new paradigm in the textile sector. Within Asia, Korea must find ways to complement the emergence of China's textile sector and to capitalize on the advantages of South-North Korea cooperation. The five-year technology innovation roadmap for textiles focuses on new core technology development in each sector.

FOCUS & HIGHLIGHTS 2004-2005

- New Global Textile Order
- New Wind From the Peninsula
- Vision & Roadmap



New Global Textile Order

Repeal of MFA

With the full abolition of MFA (Multifibre Arrangement) by the U.S. in 2005, China, followed by India, is expected to be the largest beneficiary in the apparel field.

Due to quota restrictions, China and India have experienced many difficulties in exports to the U.S. market. As a result, they were unable to expand apparel market share in the U.S. and rather suffered declines starting in the mid-1990s, as they were out-paced by Mexico and CBI countries, which had no quota restrictions.

In the wake of the U.S. import quota abolition, meanwhile, exports from Korea, Taiwan, and others to the U.S. will not only fall sharply, but also their U.S. apparel market share will decline at a faster pace. Korea and Taiwan had secured comparatively larger quota volumes and maintained higher market shares.

Together with their expansion of production capacity through inducement of foreign direct investment and facility upgrades as well as increases in their exports to the U.S. focused on the items now without quotas, late developing nations are expected to accelerate encroachment on the Korean market share.



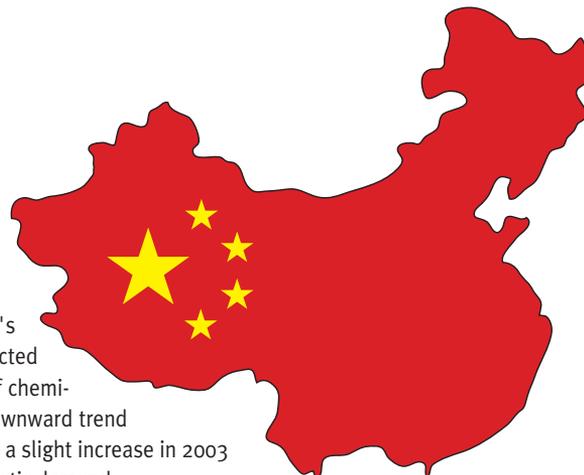
China Rising

Korea's textile trade with China grew by an annual average of 14.6% to US\$5.3 billion in 2003 from US\$1.3 billion in 1992 when the two countries established diplomatic relations.

Korea, however, has sustained deficits in textile trade with China with the scale gradually growing. In textile trade with China, Korea exports textile raw materials, fabrics, etc. and imports textile products such as apparel, completing a complementary industrial relationship between the two countries.

China is the largest importer of Korean chemical textile materials. In 2003, Korea's exports of chemical raw materials, EG, TPA, etc. to China amounted to about US\$1.08 billion, accounting for 91% of Korea's total exports of those materials that year. In January-June 2004, 94% of the total shipments abroad were exported to China. The reason for Korea's increasing exports to China is even though it is building new chemical textile production facilities, its self-supply of synthetic textile raw materials remains at a low level.

Since it may take a considerable amount of time for China to resolve its imbalance in supply and demand, Korea's exports of synthetic raw materials to that country are expected to continue at a brisk pace for the time being. In the case of chemical textiles, however, Korea's exports have experienced a downward trend with US\$1.5 billion in 1997 as the peak, despite a rebound to a slight increase in 2003 due to China's high economic growth and expansion of domestic demand.



China is the largest importer of Korean textile raw materials and at the same time is the country with which Korea has the largest apparel trade deficit. Korea's apparel imports from China increased from US\$75 million in 1992 to US\$1.9 billion in 2003, maintaining an average of 34% annual growth. To date since the establishment of diplomatic relations, Korea has recorded an accumulated trade deficit of US\$8 billion in the apparel sector.

Korea also is staging fierce competition with Taiwan and Japan while the competitiveness of made-in-China products also improves. Furthermore, Korea's petrochemical industry-related firms, which have been exporting to China, are increasing their investments in China to avoid China's import restrictions. Therefore, Korea's future exports are expected to be replaced by products manufactured locally in China by those invested enterprises.

As of the end of June 2004, statistics of Korean textile firms' investment in China by business sector showed that apparel accounted for 61.2% of total investment cases. Nevertheless, as the investment scale per case was just US\$32,700, the investment rate in China accounted for 34.6% of Korea's total overseas investment amount for textiles. Meanwhile, Korea's investment cases in China for chemical textiles numbered just 20, but represented 7.4% of the nation's total textile and apparel investments in terms of amount, with an average investment of US\$3.58 million per case.

In the future, Korea will require a new cooperation paradigm in the textile field to accommodate environmental changes in the Chinese market. It can be said Korean enterprises' advance into the Chinese textile market has been limited. In the apparel and sewing business sector, their investments have been mainly focused on utilizing China as a simple processing and sewing base, while in the petrochemical sector, they have made inroads into the Chinese market through exports.

However, China is raising its self-supply level in textile raw materials and textiles through large-scale investments and Korea's competition with Taiwan, Japan, etc. also is becoming fiercer. Moreover, since China is reinforcing its anti-dumping regulations targeting import goods in order to protect its domestic industries, there is a strong possibility that Korea's textile exports to China may shrink in the mid and long term.

In the future, therefore, Korea needs to put more emphasis on the demand areas that are now growing in China. There is a need to develop new export products, considering the fact that China's textile consumption is being converted from apparel to industrial and household-use textile demand. At the same time, it is also necessary for Korea to convert its investments to target China's local domestic demand market, moving away from the previous strategy to utilize the country as a processing base.

It is fortunate that recently Korea's medium-sized and large textile firms have been expanding investments in China and that Korea's unique apparel brands are highly sought in the Chinese market.

New Wind From the Peninsula

Economic Effects of Kaesung Industrial Park

Located 70 km from Seoul and 170 km from Pyongyang, Kaesung Industrial Park has significant advantages, such as easy access to South-North manpower and transportation and large-volume logistics facilities by rail, road and ocean routes and the possible supply of electricity from the South, in particular.

The wages of North Korean workers are comparatively lower than those in China and Vietnam. A noteworthy fact is that South Korean firms that have located there so far can pay wages directly to workers instead of paying them to the North Korean authorities and also can pay bonuses as a means of increasing productivity.

Another of Kaesung Industrial Park's advantages is that weekly working hours in the park have been set at 48 hours, more than the 44 hours in China. At 149,000 won/pyong (about 3.3 m²), the park's manufacturing site cost is higher than the 50,000 won/pyong in the Dandong area of China, but competitiveness is not endangered when logistics costs and manpower utilization are taken into account.

Moreover, creating a foundation to form a South-North Korea economic community through support for the North's reforms, openness and economic cooperation will provide South Korea, now considered a de facto 'Island Economy' due to the artificial division of the peninsula, with new 'Development Space' and 'Growth Engine' to enable its pursuit of a full-scale advance into Asia and Europe, expanding its growth potential.

The Korean Peninsula is a strategic link that connects Eurasia and the Pacific Ocean powers. Here, as a central axis connecting continental and ocean powers respectively by North Korea and South Korea, specific benefits can be obtained - early revival of the North Korean economy and securing of outposts for South Korea's advance into the continent.

Further, the relationship will be very advantageous from the perspective of reducing future unification expenses through formation of common logistics bases and an economic community. With links via TCR (Trans-China Railway) and TSR (Trans-Siberian Railway), Korea will take a leading role in realizing a Northeast Asian economic center. In this aspect, development of Mt. Keumkang and Kaesung Industrial Park, including linking of disconnected inland roads, should be promoted continuously with 'Principle and Conviction,' bearing in mind that it is a medium and long-term national project for substantial economic integration while providing momentum for South Korea to develop into Northeast Asia's logistics and business hub.





Textile Industry Basks in Hallyu Spotlight

The growing popularity of Korean pop culture in Asia, so-called Hallyu or Korean wave, has a halo effect for anything Korean. Fans of Korean pop music, TV shows and movies are increasingly spending hard-earned money on visits to Korea as well as the purchase of Korean goods, fashions, hairstyles and foods.

Government statistics show that in the first eight months of last year three million tourists from Japan, China and other Asian countries flocked to Korea to see the locations of Korean television dramas and films or to have the chance to meet their favorite Korean stars and entertainers.

Encouraged by the huge success of the Hallyu phenomenon, the government is looking to leverage its effects and use it to improve Korea's image abroad.

The textile sector has been one of the primary beneficiaries of the Hallyu effect, as it is closely tied to the cultural exports of movies and films. The wardrobes of actors and actresses have inspired a new generation of Korean fashion in Asia.

KOFOTI was one of the frontrunners in taking advantage of Hallyu when a few years ago it used star marketing events in conjunction with its Preview in Shanghai exhibition. This increased the favorable image of Korean apparel in China.

But Hallyu is not totally Korean. Elements of the phenomenon are tailored to meet the unique tastes of the host country in terms of fashion, apparel and styles. The textile industry is helping to accelerate Hallyu in the Asian region and throughout the world.

Textile Industry Seeks Perfect Marriage with IT

One of the key factors for the future of the Korean textile industry is its utilization of the country's global leadership in the digital sector. Advances in the IT world are being combined with traditional textile technologies to generate enormous potential and new spin-off segments.

Meanwhile, KOFOTI is pursuing informationization projects to adapt to the domestic industry while continuing to pursue ongoing supply chain management systems. The association and the industry are focused on database construction and development for sourcing, production and sales. In addition, advances in e-trade infrastructure are providing momentum for exploring new markets at home and abroad.



Vision & Roadmap

Textile/Fashion Industry Tech Innovation Plan

Korea has developed a 'Five-Year Technology Innovation Plan' for fashion and textile industries.

The five-year plan features expansion of the production ratio for industrial textiles to 50% by 2012 from 25% in 2003, with the goal of achieving a global market share of 17% in the sector by 2012 from 7.5% in 2003. It also includes development of a wide variety of high-tech industrial textile raw materials, such as nano and high-function textiles, in addition to establishing infrastructure for technology development, fostering specialized manpower and enhancing export competitiveness.

For development of state-of-the-art dyeing and processing industries, the plan makes available support for commercialization of high-tech complex, functional, sensitization and low-polluting processing technologies, etc., while seeking to digitalize the dyeing industry's facilities and resolving the scarcity of skilled manpower by utilizing overseas trainees.

Under the plan, fashion and design industries will be stimulated through conversion into a fashion apparel-oriented export structure and reinforcement of fashion and design manpower.

Roadmap for Technology Development Tasks

Vision		Production of world's super-first-class smart, intelligent and high-tech textile goods
Future Prospects		<ul style="list-style-type: none"> - Textile products to be used in world's cutting-edge industries - Grafting of IT technologies, industrial textiles and dyeing and processing technologies - Development of future-oriented smart and intelligent apparel products
Core Technologies		Super-high-tech industrial textiles, IT-ization of dyeing and processing and intelligent apparel products
Technologies to Develop Industrial Textiles and New State-of-the-Art Materials	High-function textiles utilizing PCM	<ul style="list-style-type: none"> - Textiles having automatic temperature control function by melt spinning of PCMs (phase changing materials) - Textiles with various kinds of functional materials applied, such as sensitizing dyes, thermochromic dyes, aromatics and vitamins.
	Environment-friendly biodegradable complex textiles	- Dyeing and processing of Polylactic Acid (PLA) textiles, bean textiles, polyester-modified biodegradable textiles
	High-clean environment-improving complex textiles	<ul style="list-style-type: none"> - Super-efficient filters for purification of air and water - Filters for electron waves, acoustic absorption, dust absorption, deodorization
	Biocompatible health-care textiles and products	- Medical textiles, blood filter textiles, textiles for moisturization of artificial skin, skin-care textiles with wound-treating effect
	New biotech-fusion environment-friendly materials	- ADC (Animal-Derived Collagen)-utilized biocompatible bio textiles, bio polyester, spider silk, dyeing and processing processes for bio textiles
High-function textiles for use in tire cord	- Tire cord yarns superior to existing PET materials, development and application of PEN textiles and modified cellulose for tire cord	
Digital, Intelligent Fashion Apparel Technologies	Digital technology-utilized fashion apparel	- Filling system in 3D cyber space, 3D tailoring system, computer simulation tech, artificial-intelligence process control and management tech, image processing and sensor application tech, cyber fashion show materials and application tech.
	Intelligent textile apparel	- Intelligent textile apparel that can monitor physical condition and actions of wearers, transmit the data and report monitored results for applications with military, medical use and the old and weak
	Internet-based fashion apparel products	- Apparel design/pattern CAD-Web ASP system, fashion Web PDA (for manufacturing process of fashion materials and products and processing of logistics), bar-code system for next-generation fashion products
	Design/manufacturing technologies for intelligent special protective clothes	- Special clothes that can sense external environmental changes and react intelligently in extreme sports (motorcycle, skydiving, hang gliding, paragliding, skin diving, wind surfing, rock climbing), airbags, military use, etc.
	Smart apparel for future daily life	- New kinds of apparel integrating various digital devices and functions, flexible digital devices that can be grafted into apparel and applied products
Biometrics tech-utilized new textiles	- Biometrics tech-applied new textiles and fashion apparel products, synthesized unique fashion apparel materials having super bulky feel that does not exist in nature	
State-of-the-Art Dyeing and Processing Technologies	High value-added textile products made with next-generation clean digital textile printing system	- Digital textile printers, digital textile printing dyestuffs, textile products manufactured with digital textile printers
	Wear-comfort, easy-care high-fashion products and high-tech dyeing and processing	- Wrinkle-free natural textiles, wash & wear natural textile products with excellent stability during washing and dyeing & processing tech
	IT-grafted dyeing & processing tech and products	- IT-grafted dyeing automation facility, standardized facility, establishment of an integrated system, automatic inspection system and high-tech textile products applicable to these systems
Policy Suggestions		It is necessary to recognize textile/fashion not as a declining industry but as a knowledge industry that is grafting the latest technology, culture and information. Active support and awareness from the government perspective are required to facilitate development and production of the world's super-first-class smart, intelligent and highly-advanced textile products by inducing the industry to create unlimited added value through utilization of its knowledge-type intangible assets - design, fashion, cutting-edgy technology, marketing, informationization, etc.

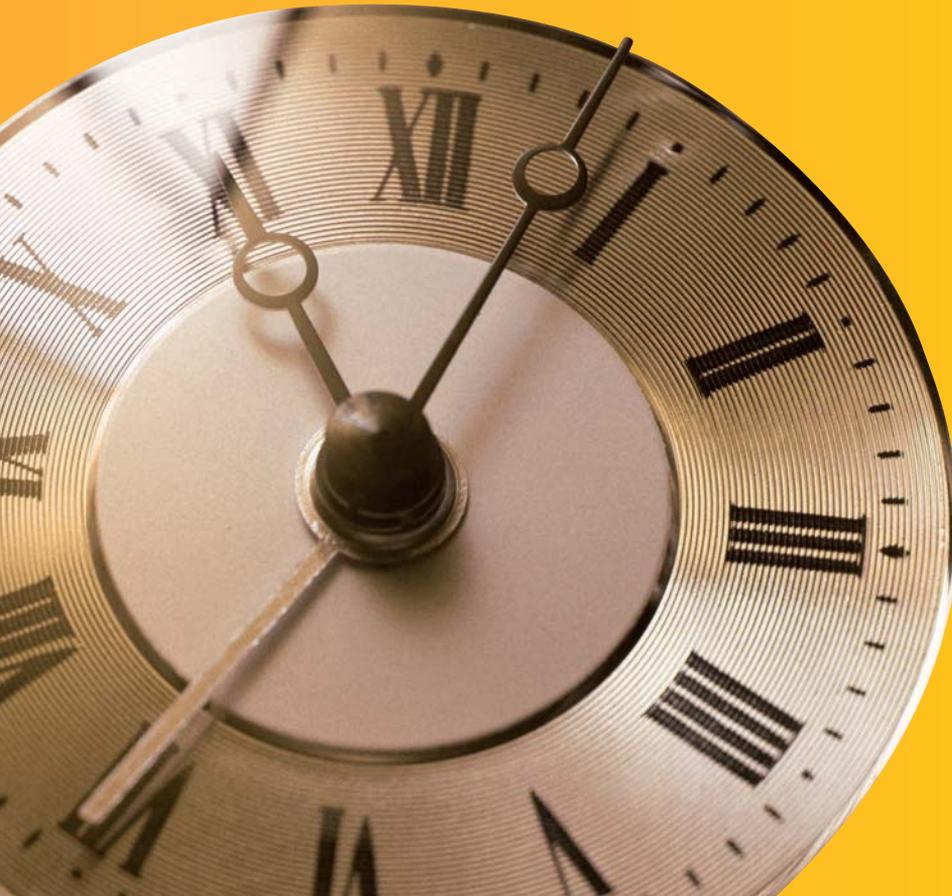
The Korean textile industry is maintaining a leadership role in the domestic economy while developing new fields that will ensure its future. Domestic demand and production in 2004 were off slightly from 2003 levels, but individual sectors were able to shift focus to exports, which bodes well for balanced development of the industry in the future.

POSITION & PERFORMANCE

- Korean Textile Industry Scoreboard

- Korean Textile Industry in 2004 and Prospects for 2005

- Korean Textile Industry by Business Sector



Korean Textile Industry Scoreboard

A Top Five Exporter

In 2003, the Korean textile industry enjoyed a global market share of 3.5%, ranking fifth in the world behind the EU (30.1%), China (29.1%), the U.S. (4.2%) and Turkey (3.8%).

In the US\$395 billion global market, Korea's share was US\$13.7 billion compared with US\$118.9 billion for the EU, US\$115.2 billion for China, and US\$16.5 billion for the U.S.

3rd Largest Trade Surplus Earner

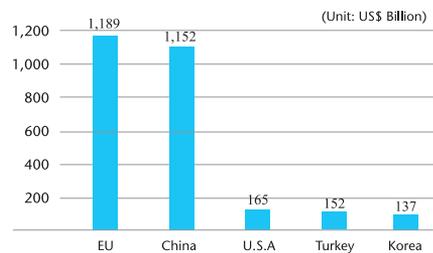
Korea's textile industry's trade surplus of over US\$10 billion slipped to US\$9.8 billion in 2003 and further to US\$8.8 billion in 2004. However, it held onto third place among domestic industries in terms of trade surplus amount following the US\$42.8 billion surplus of the electric/electronics sector and the US\$37.9 billion of the machinery sector.

Major Contributor to Employment and Production

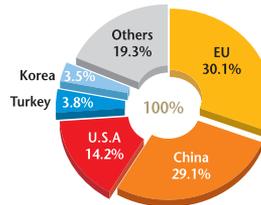
The number of textile companies operating in Korea last year reached 18,215, accounting for 16% of all manufacturing enterprises (112,662). Employees of textile firms in 2004 numbered 329,000, 12% of manufacturing sector employees.

Textile companies achieved production output of 663 trillion won last year, 6.1% of total manufacturing sector output. They also accounted for 6.5% of total manufacturing sector value-added production with 16.7 trillion won.

Export Performance by Nation



Global Market Share



Key Traditional Industries (With High Number of Firms, Employment and Production Ratios)

Category (2003)	No. of Firms	Employees (1,000 persons)	Production (trillion won)	Added Value (trillion won)
Mfg. Ind.	112,662	2,735	677	255
Textile Ind.	18,215	329	40.9	16.7
- Textile Products	9,397	132	5.9	9.3
- Sewn Apparel	8,729	12	22.9	5.6
- Chemical Fibers	89	185	12.1	1.8
Ratio (%)	16.2	12.0	6.1	6.5

Note: Textile products include weaving, fabrics manufacturing, dyeing & processing industries, etc.

Source: 2003 Statistical Survey Report on Mining and Manufacturing Industries, NSO

Technology, Culture Combine for Higher Added Value

The growth potential of Korea's textile industry is demonstrated in the balance achieved between its upstream (yarns, fabrics) and downstream (fashion, apparel) segments. Combining advances in the IT sector as well as the latest aspects of pop culture and design, the industry expects dynamic growth from high value-added elements.



Korean Textile Industry in 2004 and Prospects for 2005

Production

In 2004, Korea's textile production declined due to retirement of facilities for low-profit general-use raw yarns following raw material price hikes, expansion of overseas investment by apparel and sewing firms, and other factors.

According to the National Statistical Office (NSO), domestic textile production decreased 7.7% in 2004 from the previous year despite an average of 10.5% growth in the manufacturing sector as a whole.

In 2005, domestic textile production is expected to post a slight decline owing to profit-driven facility conversion in general and an increase in overseas investments.

Although restructuring has been accomplished at some textile firms, including facility retirements and conversions, in the wake of a depressed domestic business environment, restructuring will likely continue in 2005, as exports are projected to experience a slowdown due to the elimination of the textile quota system.

Thanks to the spread of leisure culture in general, however, production of outdoor and high-function textiles will expand. Accordingly, domestic textile firms are expected to focus on the development of high added-value and differentiated products and to increase R&D investment for new technology development.



Domestic Demand

Domestic sales in 2004 declined due to a long-term recession in domestic consumption, caused by consumer sentiment shrinkage, high unemployment, etc. The weakened price competitiveness of the fabrics sector was attributable to a decrease in domestic sales of yarns, but the apparel sector recorded a gradual recovery.

Aggressive marketing strategies among apparel brands brought a decline in apparel prices, leading to worsening brand profitability in general. A brand-centered consumption pattern was evident.

In 2005, domestic demand for apparel, in general, will see a gradual recovery with consumer sentiment projected to recover in the second half in line with upward trends in domestic consumption indices.

Therefore, apparel firms may get a respite from the sales decline. Due to delayed profitability improvement as a result of sharply competitive discount sales, however, these firms are expected to pursue business with a greater focus on profitability than on sales growth.

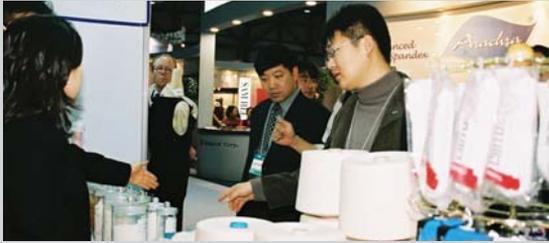
Nevertheless, yarns and fabrics businesses are unlikely to fully recover to previous domestic sales levels owing to declines in demand from downstream business sectors. With the gradual progress of restructuring, however, the supply and demand situation is moving toward equilibrium. Therefore, recovery of domestic demand depends on the rate and extent of restructuring.

Exports

In 2004, Korean textile industry exports posted slight growth owing to economic recoveries in advanced countries and improved export performance of textile materials, the demand for which surged as apparel and sewing industries expanded in developing countries.

With China's large-scale expansion of synthetic textile production facilities, in particular, Korean textile firms' exports made good progress in synthetic textile raw materials as well as in natural yarns. Fabrics, which experienced a decline in the previous year, showed a slight recovery in major markets except for Hong Kong.

Apparel exports recorded a slight increase in the first quarter but slowed entering the second half due to high oil prices and a drop in price competitiveness.



However, export profitability worsened, affected by sharp price increases in synthetic raw materials following high oil prices, an unfavorable foreign exchange rate, stagnation in domestic demand, etc. Despite production cost-push factors, such as the appreciation in won value and sharply higher raw and auxiliary materials prices, the export unit prices of textile products decreased or rose just slightly.

In 2005, Korea's textile exports are expected to decline with developing countries' encroachment on the global apparel market deepening on the heels of the textile quota abolition.

- The abolition of the quota will have negative effects, including loss of vested rights, which the Korean textile industry has so far enjoyed in securing a comparatively higher quota volume.
- Due to advanced nations' policy to actively promote expansion of imports from developing countries, the Korean textile industry will face fiercer competitions in major markets.

Meanwhile, advanced nations, the U.S., EU, etc., are reinforcing import restrictions against China's expansion of global textile market share. Therefore, drawing attention is how China's countermeasures, like its move toward self-regulation and WTO complaints, will cope with the situation.

With abolition of the export quota for fabrics and textile products, domestic firms will not be able to avoid an export decline, centering on general-use goods in which they do not have price competitiveness. On the other hand, developing countries are expected to expand investment in textile, sewing and fabrics sectors with large employment inducement effects. Therefore, development of new materials and high-quality products will be key for domestic textile firms.

In the wake of the textile quota abolition, meanwhile, domestic enterprises will likely increase exports of raw and auxiliary materials for apparel to China, whose apparel exports are expected to increase sharply.

Imports

Korea's textile imports for 2005 are projected to increase on a gradual basis due to the reduction in domestic production and active progress in overseas investment.

- Among other products, Korea's imports will gradually rise for medium- and low-priced raw materials and apparel, which expect difficulties in domestic supply owing to facility contraction by synthetic and cotton textile businesses, continued bankruptcy or business cessation of fabrics and apparel firms, etc.
- Since the won also is expected to continue appreciating in the near term, prices of domestic textile materials will fall, leading to a gradual expansion in the import of yarns.

Investment

In 2005, domestic synthetic and cotton textile and fabrics businesses will likely continue to pursue restructuring, such as retirement and conversion of production facilities and manpower, in order to resolve their excess facility problem. However, their investments in R&D of new products, differentiated goods and new technologies and for state-of-the-art products creating high profits, films, IT materials, electrical materials, etc., are expected to increase continuously.

Korean textile firms will also expand direct overseas investment further centering on China and India. In preparation for China and India's increased exports to the U.S. and EU following abolition of the textile quota, Korean firms are expected to actively pursue overseas transfer of their production bases in an effort to make direct inroads into these markets.



Korean Textile Industry by Business Sector

Cotton Textiles

In 2005, exports of cotton yarns are expected to expand with increasing demand for knit products by major advanced countries and developing nations. Due to the strong won and quality improvement of late developing countries, such as India and Pakistan, Korea's competitiveness will likely weaken on a gradual basis.

On the other hand, imports will continue to increase centering on CM yarn, owing to the low-price offensives of India, Pakistan, China, Indonesia, etc. and the won's appreciation.

The unit prices of raw cotton yarns are on the rise with reflection of the increased ratio of prices, which have sharply surged since early 2004, to sales prices, but the sales volume in the domestic market may decline slightly. With increased production, however, there will not be any remarkable change in the prices of raw cotton yarns in 2005 in contrast to the rising trend witnessed in 2004.

Synthetic Textiles

In 2005, exports of synthetic textiles are expected to grow due to manufacturers' efforts for export expansion following a decrease in domestic sales, an increase in China's demand, etc., centering on high added-value, differentiated products, such as spandex and LMF.

Imports of synthetic textiles, including China's low-price yarns, will likely increase continuously due to a reduction in domestic production of general-use yarns and a persistently strong won. With the efforts by electronics businesses to localize parts expected to continue, some synthetic textile firms will invest continuously in development of high-tech LCD films, semiconductor materials, etc.

Domestic sales may become sluggish due to weakening competitiveness of the demanders, fabrics businesses, etc. Therefore, synthetic textile firms will continue to promote export expansion strategies in order to make up for the poor progress in domestic demand, while endeavoring to develop high-function and differentiated synthetic textile yarns, in addition to firmly establishing their unique brands.

Fabrics

In 2005, exports will expand to China, which is expected to increase apparel exports sharply with abolition of the textile quota system. However, a decline in the export of general-use fabrics will be unavoidable as Korea is

not equipped with price competitiveness against developing countries. As late-developing nations are expected to expand investments further in the textile sewing and fabrics sectors creating greater employment inducement effects, domestic business circles will concentrate on the development of new materials and high-quality products.

As for imports, China will likely increase imports of cotton fabrics and other products for re-export to advanced countries.

Fabrics businesses in the Daegu area, however, are expected to see factory operating rates decline continuously due to manpower shortages, slowdown in domestic demand, etc. If their financial difficulties continue, the number of firms abandoning the weaving business or going bankrupt also will increase. The number of innovative weaving machines in operation is projected at the 9,000-unit level, about 2,000 units lower than in 2004, and factory operating rates also will likely stay at the 50% level.

Apparel

Apparel exports are expected to decline in 2005 due to accelerated encroachment on the global market by developing countries such as China and India on the heels of the textile quota abolition. Although textile trade may expand, the world consumer market may worsen somewhat compared with 2004 as a result of a slowdown in global economic growth and continuation of the high oil price trend.

Apparel imports will continue to increase affected by the won-dollar exchange rate decline and expansion of overseas-investing firms. The upward trend is projected to accelerate in the second half when an economic recovery could be in full swing.



Meanwhile, domestic firms' overseas investment and relocation of production bases abroad are expected to continue due to transfer of orders to developing countries, buyers' intensified requests for unit price cuts, weakening of domestic production foundation, etc.

Domestic demand for apparel will gradually recover in the second half owing to the effect of government pump-priming policies and recovery of private consumption. However, the recovery of domestic demand may depend on each brand's competitiveness, affected by discount sales in addition to consumers' rational consumption sentiment. The Bank of Korea projected the private consumer index at 1.8 for 2005 (0.6 in the first and 2.9 in the second half), up from -0.9 in 2004.

Dyeing & Processing

Due to the slowdown in domestic sales in 2004, dyeing and processing businesses suffered a reduction in order volume, while sub-contracted processing fees also declined due to the

'dumping supply' by unlicensed factories in areas in north Gyeonggi Province. Since high energy-consuming dyeing and processing firms could not reflect their fuel costs, caused by sharply increased crude oil prices in their prices, their profitability worsened further.

In 2005, the processing volume is expected to increase slightly. However, it will be difficult to raise processing fees due to excessive price competition among businesses in order to secure orders.

Korean Textile Industry by Business Sector (2003)

(Unit: Year-on-Year Change %)

Sector	No. of Firms	No. of Employees	Production (one bil. won)	Added Value (one bil. won)
Weaving	1,874	50,186	5,219	2,328
Fabrics	1,841	38,464	6,444	2,256
Knitting	1,758	25,005	4,911	1,386
Dyeing	1,874	50,186	5,219	2,328
Apparel	8,715	131,506	12,332	5,583
Syn. Textiles	107	12,456	5,746	1,782

Source: National Statistical Office (NSO)



KOFOTI continues to pursue its original mission of acceleration of industry modernization and improvement of its international competitiveness. It has established an ambitious set of initiatives for 2005 that will move the industry toward advanced-country status.

KOFOTI... Korean Textile Industry Leader

- Introduction
- KOFOTI Organization Chart
- KOFOTI in Camera Zoom
- KOFOTI Initiatives in 2005



Introduction

The Korea Federation of Textile Industries (KOFOTI) was established in May 1967 to accelerate the modernization of the textile industry and to reinforce the international competitiveness of textile products in order to contribute to the growth of the national economy as well as to the long-term development of the Korean textile industry.

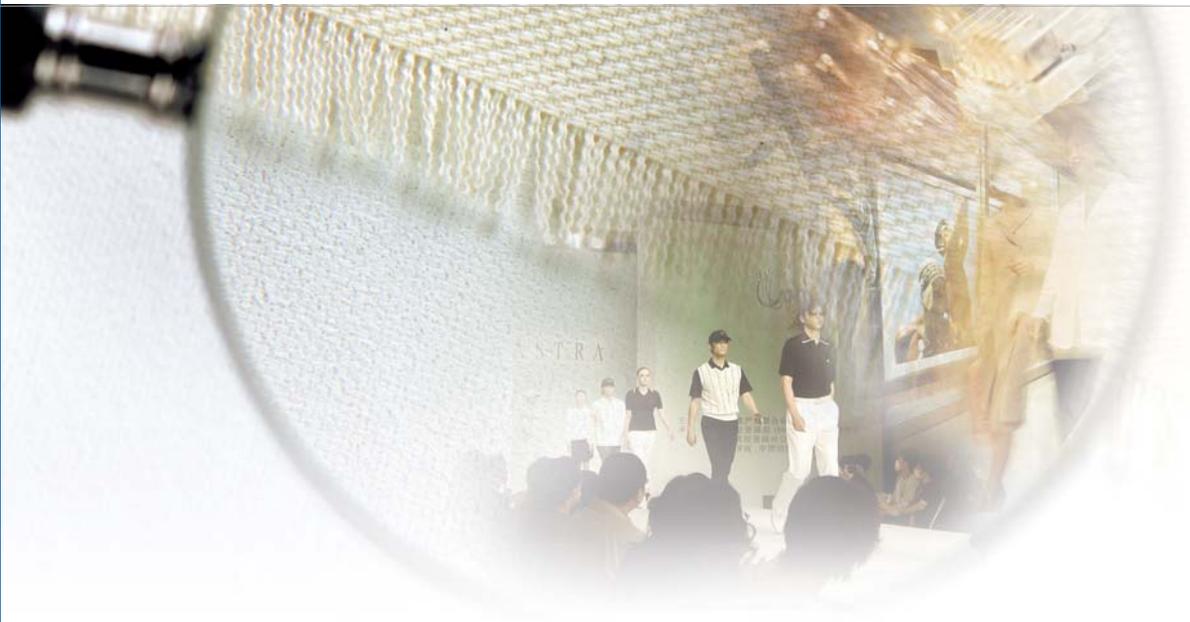
With this mission, KOFOTI is conducting a wide variety of activities as the primary agency for the development of the Korean textile industry in the 21st century. The federation is determined to do its best in the future to maintain itself as a knowledge base and prime mover for the industry and a mainstay of the national economy.

General Assembly

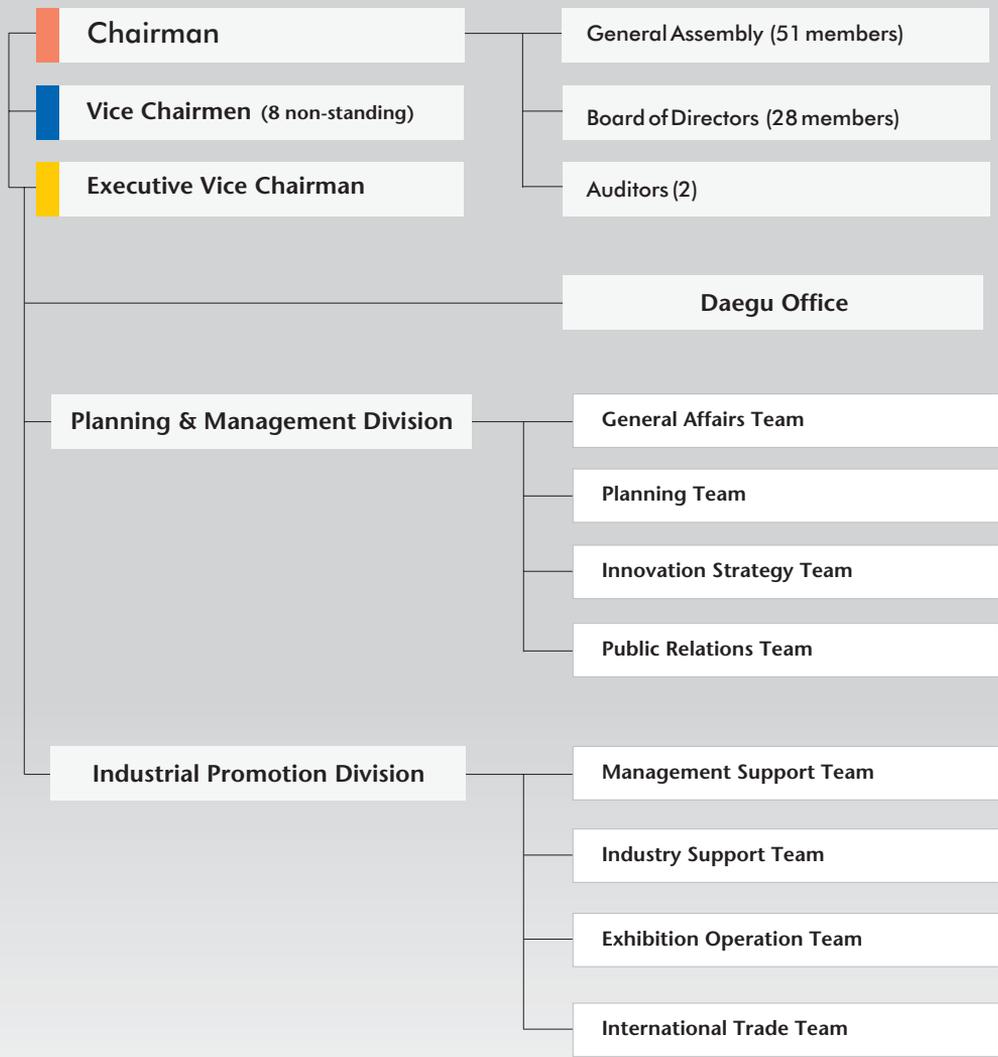
KOFOTI's General Assembly is composed of a chairman, official representatives from 30 textile-related organizations, general representatives from 20 textile firms and two auditors.

History

May 1967	Established as 'Council of Korean Textile Association'
April 1975	Renamed 'Korean Textile Association'
May 1980	Renamed 'Korea Federation of Textile Industries (KOFOTI) in accordance with Article 17 of Textile Industry Modernization Promotion Act
November 1992	Completed construction and moved into the 'Textile Center'
December 1997	Completed construction of 'Fashion Center Korea'



KOFOTI Organization Chart (2 Divisions & 8 Teams)



KOFOTI in Camera Zoom



◀ New KOFOTI Chairman

Seho Kyong was inaugurated as the 10th Chairman of the Korea Federation of Textile Industries (KOFOTI) on March 7. At his inaugural address, Chairman Kyong announced 'Five Keys to Global Textile Leadership' and emphasized the importance of the textile industry for the Korean economy, while expressing his firm resolution to build a stronger foundation for the industry.



◀ New Year Greetings

On January 10, KOFOTI held '2005 Textile and Fashion New Year Greetings Ceremony' at the Textile Center in Daechi-dong, Seoul, with participation of about 500 executives and employees of textile and fashion enterprises and organizations, as well as Commerce, Industry and Energy Minister Lee Hee-Beom.

▶ Preview in Seoul 2005

Korea's flagship textile materials fair, 'Preview in Seoul,' will be held September 28-30 at Atlantic Hall on the third floor of COEX in Samsung-dong, Seoul. The organizer, KOFOTI, plans to develop this year's show into a 'fresher and more innovative exhibition' than ever before.



◀ Korea-Japan Annual Textile Meeting

On April 14, KOFOTI held the 19th Korea-Japan Textile Industry Federation's annual meeting at Deikoku Hotel in Osaka, Japan. 14 Korean and 37 Japanese textile industry representatives participated in the meeting, led by KOFOTI Chairman Seho Kyong and Toray Chairman Maeda Katsunoske, respectively.



➡ Preview in Shanghai 2005

Organized to support the advance of Korean textile and fashion products into China, in particular, 'Preview in Shanghai 2005' ended on March 25 after a very successful three-day run. A total of 125 textile and apparel-specialized firms participated in the show, one of the most important channels for Korean textile cooperation with China.

➡ Textile Market Exploration Mission

Supported by the Small and Medium Business Administration (SMBA) and the Korea Trade-Investment Promotion Corp. (KOTRA), KOFOTI dispatched a new market exploration mission March 17-27 to India, Bangladesh and Vietnam. The mission provided momentum for domestic textile firms to cope actively with the rapidly changing trade environment in the region and to pursue expansion of exports as well.



➡ KOFOTI Selects New Executive Vice Chairman

On June 24, KOFOTI held its fourth BOD meeting at the Textile Center in Samseong-dong, Seoul, and selected former standing commissioner Ha Myeng-Keun of KTC (Korean Trade Commission) as its executive vice chairman. Newly-selected Vice Chairman Ha also served as director of various key industrial policy divisions and as director-general of Capital Goods Industry Bureau at the Ministry of Commerce, Industry and Energy (MOCIE).



➡ 'Textile-Fashion Industry Innovation Council' Launched

On June 23, KOFOTI held an inauguration ceremony for 'Textile and Fashion Industry Innovation Promotion Council' to develop innovative strategies for new growth momentum and to reinforce external competitiveness while responding quickly to the rapidly changing global market environment. Composed of about 80 related industry-academia experts, the council will lay out detailed action plans by the end of this year, reflecting the needs of business communities with a focus on enhancing competitiveness and creating a favorable investment environment.



KOFOTI Initiatives in 2005

Deployment of Aggressive Global Marketing

Concentrate all efforts on supporting the textile industry's overseas marketing business and provide support to alleviate problems associated with textile imports/exports by playing a bridge role between the industry and the government.

Expansion of export marketing

- Korea Textile & Apparel Show in Shanghai (Preview in Shanghai)
- Seoul International Textile Fair (Preview in Seoul)
- Support for participation in overseas exhibitions by promising textile firms
- Preparation for holding an exhibition in Paris in 2006
- Dispatch of overseas textile market exploration missions

Support for import/export-related problem-solving

- Improvement of import/export-related systems
- Informal meetings on import/export
- Participation in meetings with the government and related groups on import/export
- Dispatch of overseas procurement missions

Launch of System to Deal with Import Regulations and Reinforcement of International Trade Cooperation

To fully deal with various import regulations undertaken by advanced countries in preparation for free textile trade and conclusion of FTAs with countries around the world, and to reinforce support services for trade information related to textile industry

International cooperation and trade promotion activities

- Annual meetings with Northeast Asian trade partner countries
- Exchange of information and reinforcement of trade cooperation through participation in international meetings

Measures to Cope with Textile Trade Liberalization

- Business measures to cope with textile trade liberalization
- Overseas market survey and trade cooperation activities
- Measures to deal with regional trade negotiations
- Survey on textile trade climate and support with information

Reinforcement of Textile Industry Strategy Targeting China

- Supply of information on China's textile industry
- Survey on China's fashion distribution market and other major markets

Support for Nurturing of Future Strategic Industries**Support for securing world's top textile technology competitiveness**

- Dissemination of information on the latest textile technologies
- Support for development of textile, fashion design
- The 15th Seoul Textile Design Contest
- Support for nurturing of textiles for industrial purposes
- Support for nurturing of textiles for sports/leisure purposes
- Korea-Japan technology cooperation on industrial textiles
- Support for nurturing of professional manpower in industrial textiles

Support for South-North Economic Cooperation

Support for various businesses to facilitate stable relocation and production activities of textile industry in the Kaesung Industrial Park, now in regular operation.

Support to Vitalize Kaesung Industrial Park

- Support for relocation of textile firms to Kaesung Industrial Park
- Ascertainment of strategic textile materials
- Cooperation with North Korea in textile industry
- Exploration of firms desiring to process on contract and consultation service thereon

Reinforcement of Textile Industry Informationization Capacity

Lead domestic textile industry structure to quickly reach advanced-country level through textile industry SCM expansion, SME informationization consulting project, etc.

Support for Textile Industry Informationization

- Support for SME informationization consulting project
- Operation of informationization cooperation committee
- Exploration of new informationization tasks

Expansion of SCM Business

- Textile SCM expansion
- Vitalization of SCM system center

Informationization Education and Public Relations

- Survey and dissemination of overseas advanced informationization cases
- Guidance on textile enterprise informationization

Operation of KOFOTI Information System

- Support computerization for efficient company business and maintenance and expansion of facilities
- Support for textile-related organizations' statistical materials

Reinforcement of Services for Industry to Revitalize Enterprise Strengths

Reinforcement of industry-friendly business capacity encompassing the entire spectrum of funding, information, manpower, etc.

Support with Management Fund and Information

- Support of funds for industrial technology development loan business
- Subsidy of funds for building industrial base
- Ascertainment of unavailability of substitute domestic textile machinery
- Exploration of outstanding parts material firms
- Survey of managerial problems and business prospects
- Provision of fashion information
- Support for SME management counseling
- Launch of environment-friendly systems

Support for Manpower Cultivation and Job Creation

- Operation of textile/fashion manpower information center
- Industrial development scholarship
- Education on practical trade business
- Special lectures by textile CEOs for college students
- Operation of textile industry's manpower resources development committee
- Holding textile/fashion manpower recruitment expo

Establishment of B2B Cooperation System

- Set-up a cooperation system between producers in each region and related business sectors
- Establishment of methods to address textile industry's core tasks
- Support for industry-academia-research institute cooperation projects
- Cooperation with textile-related organizations

Expansion of Trend Analysis Service and Reinforcement of Publicity Activities

In 2005, KOFOTI plans to strengthen services to help textile/fashion business communities' decision-making in management and stage active publicity activities by providing a wide variety of textile statistics and trend analysis data.

Provision of Textile Industry Statistical Service

- Systemization of textile industry statistics
- Establishment of parts/materials industry statistics

Survey and Analysis of Industrial Trends

- Survey and provision of textile industry trends
- Investigation of planning information and establishment of countermeasures
- Publication of textile yearbook
- Fact-finding survey on apparel consumption
- Analysis of export/import parts and materials items

Publicity Activities for Textile/Fashion Industry

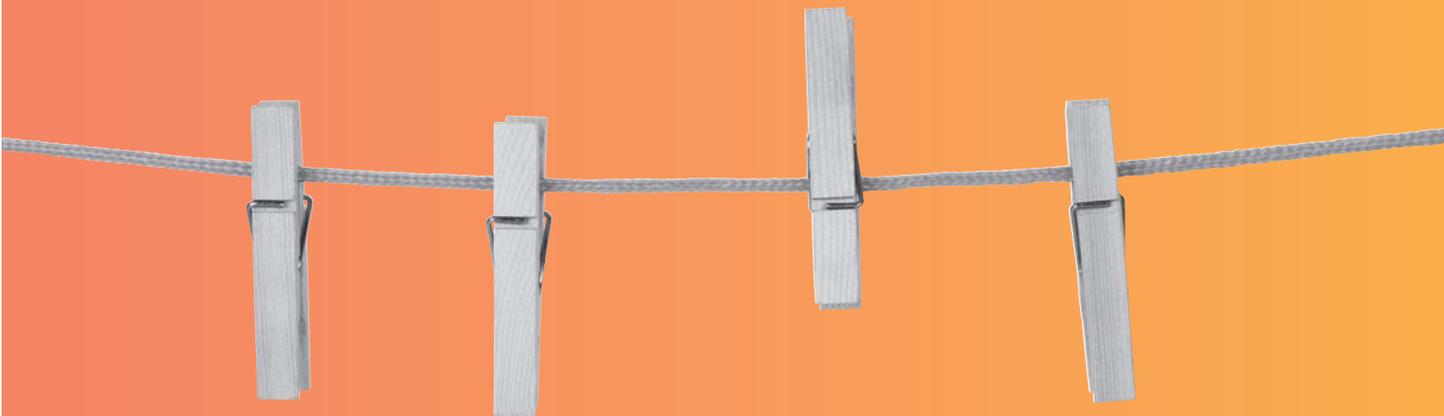
- Reinforcement of cyber publicity activities
- Strengthening publicity in media
- Overseas publicity



Korea's textile exhibitions have been cornerstones in promoting the industry to buyers and consumers worldwide. Taking the traditional exhibition concept to the next level, KOFOTI began to organize exhibitions in other countries in cooperation with local organizations.

EXHIBITIONS

- Preview In Seoul 2005
- Preview In Shanghai 2005
- KORTEX 2006
- KITTEX 2005



Show Outline

Title: Preview in Seoul 2005
Venue: Atlantic Hall, 3rd Floor, COEX
Period: Sept. 28-30, 2005
Season: 2006/2007 Autumn-Winter
Concept: 'Mindscope - Change from Within'
Scale: 200 Exhibitors (400 booths)
Organizer: Korea Federation of Textile Industries (KOFOTI)
Sponsors:
 Ministry of Commerce, Industry and Energy (MOCIE)
 Korea Trade-Investment Promotion Corp. (KOTRA)
Exhibits: Raw Yarns, Fabrics, Auxiliary Materials, Household Textiles, Industrial Textile Materials, etc.



Preview in Seoul 2005

Asia's Fresh, Innovative Textile Show

Preview in Seoul (PIS) 2005, Korea's flagship textile materials fair, will be held September 28-30 at Atlantic Hall on the third floor of COEX (Convention & Exhibition) in Samsung-dong, Seoul.

With a huge exhibition area covering 400 booths and a total of 200 companies, including 50 firms from abroad, PIS 2005 will showcase specialized items with high export competitiveness, such as raw yarns, fabrics, auxiliary materials, household textiles, industrial materials, etc.

The organizer, Korea Federation of Textile Industries (KOFOTI), which celebrates the 30th anniversary of its founding this year, is focusing on presenting a 'fresher and more innovative exhibition.' In particular, for PIS 2005, which is marking its sixth anniversary, the federation plans to emphasize 'qualitative features rather than scale.'

For the three-day show this year, KOFOTI is preparing the addition of a new 'Future Textile Hall,' which will showcase the change and innovation in the textile industry symbolically. The federation also intends to arrange the exhibition site in a different layout to feature the flow of textile materials in terms of the textile industry stream, instead of the previous arrangement of items by category.

Show Outline

Title: Preview in Shanghai (Korea Textile & Apparel Show)
Venue: Shanghai Mart
Period: March 23-25, 2005
Season: 2006 Spring/Summer
Concept: 'Mindscope - Change from Within'
Scale: 125 Exhibitors (24,525 Buyers)
Organizer: Korea Federation of Textile Industries (KOFOTI)
Sponsors:
 Ministry of Commerce, Industry and Energy (MOCIE)
 Korea Trade-Investment Promotion Corp. (KOTRA)
 Shanghai TV, Shanghai Economic Commission
Exhibits:
 Apparel (women's wear, men's wear, casual wear, kids wear, etc.),
 Materials (yarns, fibers, fabrics, household textiles, etc.), Trimmings & accessories

Preview in Shanghai 2005

Successful as Substance-Rich Event

'Preview in Shanghai (PIS) 2005,' which was organized to support the advance of Korean textile and fashion products into China, wrapped up on March 25 after a very successful three-day run.

A total of 125 textile and apparel-specialized firms representing Korea participated in the show, one of the most important channels that link Korean textile cooperation with China.

Responses from buyers and participating firms showed that the Korea textile and apparel show was a substance-rich event and reflected its potential of becoming firmly established as a specialized exhibition.



A total of 24,525 specialized buyers, including department store buyers, procurement personnel of local buying offices and working-level staffs of China's large-scale apparel firms, visited the three-day show, marking its third anniversary. The show organizer, Korea Federation of Textile Industries (KOFOTI), estimates the amount related to business talks conducted during the show at US\$810 million.

KORTEX 2006

Success Expected for World's Best

The 16th Korea International Textile Machinery Exhibition (KORTEX) is scheduled for May 16-19, 2006, at Daegu Exhibition & Convention Center (EXCO).

About 300 domestic and foreign textile machinery manufacturers are expected to participate in the biannual show endorsed by the Association of Korean Exhibition Industries (AKEI), fulfilling the requirements for UFI certification as well.

As a strong textile industry leader globally, Korea is located at the center of the major textile markets, China, Japan, Taiwan, etc., offering easy access throughout the region. The venue, Daegu City, the so-called Mecca of the Korean textile industry, is built around 3,346 textile companies, which account for 31% of the nation's total textile production.

Organized by the Korea Textile Machinery Association (KOTMA), Korea Trade-Investment Promotion Corp. (KOTRA) and EXCO, Korea's unique international textile machinery show will be hosted by Daegu Metropolitan City and the Korea Federation of Textile Industries (KOFOTI) in state-of-the-art facilities on an exhibition scale of 1,000 booths.

Those items to be showcased in the exhibition's 11,616m² will include chemical fiber machines, preparatory machines, weaving machines, knitting machines, dyeing & bleaching machines, CAD/CAM and testing machines, sewing & embroidery machines and non-woven fabric machines.

A total of 214 domestic and foreign textile machine firms participated in the 15th KORTEX 2004 with 567 booths and 11,202 visitors, including 844 buyers from 47 countries. Responding to a questionnaire whether they would be back for KORTEX 2006, 91% of 99 responding firms expressed their intention to participate in the upcoming exhibition.



Show Outline

Title: Korea International Textile Machinery Exhibition

Venue: EXCO (Daegu Exhibition & Convention Center)

Period: May 16-19, 2006

Scale: 300 Exhibitors (1,000 booths)

Exhibition Area: 11,616m²

Organizers:

Korea Textile Machinery Association (KOTMA)
Korea Trade-Investment Promotion Corp. (KOTRA)
EXCO

Supporters:

Ministry of Commerce, Industry and Energy (MOCIE)
Korea Chamber of Commerce & Industry (KCCI)
The Federation of Korean Industries (FKI)
Korea International Trade Association (KITA)
Korea Federation of Small & Medium Business (KFSB)
Korea Association of Machinery Industry (KOAMI)
And others

Exhibits:

Chemical fiber machines, preparatory machines, weaving machines, knitting machines, dyeing & bleaching machines, CAD/CAM and testing machines, sewing & embroidery machines and non-woven fabric machines

STATISTICS & REFERENCE

- Textile & Apparel Exports & Imports by Item
- Textile & Apparel Exports & Imports by country
- Directors & Representatives of KOFOTI



Export and import statistics by item and destination tell the full story of how the component sectors of the industry are contributing to overall advancement, competitiveness and growth.

Textile & Apparel Exports by Item

Item		2004		2003	Change (A/B, %)
		Dec.	Jan.-Dec. (A)	Jan.-Dec. (B)	
Total		1,256,923	15,191,564	15,253,359	-0.4
Fiber	Total	77,195	916,367	781,870	17.2
	Man-Made	77,195	916,367	781,870	17.2
Yarn	Total	132,651	1,582,377	1,563,697	1.2
	Silk	59	2,348	2,162	8.6
	Wool	1,145	31,520	21,513	46.5
	Cotton	9,372	110,182	102,152	7.9
	Man-Made Filament	108,695	1,275,576	1,283,759	-0.6
	Man-Made Spun	9,007	110,201	113,102	-2.6
	Bast Fiber & Other	4,372	52,549	41,009	28.1
	Total	711,629	8,349,839	8,306,909	0.5
Fabric	Silk	13,309	31,618	106,074	-70.2
	Wool	5,941	88,817	71,674	23.9
	Cotton	72,877	685,531	637,505	7.5
	Man-Made Filament	167,671	2,102,078	2,225,135	-5.5
	Man-Made Staple	33,805	385,173	393,184	-2.0
	Knitted	231,026	2,761,287	2,758,321	0.1
	Other	187,000	2,195,334	2,115,016	3.8
	Total	227,255	3,085,240	3,349,525	-7.9
Apparel	Knitted	117,315	1,747,281	1,909,377	-8.5
	Woven	107,415	1,301,589	1,394,003	-6.6
	Leather	2,525	36,369	46,145	-21.2
	Total	108,192	1,257,742	1,251,353	0.5
Other	Hats	16,377	212,488	198,485	7.1
	Handkerchiefs & Scarves	6,913	66,436	67,327	-1.3
	Blankets & Traveling Rugs	1,226	15,366	18,931	-18.8
	Bag	1,996	30,236	33,153	-8.8

Textile & Apparel Imports by Item

Item		2004		2003	Change (A/B, %)
		Dec.	Jan.-Dec. (A)	Jan.-Dec. (B)	
Total		481,895	6,359,303	5,896,682	7.8
Fiber	Total	12,711	164,786	163,516	0.8
	Man-Made	12,711	164,786	163,516	0.8
Yarn	Total	109,423	1,461,193	1,343,929	8.7
	Silk	2,379	18,407	12,084	52.3
	Wool	2,425	38,566	52,878	-27.1
	Cotton	32,880	534,235	489,000	9.3
	Man-Made Filament	39,141	457,768	424,475	7.8
	Man-Made Spun	30,107	377,509	343,402	9.9
	Bast Fiber & Other	2,491	34,708	22,090	57.1
	Total	132,490	1,410,900	1,349,884	4.5
Fabric	Silk	9,344	94,621	78,099	21.2
	Wool	7,818	124,368	139,480	-10.8
	Cotton	40,776	381,871	343,567	11.1
	Man-Made Filament	16,650	153,872	149,495	2.9
	Man-Made Staple	20,083	225,753	234,707	-3.8
	Knitted	5,807	78,802	89,426	-11.9
	Other	32,011	351,613	315,110	11.6
	Total	166,308	2,652,137	2,457,493	7.9
Apparel	Knitted	57,244	81,264	978,516	-91.7
	Woven	102,855	1,597,819	1,413,574	13.0
	Leather	6,209	73,054	65,403	11.7
Other	Total	30,962	670,013	581,860	15.2
	Carpets	2,903	40,060	40,281	-0.5
	Handkerchiefs & Scarves	2,209	30,163	30,976	-2.6
	Furnishing Goods	5,321	59,752	49,997	19.5
	Bag of Textile Materials	13,209	133,252	94,100	41.6

Textile & Apparel Exports by Country

Destination	2004. Jan. - Dec.					2003 Jan.- Dec. (B)	Change (A/B, %)
	Fiber	Yarn	Fabric	Textile Products	Total (A)		
Total	164,786	1,461,193	1,410,900	3,322,150	6,359,029	5,896,682	7.8
Australia	2,206	1,212	3,425	10,056	16,899	17,540	-3.7
Bangladesh	23	790	903	6,401	8,117	6,482	25.2
Brazil	0	758	48	1,151	1,957	4,650	-57.9
Canada	5,804	15,874	615	13,370	35,663	30,522	16.8
China	5,133	338,346	705,650	2,401,070	3,450,199	3,121,546	10.5
France	833	5,412	14,810	52,592	73,647	61,738	19.3
Germany	4,580	6,250	28,951	28,898	68,679	72,411	-5.2
Hong Kong	11	4,687	13,236	46,679	64,613	55,829	15.7
India	647	282,581	12,325	15,818	311,371	263,148	18.3
Indonesia	8,540	159,261	28,133	15,112	211,046	195,753	7.8
Italy	235	27,816	146,582	238,240	412,873	437,120	-5.5
Japan	39,144	72,362	233,575	101,786	446,867	469,978	-4.9
Pakistan	58	117,982	10,867	1,284	130,191	134,220	-3.0
Saudi Arabia	0	15	1,031	2	1,048	1,401	-25.2
Taiwan	13,494	94,715	29,907	13,416	151,532	125,713	20.5
Thailand	3,754	69,038	13,039	26,543	112,374	103,607	8.5
UAE	0	1,005	958	242	2,205	1,109	98.8
UK	10,185	9,290	16,714	55,647	91,836	83,808	9.6
USA	27,579	72,434	51,356	78,287	229,656	234,925	-2.2
Vietnam	125	46,781	25,728	62,727	135,361	108,626	24.6
Elsewhere	42,435	134,584	73,047	152,829	402,895	366,556	9.9

Textile & Apparel Imports by Country

Destination	2004. Jan. - Dec.					2003 Jan.- Dec. (B)	Change (A/B, %)
	Fiber	Yarn	Fabric	Textile Products	Total (A)		
Total	916,367	1,582,377	8,349,839	4,342,982	15,191,565	15,253,359	-0.4
Australia	12,266	9,888	54,161	24,035	100,350	91,232	10.0
Bangladesh	16,079	13,572	147,439	18,231	195,321	208,937	-6.5
Brazil	13,295	41,303	71,741	2,309	128,648	91,645	40.4
Canada	15,851	5,130	77,265	105,087	203,333	234,460	-13.3
China	291,154	348,296	1,747,852	376,555	2,763,857	2,652,681	4.2
France	2,824	19,480	85,215	123,995	231,514	212,033	9.2
Germany	40,120	15,582	112,589	136,248	304,539	314,206	-3.1
Hong Kong	22,815	183,436	830,621	43,622	1,080,494	1,147,657	-5.9
India	5,115	46,360	79,324	22,015	152,814	142,158	7.5
Indonesia	38,277	39,259	447,067	50,473	575,076	555,950	3.4
Italy	18,756	73,884	75,048	17,906	185,594	187,326	-0.9
Japan	13,032	36,760	192,980	549,042	791,814	802,842	-1.4
Pakistan	11,766	18,254	28,183	12,523	70,726	69,418	1.9
Saudi Arabia	2,261	3,327	154,962	97,398	257,948	285,478	-9.6
Taiwan	10,583	43,692	83,514	44,172	181,961	177,873	2.3
Thailand	10,314	20,611	12,589	10,142	53,656	161,477	-66.8
UAE	407	479	349,758	51,492	402,136	393,802	2.1
UK	25,998	11,267	79,461	108,648	225,374	260,405	-13.5
USA	144,750	108,249	768,107	1,820,613	2,841,719	2,967,992	-4.3
Vietnam	26,454	87,956	601,355	93,195	808,960	727,471	11.2
Elsewhere	194,250	455,592	2,350,608	635,281	3,635,731	3,568,316	1.9

Directors & Representatives of KOFOTI

Company/Organization	Representative	Address	Tel	Fax	Homepage
Busan Federation of Textile & Fashion Industry	Choi Soon-Hwan	23-15, Bugok 3-dong, Geum Jeong-Ku, Busan	(82-51)583-5813	(82-51)583-5815	www.fashioncity.or.kr
Cheil Industries Inc.	Je Jin-hoon	Fl.10, Susong Tower Bldg., Suseong-dong, Chongro-Gu, 110-140, Seoul	(82-2)2076-7000	(82-2)2076-7005	www.cii.samsung.co.kr
Chon Bang Co.	Cho Kyoo-ok	Fl. 13, Chungjong Tower 464, Chungjongno 3-ga, Sodaemun-gu, 120-723, Seoul	(82-2)392-0575	(82-2)392-5894	www.chonbang.co.kr
Choongnam Spinning Co.	Shin Young-il	62-5, Taepyongno 1-ga, Chung-gu, 100-101, Seoul	(82-2)735-8730	(82-2)720-6210	
Cho Yang Wool Textile Co., Ltd	Min Byung-Oh	1788-5, Wolsung-Dong, Dalseo-Ku, Daegu	(82-53)583-2600	(82-53)583-4261	www.joyang.co.kr
Clara Co.	Chung Hwan-sang	Fl.4, Sunhwa Bldg., 7-41 Yangjae-dong, Socho-gu, 137-130, Seoul	(82-2)579-5321	(82-2)571-4856	
Daehyun Co.	Shin Hyun-Kyun	Fl. 7, Rosedeil, 724, Sooseo-Dong, Kangnam-gu, 135-885, Seoul	(82-2)3485-7100	(82-2)546-2631	www.daehyun.co.kr
Dong Il Corp.	Suh Min-sok	944-1, Taechi-dong, Kangnam-gu, 135-846, Seoul	(82-2)2222-3021	(82-2)2222-3281	www.dongilbang.com
Fcg., Inc	Park Poong-Un	5th Floor Samho Bldg., 997-9 Daechi-Dong, Kangnam-Ku, Seoul	(82-2)563-0062	(82-2)563-4455	www.fcg-inc.com
FITI Testing & Research Institute	Ahn Do-sang	892-64, Chegi 2-dong, Tongdaemun-gu, 130-062, Seoul	(82-2)3299-8111/16	(82-2)3299-8161	www.fiti.re.kr
Hanil Synthetic Fiber Co.	Jin Jae-sool	46-5, Kuro-dong, Kuro-gu, 152-050, Seoul	(82-2)791-1003	(82-2)791-1200	www.hanilsf.com
Hansae Co., Ltd.	Kim Dong-Nyung	25-4 Youi-Dong, Youngdungpo-Ku, Seoul	(82-2)3779-0800	(82-2) 780-1905	www.hansae.co.kr
Huvis Co.	Cho Min-ho	151-7, Samsung-dong, Kangnam-gu, Seoul, Korea	(82-2)2189-4615	(82-2)2189-4509	www.huvis.com
Hyosung Co.	Lee Sang-wun	Fl.16, Hyosung Bldg., 450, Gongduk-dong, Mapo-gu, 121-020, Seoul	(82-2)707-7085	(82-2)707-7664	www.hyosung.co.kr
Ilshin Spinning Co.	Kim Jung-soo	15-15, Youido-dong, Youngdungpo-gu, 150-010, Seoul	(82-2)3774-0114	(82-2)786-5894	www.ilshin.co.kr
Kabool Ltd.	Suh Won-tae	Sorin Bldg., 149, Sorin-dong, Chongno-gu, 110-726, Seoul	(82-2)3701-7005	(82-2)3701-7008	www.kabool.co.kr
Kolon Industries, Inc.	Ken H. Han	Kolon Tower, 1-23, Pyoryang-dong, Kwachon, 427-040, Kyonggi-do	(82-2)3677-3300	(82-2)3677-3679	www.kolon.co.kr
Kook-Je Institute of Fashion Design	Shin Hyun-jang	186-28, 2-ga, Changchung-dong, Chung-gu, 100-392, Seoul	(82-2)2275-6031	(82-2)2275-5178	www.kookjefashion.com
Korea Apparel Industry Association	Choi Hyung-ro	Fl.16, Textile Center, 944-31, Daechi3-dong, Kangnam-gu, 135-713, Seoul	(82-2)528-0101/2	(82-2)528-0120	www.kaia.or.kr

Company/Organization	Representative	Address	Tel	Fax	Homepage
Korea Apparel Testing & Research Institute	Choi Young-joo	232-22, Yongdu-dong, Tongdaemun-gu, 130-070, Seoul	(82-2)925-0720	(82-2)925-2702	www.katri.re.kr
Korea Canvas Products Industry Cooperatives	Heu Young-du	19-1, Namdaemunno 5-ga, Chung-gu, 100-095, Seoul	(82-2)755-9033	(82-2)773-2260	
Korea Chemical Fibers Association	Ahn Young-kie	Fl. 9, Chokson Hyundai Blag., 80, Chokson-dong, Chongno-gu, 110-052, Seoul	(82-2)734-1191/4	(82-2)738-0111	www.kcfa.or.kr
Korea Color & Fashion Trend Center	Paik Hyong-il	73-15, Nonhyeon-dong, Kangnam-gu, 135-010, Seoul	(82-2)549-2361/3	(82-2)549-4745	www.cft.or.kr
Korea Cotton Spinners Cooperative	Kyong Se-ho	Rm.601 Unjeong Bldg., 89, Seosomun-dong, Jung-gu, Seoul	(82-2)773-5399	(82-2)773-5481	
Korea Dyeing Technology Center	Ham Jung-woong	404-7, Pyongni-dong, So-gu, 703-834, Daegu	(82-53)-350-3768	(82-53)356-3339	www.dytec.or.kr
Korea Electronic Embroidery Industry Cooperative	Kim Jung-bin	656-287, 1-ga, Songsu-dong, Sungdong-gu, 133-110, Seoul	(82-2)469-4321/2	(82-2)469-4323	
Korea Fashion Association	Won Dae-yun	Fl.14, Textile Center, 944-31, Daechi3-dong, Kangnam-gu, 135-713, Seoul	(82-2)528-4741/5	(82-2)528-4750	www.koreafashion.org
Korea Fashion Textile Association	Lim Yeong-hoon	#301, Woosung Livingtel, 467-10, Dogok-dong, Kangnam-gu, 135-270, Seoul	(82-2)576-7247	(82-2)576-7230	
Korea Federation of Dyeing Industry Cooperatives	Kim Hae-soo	Rm. 608, KFSB, 16-2, Youido-dong, Youngdungpo-gu, 150-010, Seoul	(82-2)780-4478/9	(82-2)780-4728	www.kfdic.or.kr
Korea Federation of Knitting Industry Cooperatives	Kim Kyung-o	586-1, Shinsa-dong, Kangnam-gu, 135-120, Seoul	(82-2)548-2131	(82-2)3444-9929	www.knit.or.kr
Korea Federation of Weaving Industry Cooperatives	Jung Woo-young	Rm. 1213 Samsun Bldg.,169-2, Namchang-dong, Chung-gu, 100-060, Seoul	(82-2)752-8097/8	(82-2)755-6994	www.weaving.or.kr
Korea Garment Industry Cooperatives	Park Cho-yang	105-238, Kongdok-dong, Mapo-gu, 121-021, Seoul	(82-2)717-3191/5	(82-2)718-3192	
Korea Industrial Cooperative of Custom Tailors	Park Woo-sik	Fl.2, Daehung Bldg., 8-30, Kalwol-dong, Youngsan-gu, 140-801, Seoul	(82-2)775-1071	(82-2)775-1074	
Korea Institute of Textile Technology	Yoon Sung-kwang	1083, Chungni-dong, So-gu, 703-712, Daegu	(82-53)560-6620	(82-53)554-6326	www.textile.or.kr
Korea Non-woven Industry Cooperative	Ku Pyung-kil	Fl. 15, Yuwon Golden Tower Officetel, 191, Chungjongno2-ga, Sodaemun-gu, 120-722, Seoul	(82-2)365-2332/4	(82-2)393-5098	www.nonwoven.or.kr
Korea P.P Textile Industrial Cooperative	Suh Seok-hong	1-1, Yonji-dong, Chongno-gu, 110-470, Seoul	(82-2)741-7801/5	(82-2)741-7851	
Korea Textile Design Association	Rhee Soo-cheol	404-7, Seogyo-dong, Mapo-gu, Seoul	(82-2)337-1449	(82-2)334-7326	www.ktda.or.kr
Korea Textile Inspection & Testing Institute	Lee Choong-hong	819-5, Yoksam-dong, Kangnam-gu, 135-932, Seoul	(82-2)3451-7001	(82-2)3451-7170	www.kotiti.re.kr

Company/Organization	Representative	Address	Tel	Fax	Homepage
Korea Textile Trade Association	Park Sang-tae	Fl. 16, Textile Center, 944-31, Daechi 3-dong, Kangnam-gu, 135-713, Seoul	(82-2)528-5157	(82-2)528-5188	www.textra.or.kr
Korea Thread Twisting Industry Cooperative	Son Jung-ho	Fl.2, 190, Chebu-dong, Chongno-gu, 110-045, Seoul	(82-2)739-2538/9	(82-2)723-3213	
Korea Towel Industry Cooperative	Lee Young-ro	20-20, Chungmuro 5-ga, Chung-gu, 100-015, Seoul	(82-2)2275-9381/3	(82-2)2277-0896	
Korea Wadding Industry Cooperative	Kim Hong-sik	Rm.1006, Sungwoo Bldg., 51-1, Tohwa-dong, Mapo-gu, 121-040, Seoul	(82-2)702-6678/9	(82-2)702-6612	
Korea Woolen Spinners & Weavers Cooperatives	Kim Young-sik	Rm. 503, Sehwa Bldg., 36, Chongno-6ga, Chongno-gu, 110-126, Seoul	(82-2)747-3871/3	(82-2)747-3874	www.woolspd.or.kr
Korea Worsted Spinners & Weavers Association	Choi Sang-hee	Rm.406, Heobaheoba Bldg., 648, Yoksam-dong, Kangnam-gu, 135-080, Seoul	(82-2)702-5627	(82-2)702-0477	www.woolkorea.or.kr
Kyungbang Ltd.	Lee Jung-hong	441-10, 4-ga, Youngdungpo-dong, Youngdungpo-gu, 150-034, Seoul	(82-2)2639-6003	(82-2)2639-6039	www.kyungbang.co.kr
Lex Corp.	Lee In-Sung	5th Floor LEX Bldg., 49-3 Banpo-Dong, Seocho-Ku, Seoul	(82-2)592-2111	(82-2)592-4355	www.islex.com
Overseas Limited	Ryu Sung-Ryul	11Th Floor, New Seoul Bldg. 62-7 2Ga , Chungmu-Ro , Jung-Ku, Seoul	(82-2) 778-2461	(82-2) 755-7115	www.overseas.co.kr
Panko Corporation	Choi Young-Joo	37-22, Samsung-dong, Kangnam-gu, Seoul, Korea	(82-2) 2246-3003	(82-2)2216-1365	www.panko.co.kr
Samyung Wool Textile Co.	Cho Chang-suk	7-26, Shinchon-dong, Songpa-gu, 138-240, Seoul	(82-2)2240-0002	(82-2)2203-1678	www.samyungwool.com
Seongan Textile Co.	Park Sang-tae	Handong Bldg., 3th, 4th, 828-7, Yeoksam-dong, Gangnam-gu, 135-080, Seoul	(82-2)6202-3600	(82-2)558-7963	www.startex.co.kr
Spinners & Weavers Association of Korea	Kim Jung-soo	43-8, Kwanchol-dong, Chongno-gu, 110-111, Seoul	(82-2)735-5741/9	(82-2)735-5749	www.swak.org
Suhcheon Co.	Lee Yi-souk	143-42, Samsung-dong, Gangnam-gu, 135-721, Seoul	(82-2)553-8441	(82-2)552-0977	
Taegu-Kyungbuk Textile Industries Association	Ahn Do-sang	1083, Chungri-dong, So-gu, 703-712, Daegu	(82-53)560-6500	(82-53)560-6505	
Taekwang Ind., Co.	Lee Ho-jin	162-1, 2-ga, Changchung-dong, Chung-gu, 100-392, Seoul	(82-2)3406-0300 (82-2)3406-0213	(82-2)2273-9166	www.taekwang.co.kr
Taihan Textile Co.	Jung Kyu-hwa	Taihan Bldg., 25, Youido-dong, Youngdungpo-gu, 150-010, Seoul	(82-2)368-0352	(82-2)368-0462	www.thtc.co.kr
The Korean Fiber Society	Cho Hyun-Tae	Rm.501, 635-4, Yoksam-dong, Kangnam-gu, 130-703, Seoul	(82-2)566-5214	(82-2)561-8663	www.fiber.or.kr
Tongkook Corp.	Kim Soo-kang	Joongang Bldg., 17-13, Youido-dong, Youngdungpo-gu, 150-010, Seoul	(82-2)2001-6000	(82-2)2001-6180	www.tongkook.co.kr



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