Post-Covid19: Can the Sri Lankan apparel sector benefit from US-China decoupling? *A statistical analysis*

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ABSTRACT

The "US-China decoupling" has received much attention with the deterioration of US-China diplomatic and economic ties under the Trump administration. US firms seeking to reduce their reliance on China offers an economic opportunity for rest of the world to become an alternative supplier to products previously supplied by China. This paper assesses the extent to which such an economic opportunity is present in the US apparel market and Sri Lanka's potential to benefit from this opportunity.

The value (in current USD terms) of imports of apparel from China to the US started declining since 2015. The paper classifies a product as showing early signs of being diverted away from China if imports from China increased during 2011-2014, but declined during 2015-2019, while imports from the rest of the world increased. Of these products, potential products for Sri Lanka are identified based on the country's capacity to supply the US market based on value of current imports into US from Sri Lanka and the rate of growth in imports.

The analysis identifies 37 apparel products showing early signs of diversion and Sri Lanka has capacity to supply 21 of these products. Among the 21 products, Sri Lanka's potential to benefit from US-China decoupling, is 'high' in nine products, 'medium' in seven and 'low' in the rest of the products. The research finds preferential access to the US market to be less important in becoming a preferred alternative sourcing destination. Countries such as Vietnam, Bangladesh, Cambodia, which do not have preferential access to the US market, stand out as the key competitors of Sri Lanka in the 21 potential products.

Key words: Apparel exports, COVID-19, US-China trade war, US-China decoupling

1. INTRODUCTION

The possibility of a "US-China decoupling" has received much attention in the recent years with the deterioration of US-China diplomatic and economic ties under the Trump administration. The rising economic tensions between the two countries became highly visible with the US – China trade war that led to imposition of higher barriers to trade between the two countries. From early 2018 the US increased the average US tariff on Chinese goods from 2.7% to 17.5% on over USD 300 billion worth of Chinese goods. (Amiti et al., 2020) The US-China relationship also hit a new low during the COVID-19 pandemic. (Christensen, 2020) The supply chain shocks resulting from the COVID lockdowns also exposed the vulnerability of manufacturing firms being heavily dependent on China. The relationship between the two countries has been damaged to an extent that it is unlikely to be fully restored even after the US

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Presidency transitioned from Trump to Biden. (Disis, 2020)

These developments seem to have encouraged US firms to explore ways of reducing their heavy reliance on China. There are already reports of US companies seeking to diversify their production and sourcing away from China. (Rapoza, 2020) The trade between the two countries is already showing impact of higher trade barriers. The US share of Chinese imports and exports in 2019 has fallen to its lowest in 27 years, to levels prevailing before China's entry to the WTO in 2001 (The Economist, 2020)

The diversification of the supply base of US firms away from China presents an economic opportunity for developing countries like Sri Lanka to become a potential supplier of products that were previously sourced from China. This paper investigates the extent to which such an economic opportunity is present in apparel, which is Sri Lanka's main export product accounting for over 40% of total merchandise exports. The sector provided employment to around 729,427 persons in 2018. It accounts for approximately 18% of total female employment in Sri Lanka and 9% of total employment. (Department of Census and Statistics, 2019a & 2019b) The US is the largest buyer of apparel in the world and China the largest supplier. While China continues to be the leading supplier of apparel to the US, the growth trajectory has changed since 2015. Value of apparel imports from China to the US that steadily increased from USD 6.5 billion in 2000 to reach USD 32.3 billion in 2015, and has started declining since then to reach USD 24.6 billion by 2019. (U.S. International Trade Commision, 2020) The trade war between the US and China, has increased the cost of importing apparel from China to the US. Up to 99% of apparel imports into the US from China in terms of value have faced additional tariffs since 2019. (U.S. International Trade Commission, 2020)

These developments in the apparel sector offer an economic opportunity for countries like Sri Lanka to become an alternative supplying destination of apparel products that was previously supplied by China, which can potentially assist the apparel sector recovery from the negative impact of the COVID-19 pandemic.

The objectives of this paper are to 1) identify apparel products that show early signs of sourcing being diverted away from China presenting an opportunity in apparel for the rest of the world and 2) identify products exported by Sri Lanka, that can potentially benefit from this economic opportunity and 3) assess the level of competition Sri Lanka face in the US market for the identified potential products.

2. METHODOLOGY

The paper analysed 217 apparel products at the 6-digit level belonging to HS Chapters[1] 61 and 62. These are products for which annual imports from China accounted for over 5% of total US imports of the product during 2015-2019. The analysis relied exclusively on trade and tariff data published by the US International Trade Commission and the World Bank. Using this data, the paper first identified products that show early signs of sourcing being diverted away from China. It then shortlisted the products for which Sri Lanka has potential to be an alternative supplier.

The period 2011 to 2019 was taken as the period of reference in this paper. The early signs of deviation are assessed by looking at trends of imports into the US from China four years before 2015 and four years after. The imports peaked at USD 32.3 billion in 2015 and declined in absolute value for the first time since 2000, to reach USD 26.4 billion by 2019.

A product was classified as showing early signs of sourcing being diverted away from

1 Harmonized System – HS was developed by the World Customs Organisation to assess product concentration and composition of exports. The level of detail in the classification of products depends on the HS level specified. For example, a product classified at an 8-digit level is more specific than one classified at a 6-digit level which in turn is more specific than a product classified at 4-digit level.

China to other countries, creating an economic opportunity for the rest of the world, if it met following criteria.

- First criteria –the imports from China to US experienced growth during 2011-2015 but declined during 2015 and 2019[2] and;
- Second criteria - For the same products, despite the decline in imports from China, the imports into US from the Rest of the World (RoW) have increased during 2015 and 2019

The extent to which Sri Lanka can benefit from such diversion was assessed based on the value and growth of imports from Sri Lanka to the US. A product was classified as having the capacity to benefit from US-China decoupling, if the imports of that product from Sri Lanka to the US have recorded a minimum value of USD 1 million a year. The level of potential of these products to benefit from the economic opportunity present was analysed using following two criteria: 1) overall growth in imports to the US from the world and 2) the growth in imports from Sri Lanka to the US as shown in Table 1.

Table 1. 1) Overall growth in imports to the US from the world and 2) the growth in imports from Sri Lanka to the US

	Sri Lanka gaining market (Imports to the US from SL increased between 2015-2019)	**Sri Lanka losing market (Imports to the US from SL declined between 2015-2019)**
Growing US market RoW growth > China Decline	High potential	Medium potential
Declining US market RoW growth < China Decline	Medium potential	Low potential

2 The growth rates used in this paper to measure growth in imports is the compound annual growth rate (CAGR) of imports between the 4-year period 2015-2019.

Products that experienced growth in imports during 2015-2019 in a market where overall demand for the product in the US is increasing were classified as having high potential to benefit. Products were classified as having medium potential if imports from Sri Lanka have experienced decline in a US market where overall demand is increasing or if imports from Sri Lanka have experienced growth in a US market where overall demand is decreasing. In the former, growth potential is undermined by Sri Lanka while prospects in the US market seem positive. In the latter growth potential is undermined by overall decline in the US market while prospects of Sri Lanka in the US market seem positive. Products for which imports from Sri Lanka experienced decline in a declining US market are classified as having low potential.

Lastly, the analysis of potential also factored in the level of competition Sri Lanka face from other suppliers of the products to the US market. The level of competition was analysed by taking into consideration the number of key competitors and the duty-free access the key competitors have to the US market. The latter is an important factor to consider because Sri Lanka does not enjoy duty free access to the US market for apparel products compared to some of its competitors.

The key competitors are defined as countries that has over USD 1 million imports of the product a year to US that has seen growth in the imports of the identified potential products during 2015-2019. The level of competition products face were categorised as high, medium, and low as shown by Table 2.

The analysis provides valuable insights both for policy makers and private sector, that is looking for strategies to support sector's recovery from the negative impact of COVID-19.

Limitations

The results need to be interpreted with caution, since it relies exclusively on trade and tariff statistics up to 2019. While the analysis

Table 2. Level of competition products face

	Over 50% of the key competitors have duty free access	**Less than 50% of the key competitors have duty free access**
Number of competitors > above average*	High competition	Medium competition
Number of competitors > below average	Medium competition	Low competition

**Average number of competitors are found by dividing the total number of key competitors by number of products.*

provides early insights into products that can potentially benefit from US-China decoupling, these findings need to be further validated by investigating other factors such as price, quality, reliability, time to destination etc. that are important determinants of sourcing decisions of US buyers. In addition to that it is also important to re-assess the potential against potential medium to long term shifts in demand for apparel products in the US market that has resulted from COVID 19 led shifts in income levels, lifestyles, and consumption patterns.

3. FINDINGS

3.1. Products that show signs of sourcing being diverted away from China

Of the 217 apparel products analysed, 37 products showed early signs of sourcing being diverted away from China. (Annex 1) For all these products, imports from China to the US increased during 2011 to 2015 but declined from 2015 to 2019. While imports from China declined, the imports of these products to the US from the rest of the world (RoW) increased, indicating a certain degree of diversion of trade away from China. The US imports of these 37 products was around USD 25.3 billion a year between 2015-2019. These products accounted for 29% of total US apparel imports from the world and for 30% of apparel imports from China. (U.S. International Trade Commision, 2020)

3.2. Products for Which Sri Lanka Has the Potential to Benefit from This Transition

Of the 37 products which show signs of US sourcing being diverted away from China, 21 products have recorded at least USD 1 million or more imports from Sri Lanka to the US a year on average between 2015 and 2019. (Annex 2) During this period, the value of imports of these 21 products from Sri Lanka to the US was USD 567 million a year, and these accounted for 28% of total apparel imports of the US from Sri Lanka. The remaining 16 products, with annual average imports from Sri Lanka lower than USD 1 million accounted for only 0.1% [USD 2.8 million] of total imports from Sri Lanka to the US during the same period. (U.S. International Trade Commision, 2020)

Of the 21 products with over USD 1 million imports from Sri Lanka to the US, the analysis revealed nine products have high potential to benefit from this transition. US imports of these products from Sri Lanka experienced growth and total imports into US from the world also increased during the period 2015-2019. Seven products were found to have medium potential. Three of these products recorded an increase in imports from the world into US although imports from Sri Lanka to the US declined. Four of the medium potential products experienced a decline in imports from the world to US while imports from Sri Lanka to US market increased. The remaining five products were found to have low potential because both total US imports and imports from Sri Lanka of these products have declined during the period under consideration. (Table 3)

3.3. Level of Competition Faced by Sri Lanka in the US Market

On average, the Sri Lankan products faced 13 competitors for each of the 21 products; i.e., countries that recorded a minimum of USD 1 million worth of imports of the product by the US and has recorded an increase in imports during 2015-2019.

Table 3. Sri Lanka's potential to benefit from the from US apparel import diversion from China

Colour codes	Sri Lanka's market Share In the US: over 1%		Sri Lanka's market Share In the US: less than 1%	

	Imports from Sri Lanka increased between 2015-2019		**Imports from Sri Lanka declined between 2015-2019**	
	1 – High potential		2 – Medium Potential	
US imports from the World increased between 2015-2019	Total Imports of the US **USD 12,187 Mn**	*Products* 610520, 611030 620530, 620892	Total Imports of the US – **USD 2,444 Mn**	*Products* 610990, 611231
RoW growth > China's Decline	Imports from Sri Lanka **USD 152 Mn**	610342, 610343 610469, 620343 621010	Imports from Sri Lanka - **USD 33 Mn**	610130
	3 – Medium potential		4 – Low potential	
US imports from the world declined between 2015-2019	Total Imports of the US **USD 3,349 Mn**	*Products* 610831, 611693, 620640, 621143	Total Imports of the US **USD 5,025 Mn**	*Products* 611130, 611241, 620443, 620822, 621210
RoW growth < China's Decline	Imports from Sri Lanka **USD 20 Mn**		Imports from Sri Lanka **USD 363 Mn**	

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web

Four of the nine high potential products of Sri Lanka faced high competition in the US market, two faced medium competition and three products faced low competition. In contrast majority (four) of the low potential products faced low competition and none of the low potential products faced high competition. Majority of the medium potential products also faced low and medium level of competition. (Table 4)

As shown in Figure 1, the top six competitors that has successfully become alternative suppliers to China for the selected products are from the Asian region like Sri Lanka. These Asian countries except for Jordan do not have duty free access to the US market as well. (World Bank, 2018) A country is classified as succeeding in becoming an alternative supplier if the country has experienced growth in its market share in the US by over 1 percentage point between 2015 and 2019. Sri Lanka has managed to experience a similar growth in its market share for only one product (HS 610831) which is classified as a medium potential product.

Countries such as Haiti, Honduras, Guatemala, Peru and Nicaragua have also made significant gains in the US market for some of the products. While they have not been as successful as some of the Asian countries, it is important to note that these countries have two advantages over Sri Lanka and other Asian countries: 1) duty free access to US market and 2) proximity to the US market. The possibility of US buyers shifting production and sourcing to locations closer to home to make the supply chains more resilient to shocks, makes these countries competitors to watch out for in the future.

It is also important to note that China continues to be a key competitor in the US market in these 21 products despite the decline in imports between 2015-2019. For example, for seven of the 21 products China still maintained a market share of over 50% in 2019. Two high potential, two medium potential and three low potential products of Sri Lanka are among these seven products. This suggests that China, despite the decline, will continue to be a major competitor for the rest of the world in these product categories. (refer Figure 2)

Table 4. Level of competition Sri Lanka faces in the US market

Colour codes	High potential products	Medium potential products	Low potential products

	Over 50% of the key competitors have duty free access**		**Less than 50% of the key competitors have duty free access****	
The number of key competitors is above 13*	High competition Total Imports of the US **USD 10,808 Mn** Imports from Sri Lanka **USD 162 Mn**	*Products* 611030, 610520, 620530, 610343 610990	Medium competition Total Imports of the US **USD 2,294 Mn** Value of Imports from Sri Lanka **USD 53 Mn**	*Products* 620343, 610342 620640, 621143 620443
The number of key competitors is below 13*	Medium competition Total Imports of the US **None** Imports from Sri Lanka **None**	*Products* None	Low competition Total Imports of the US **USD 5,988 Mn** Imports from Sri Lanka **USD 352 Mn**	*Products* 610469, 620892, 621010 610130, 611231, 610831, 611693 621210, 611241, 611130, 620822

** 13 is the average number of competitors, i.e., total number of competitors divided by the number of products*
*** Duty free access to the US has been assessed as per 2018.*

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web; Tariff Data: World Bank, WITS Database, TRAINS Tariff Measures

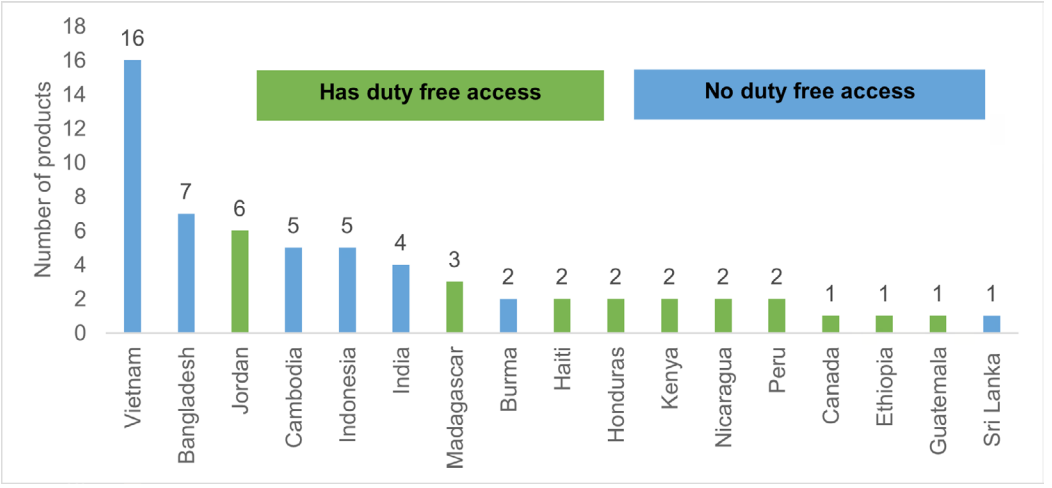

Figure 1. Competing countries that gained market share of more than 1% between 2015 and 2019 for the 21 products

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web; Tariff Data: World Bank, WITS Database, TRAINS Tariff Measures

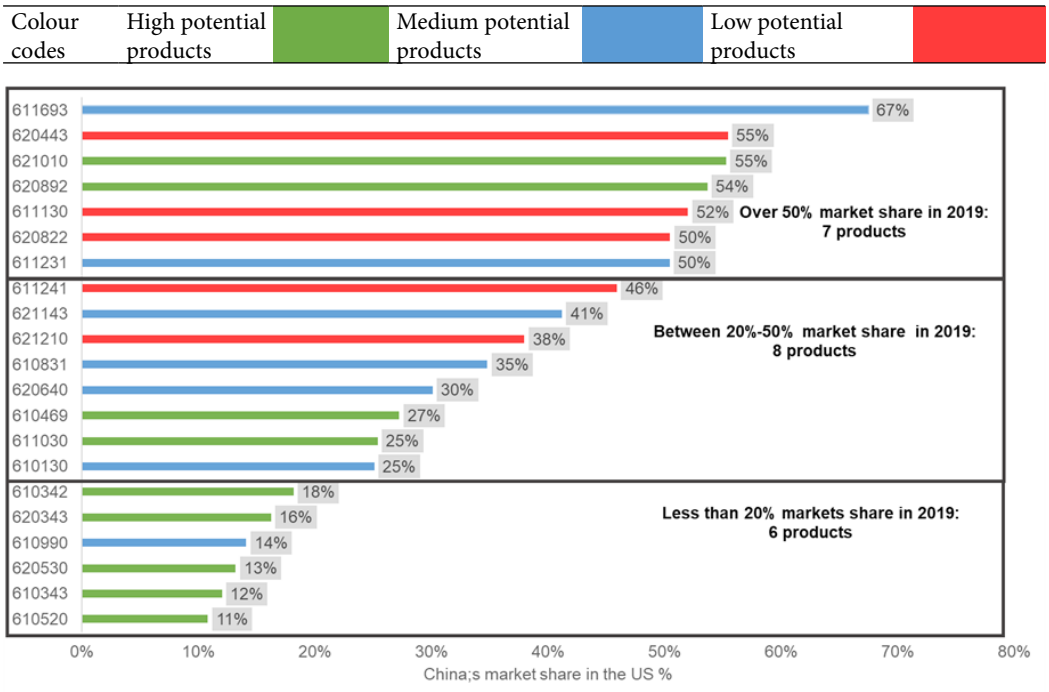

Figure 2. China's Market Share for the 21 products in 2019

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web

It is important to note however, that for most of the products identified as high potential products for Sri Lanka, the presence of China is relatively lower than for low potential products. As shown in Figure 2, for seven of the nine high potential products, China's share is below 30% in 2019. In contrast, for most of the low potential products, China remains the dominant supplier, with China accounting for over 45% of the imports into USA for four of the five low potential products.

4. DISCUSSION/CONCLUSION

4.1. Market for high potential products identified in this study has a large untapped and growing market in the US for Sri Lanka.

The current presence of Sri Lanka in the US market for the nine products classified as having high potential to benefit from this transition away from China is low. Sri Lanka's import share in the US market was 1.2%. These products accounted for 7.6% (USD 152 million) of total imports from Sri Lanka to the US a year on average during 2015-2019. Two products namely HS 611030 and 610520 accounts for 78% of the total value of imports from Sri Lanka of these nine products. However, it is important to note that the current size of the US market for these products is larger than the combined US market for products identified as having medium and low potential. Import of these nine high potential products accounted for 14.1% of total apparel imports of the US a year during 2015-2019 and the value of average annual value of imports into the US between 2015-2019 was USD 12 billion. In contrast the average US market between 2015-2019 for the seven medium potential products and the five low potential products were only valued at USD 6 billion and USD 5 billion, respectively.

Amongst these nine high potential products a single product, HS 611030 (Sweaters, pullovers, sweatshirts, vests and similar articles) accounted for 52% of the US market for the high potential products. The US market for this product was worth USD 6 billion in 2019. Total imports into the US have

increased on average by 2% despite a decline in imports from China of 3% during 2015-2019. Sri Lanka's market share of this product was 1.8% and the value of US imports of this product from Sri Lanka was USD 117 million in 2019. Imports from Sri Lanka has recorded a growth 3.7%, higher than the overall growth in imports of the product to the US market during 2015-2019. (refer Figure 3)

4.2. High potential products, however, face stiff competition from key suppliers other than China.

Four of the high potential products (611030, 610520, 620530, 610343) face high level of competition from suppliers other than China (refer Figure 4). Vietnam has emerged as the strongest competitor in all four products, with a market share of nearly 15% or higher and in general growing at a faster rate than

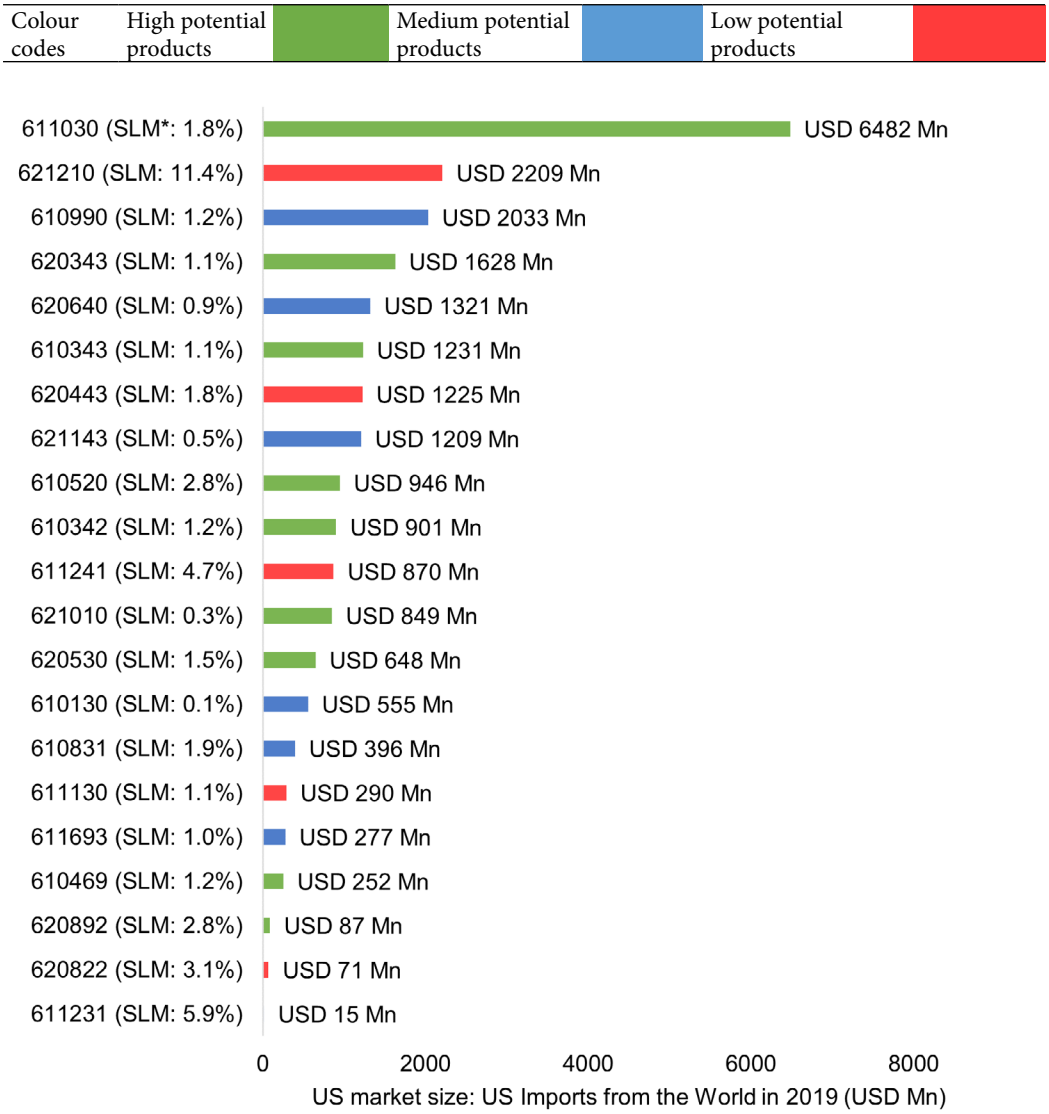

Figure 3. Value of the US market for the 21 products in 2019

** SLM: Sri Lanka's Market Share in the US*
Source: Import data of the US: United States International Trade Commission (USTIC) Data Web

Colour codes	High potential products		Medium potential products		Low potential products	
	High competition		Medium competition		Low competition	

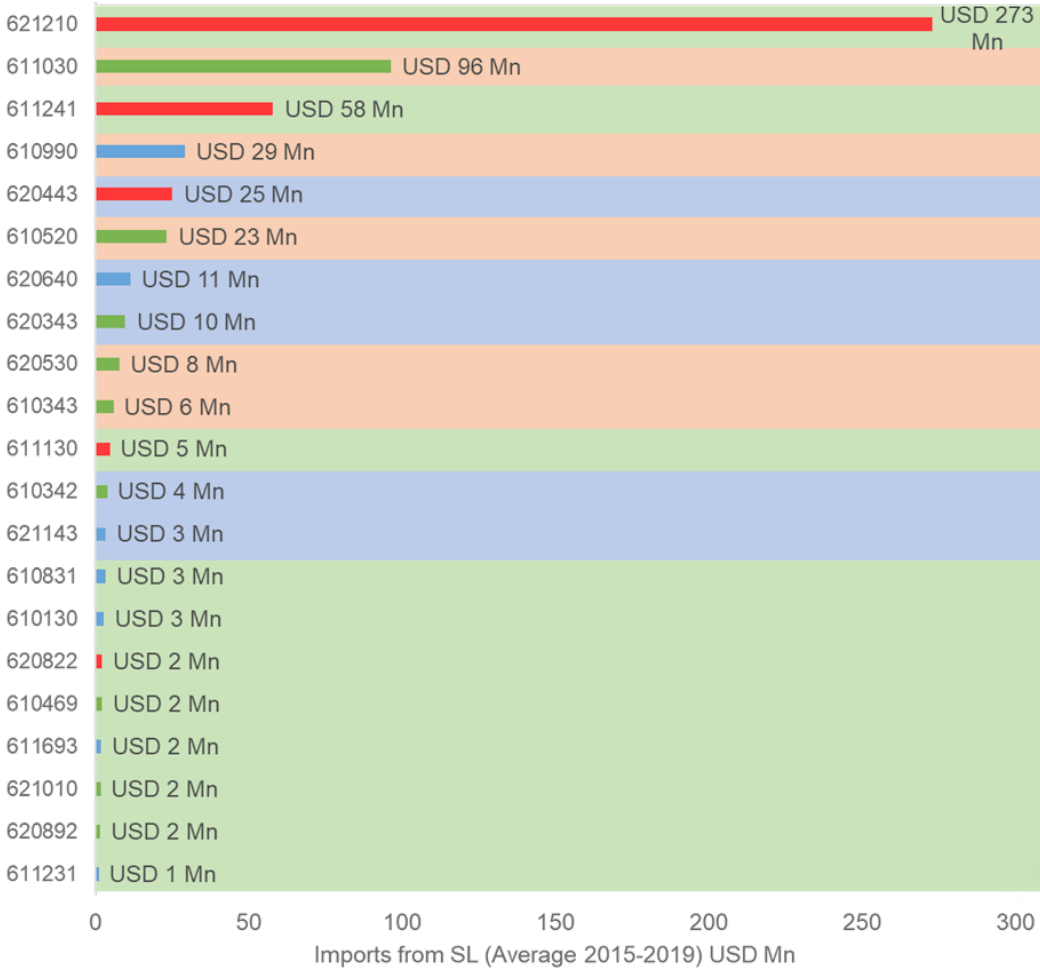

Figure 4. Summary of the 21 products by potential and level of competition

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web; Tariff Data: World Bank, WITS Database, TRAINS Tariff Measures

Sri Lanka. The other key competitors include countries such as Jordan, Egypt, Peru and Honduras, that has duty free access to the US market (refer Annex 2). While China remains one of the key suppliers of these four products, its presence is relatively low compared to other products (refer Figure 2). For three of the products, China's market share is less than 20% and for one product its 25%.

4.3. The analysis reveals that the relatively more important products for Sri Lanka in terms of export value have low potential to benefit from a possible US-China decoupling in apparel.

These products are in a market where overall import demand for the product in the US market has experienced a decline during 2015-2019 and imports from Sri Lanka also

have experienced a decline during the same period. The five products classified as low potential are worth 18% (USD 363 million) of total imports from Sri Lanka to the US a year on average during 2015-2019. As shown in Figure 4, the bulk of the value of imports from Sri Lanka for these low potential products are concentrated in three products (HS 621210, 611241, 620443). These three products can be considered important apparel products for Sri Lanka given the value of imports from Sri Lanka to the US accounting for 18% (USD 356 million) of total imports a year on average during 2015-2019.

The relatively high market share held by Sri Lanka for these products indicate that these are products where Sri Lanka has demonstrated competitiveness in the past compared to competitors. In fact, among these three low potential products is, Brassieres (HS 621210), the product which accounts for the largest share of apparel imported from Sri Lanka to US. This product alone accounted on average for 14% (USD 273 million) of total imports from Sri Lanka to the US a year during 2015-2019 and Sri Lanka maintained an average market share of 11.1% for this product in the US market. (refer Figure 4)

However, despite Sri Lanka having a high market share of this product in the US market, it has been classified as low potential as US imports from Sri Lanka has declined by 2.6% between 2015-2019 and it is operating in a declining US market with overall US imports for the product having declined by 3.6% during the same period. It is important to note however, that imports from China for the product has declined by a higher rate of 10.1% during the same period and in contrast to Sri Lanka, Vietnam seem to seem to have succeeded in becoming an alternative supplier to China in this product category. Although imports from Sri Lanka declined, imports from Vietnam have increased by 56.7% a year on average during 2015-2019. While in 2015 Sri Lanka was the leading supplier of this product to the US, over the last four years Vietnam has surpassed Sri Lanka having managed to increase its market share for the product from 2.1% in 2015 to 14.9% in 2019. During the same period, Sri Lanka's market share for the product has remained stagnant having increased by only 0.5 percentage points from 10.9% in 2015 to 11.4% in 2019.

4.4. Duty free access and proximity to the US market seem to be a less important factor that determines the sourcing decisions of US buyers.

The success of countries such as Vietnam, Bangladesh and Cambodia as alternative suppliers to China despite not having duty free access and not being in close proximity to the US market reveal that these factors are not the key determinants of sourcing decisions of US buyers. Overall Vietnam stands out as the most preferred alternative sourcing destination for US buyers seeking to diversify its supply base away from China, followed by Bangladesh, Jordan, Cambodia and Indonesia. It is notable that only Jordan out of these four have duty free access to the US market. (refer Figure 1)

4.5. Despite the visible decline of the value and share of imports during 2015-2019, China continues to be a strong competitor for seven of the 21 potential products.

China, despite the decline in import value, accounts for over 50% of the market for seven of the 21 products, indicating that it is by far the strongest competitor to any country supplying these products to the US. These include two of the products identified as high potential for Sri Lanka, two with medium potential and three identified as having low potential.

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ANNEXES

Annex 1. 37 products that show early signs of sourcing being diverted away from China

HS Code	Growth in Imports (2015-2019)			Average Imports of the US (2015-2019)		
	World	China	Rest of World	World (USD Mn)	China (USD Mn)	Sri Lanka (USD Mn)
610130	1.7%	-4.0%	4.0%	506.6	156.2	2.7
610329	54.9%	-42.8%	228.8%	0.1	0.1	0.0
610332	-0.5%	-6.3%	11.7%	12.9	8.4	0.0
610342	8.3%	-6.5%	13.8%	716.9	182.1	3.7
610343	3.3%	-6.1%	5.0%	1129.4	170.3	5.8
610439	6.8%	-4.5%	15.4%	26.2	10.7	0.0
610444	-2.7%	-8.6%	1.6%	476.0	195.8	1.0
610469	2.2%	-7.0%	7.1%	250.3	83.3	2.1
610520	0.7%	-5.6%	1.6%	907.9	110.4	23.2
610690	-4.3%	-18.0%	7.7%	20.5	9.1	0.0
610829	14.2%	-1.0%	41.5%	1.7	1.0	0.1
610831	-2.4%	-10.1%	3.4%	402.7	172.3	3.3
610990	3.0%	-3.7%	4.3%	1922.5	302.7	29.0
611011	-4.8%	-9.9%	8.8%	397.6	284.1	0.3
611030	1.7%	-3.1%	3.6%	6279.2	1749.2	96.2
611130	-1.5%	-5.1%	3.2%	284.3	167.8	4.7
611231	1.4%	-1.1%	4.2%	14.7	8.0	1.0
611241	-1.0%	-2.4%	0.3%	895.6	440.6	57.8
611693	-1.1%	-3.2%	4.0%	251.9	174.1	1.8
620213	0.0%	-4.8%	8.3%	335.2	209.2	0.6
620332	-2.0%	-8.5%	2.8%	94.1	41.9	0.5
620343	3.4%	-4.7%	5.4%	1484.6	290.4	9.6
620443	-3.5%	-6.6%	1.1%	1312.6	779.8	25.1
620530	5.3%	-1.3%	6.6%	569.2	82.1	7.9
620620	0.3%	-6.7%	2.2%	6.5	1.1	0.0
620640	-1.7%	-7.5%	1.4%	1440.8	493.3	11.3
620729	-11.2%	-16.3%	5.4%	1.1	0.8	0.0
620822	-3.5%	-9.5%	5.6%	75.2	45.8	2.1
620892	5.5%	-1.8%	19.2%	79.6	51.9	1.5
621010	1.0%	-3.3%	8.0%	770.2	474.6	1.7
621040	0.9%	-3.1%	5.0%	671.2	332.7	0.0
621120	-3.8%	-22.2%	21.8%	5.9	3.2	0.0
621143	-1.1%	-3.7%	1.0%	1253.6	548.7	3.3
621210	-3.6%	-10.1%	1.8%	2456.9	1076.8	273.0
621320	-2.5%	-4.5%	8.5%	24.3	20.8	0.0
621520	-0.8%	-1.1%	5.1%	53.2	50.3	0.0
621710	1.6%	-0.8%	6.4%	168.3	108.7	0.2

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web

Annex 2. 21 selected products by potential

Source: Import data of the US: United States International Trade Commission (USTIC) Data Web; Tariff Data: World Bank, WITS Database, TRAINS Tariff Measures

Colour codes	High competition	Medium Competition	Low Competition
List of countries with duty-free access to the US		List of countries with no duty-free access to the US	
Canada; Colombia; Costa Rica; Dominican Rep; El Salvador; Ethiopia; Ghana; Guatemala; Haiti; Honduras; Israel; Jordan; Kenya; Lesotho Madagascar; Mexico; Morocco; Nicaragua; Peru Singapore; Tanzania		*Bangladesh; Bulgaria; Burma; Cambodia; Egypt; France; Hungary; India; Indonesia; Italy; Japan; Lebanon; Malaysia; Pakistan; Philippines; Poland; Portugal; Romania; South Korea; Spain; Sri Lanka; Taiwan; Thailand; Tunisia; Turkey; Ukraine; United Kingdom; Vietnam*	

HS Code	Product Description	Annual Average Value 2015-2019			Number of competitors	% of competitors with duty free access	Key Competitors (Countries with a minimum import value of USD 1 million or above a year between 2015-2019) sorted by market share
		Imports from Sri Lanka (USD Mn)	Growth of imports to the US from SL	Sri Lanka's Market Share			
High potential products							
611030	Sweaters, pullovers, sweatshirts, vests and similar articles	96.2	3.7%	1.5%	26	54%	Vietnam; Honduras; Jordan; Guatemala; El Salvador; Cambodia; Mexico; Nicaragua; Bangladesh; Haiti; Thailand; Sri Lanka; Kenya; Turkey; Dominican Rep; Peru; Italy; Portugal; Madagascar; Pakistan; Burma; Ghana; Ethiopia; Romania; Tanzania; France; United Kingdom
610520	Men's or boys' shirts of manmade fibres	23.2	3.5%	2.6%	15	73%	Vietnam; Jordan; Peru; Sri Lanka; Guatemala; Kenya; Madagascar; Tanzania; Ethiopia; South Korea; Nicaragua; Philippines; Ghana; Haiti; Turkey; Colombia
620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	9.6	37.0%	0.6%	22	41%	Vietnam; Bangladesh; Indonesia; Honduras; Nicaragua; Jordan; Haiti; Kenya; Cambodia; Philippines; India; Thailand; Sri Lanka; Turkey; Ethiopia; Madagascar; Taiwan; Italy; Burma; Portugal; Morocco; Costa Rica; Romania
620530	Men's or boys' shirts of manmade fibres	7.9	14.0%	1.4%	18	50%	Honduras; Vietnam; Bangladesh; Indonesia; Haiti; Nicaragua; Cambodia; India; Jordan; Sri Lanka; Madagascar; Kenya; Turkey; Italy; Colombia; Portugal; Thailand; Morocco; Ethiopia

HS Code	Product Description	Annual Average Value 2015-2019			Number of competitors	% of competitors with duty free access	Key Competitors (Countries with a minimum import value of USD 1 million or above a year between 2015-2019) sorted by market share
		Imports from Sri Lanka (USD Mn)	Growth of imports to the US from SL	Sri Lanka's Market Share			
610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	5.8	22.9%	0.5%	15	53%	Vietnam; Jordan; Egypt; Cambodia; Nicaragua; Haiti; Guatemala; Lesotho; Sri Lanka; Pakistan; Madagascar; Colombia; India; Italy; Turkey; Ethiopia
610342	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton	3.7	58.9%	0.5%	18	33%	Vietnam; Honduras; Cambodia; Indonesia; Bangladesh; Malaysia; India; Jordan; Nicaragua; Guatemala; Thailand; Egypt; Sri Lanka; Turkey; Italy; Portugal; Canada; Burma; Singapore
610469	Women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials not elsewhere specified or included	2.1	14.4%	0.8%	11	36%	Vietnam; Indonesia; Jordan; Cambodia; Guatemala; Italy; Egypt; Turkey; Sri Lanka; Madagascar; El Salvador; India
621010	Garments, made-up of fabrics of felts and nonwovens	1.7	16.8%	0.2%	6	33%	Mexico; Vietnam; Cambodia; Burma; Dominican Rep; Sri Lanka; India
620892	Women's or girls' undershirts, briefs, panties, bathrobes, dressing gowns and similar articles of manmade fibres	1.5	10.1%	1.9%	4	0%	India; Vietnam; Cambodia; Indonesia; Sri Lanka
Medium potential products							
610990	T-shirts, singlets, tank tops and similar garments, of textile materials not elsewhere specified or included	29.0	-11.0%	1.5%	20	65%	Honduras; Nicaragua; El Salvador; Guatemala; Haiti; Jordan; Indonesia; Peru; Dominican Rep; Sri Lanka; India; Tanzania; Lesotho; Bangladesh; Thailand; Madagascar; Turkey; Pakistan; Ethiopia; South Korea; Morocco
620640	Women's or girls' blouses, shirts and shirt-blouses of manmade fibres	11.3	4.9%	0.8%	16	38%	Vietnam; Bangladesh; Turkey; Mexico; Sri Lanka; Italy; Cambodia; Morocco; Canada; Romania; Jordan; France; Colombia; Tunisia; Madagascar; Bulgaria; Japan
610831	Women's or girls' nightdresses and pyjamas of cotton	3.3	67.0%	0.8%	8	13%	Vietnam; India; Peru; Bangladesh; Indonesia; Pakistan; Sri Lanka; Philippines; Ukraine

HS Code	Product Description	Annual Average Value 2015-2019			Number of competitors	% of competitors with duty free access	Key Competitors (Countries with a minimum import value of USD 1 million or above a year between 2015-2019) sorted by market share
		Imports from Sri Lanka (USD Mn)	Growth of imports to the US from SL	Sri Lanka's Market Share			
621143	Women's or girls' garments not elsewhere specified or included, of manmade fibres	3.3	32.4%	0.3%	18	39%	Vietnam; India; Cambodia; Bangladesh; Haiti; Canada; Dominican Rep; Kenya; Italy; Morocco; Turkey; Egypt; Thailand; Sri Lanka; France; Madagascar; Jordan; United Kingdom; Portugal
610130	Men's or boys' overcoats, carcoats, capes, cloaks, anoraks, ski-jackets, and similar articles of manmade fibres,	2.7	-35.0%	0.5%	10	40%	Honduras; Jordan; Bangladesh; Cambodia; Egypt; India; Kenya; Sri Lanka; Pakistan; Dominican Rep; Italy
611693	Gloves not elsewhere specified or included, mittens and mitts, of synthetic fibres	1.8	11.6%	0.7%	6	17%	Vietnam; Indonesia; Cambodia; Canada; Bangladesh; India; Sri Lanka
611231	Men's or boys' swimwear of synthetic fibres,	1.0	-20.9%	6.9%	1	0%	Vietnam; Sri Lanka
Low potential products							
621210	Brassieres	273.0	-2.6%	11.1%	9	22%	Sri Lanka; Vietnam; Thailand; Bangladesh; Colombia; Italy; Burma; Lesotho; Turkey; Hungary
611241	Women's or girls' swimwear of synthetic fibres,	57.8	-15.2%	6.4%	7	43%	Vietnam; Sri Lanka; Colombia; Morocco; Italy; Canada; Portugal; Turkey
620443	Women's or girls' dresses of synthetic fibres,	25.1	-9.4%	1.9%	24	21%	Indonesia; India; Sri Lanka; Italy; Burma; France; Turkey; Canada; Cambodia; Romania; Israel; United Kingdom; Morocco; Portugal; Thailand; Spain; Bulgaria; Lebanon; Taiwan; Poland; Tunisia; Japan; Colombia; Hungary; Dominican Rep
611130	Babies' garments and clothing accessories of synthetic fibers,	4.7	-9.5%	1.6%	7	14%	Vietnam; Cambodia; Sri Lanka; Egypt; Philippines; Guatemala; India; Burma
620822	Women's or girls' nightdresses and pyjamas of manmade fibres,	2.1	-21.8%	2.8%	3	0%	Cambodia; Vietnam; Indonesia; Sri Lanka