

**PRETEXT
78/2007
31 December 2007**

Year 2007 China quota utilisation as at 31 December

As we reach the end of the calendar year, average utilisation for December, based on the issue of export licences, is 94.07%, although the figures vary from a low of 74.25% (category 39 - woven table, toilet and kitchen linens) to a high of 111.24% (category 4c - children's garments of category 4 - t shirts etc). As mentioned previously, this category was the only one not affected by China's use of flexibility in October - and may explain why it is over-utilised.

Month-on-month, the average increase is 6.45%, with category 2 (woven cotton fabrics) showing the highest month-on-month increase of 10.96%.

Year-on-year, when comparing the figures to December 2006, all categories except 115, which fell by 3.63%, see an average increase in utilisation of 6.23%, from a high of 22.59% for category 4c (no flexibility) to a low of 0.33% for category 26 (dresses). This is despite the higher working levels.

There are no surprises in the import licence figures. They are, on average, 11% behind the export licences issued at an average of 83.7% - ranging from 58.48% for category 39 to 97.75% for category 4c - although the average for the seven clothing categories is slightly higher, at 89.7%. There is nothing to indicate that there will be problems. Month-on-month the average increase is around 6%, the highest increase being for category 4c (again) at 10.50%.

Year-on-year, utilisation is up for all categories, except 115. Like last month, the highest increase is for category 4c at 27.92%.

We will continue to issue monthly utilisation reports for 2007 until 31 March 2008. After that date, anything covered by a 2007 export licence will automatically transfer to the 2008 surveillance scheme (further details to follow in a separate note).

Emma Ormond
Tel: 020.7804.5135
emma.ormond@uk.pwc.com

Claire Gane
Tel: 020.7213.2919
claire.l.gane@uk.pwc.com

2007 CHINA QUOTA UTILISATION AS AT 31 DECEMBER 2007

Cat	Description	Working Level					Export Lics. China					Import Lics. EC				
		Dec-07	Nov-07	Units	Difference Dec07-Nov07	% Change	%WL Used Dec 06	%WL Used Dec 07	%WL Used Nov 07	% Change Dec-Nov07	% Change 2007-2006	%WL Used Dec 06	%WL Used Dec 07	%WL Used Nov 07	% Change Dec-Nov07	% Change 2007-2006
2	Woven cotton fabrics	75,580,520	75,580,520	kg	0	0.00%	81.87%	83.65%	72.69%	10.96%	1.78%	66.62%	67.94%	61.64%	6.30%	1.32%
4	T-shirts etc; mens knitted shirts	637,317,680	637,317,680	pieces	0	0.00%	83.15%	88.54%	80.77%	7.77%	5.39%	61.80%	76.74%	70.12%	6.62%	14.94%
4c	Childrens garments of Cat 4	49,635,333	49,635,333	pieces	0	0.00%	88.65%	111.24%	102.13%	9.11%	22.59%	69.83%	97.75%	87.25%	10.50%	27.92%
5	Jerseys, pullovers, slip-overs, waistcoats, knitted anoraks, etc	227,232,969	227,232,969	pieces	0	0.00%	98.73%	99.53%	96.23%	3.30%	0.80%	88.76%	94.65%	90.57%	4.08%	5.89%
6	Woven trousers, men's woven shorts	415,360,436	415,360,436	pieces	0	0.00%	95.99%	98.87%	91.19%	7.68%	2.88%	75.26%	88.26%	81.58%	6.68%	13.00%
7	Blouses	95,188,859	95,188,859	pieces	0	0.00%	97.75%	98.45%	93.83%	4.62%	0.70%	83.66%	92.23%	86.77%	5.46%	8.57%
20	Woven bedlinen	19,814,260	19,814,260	kg	0	0.00%	80.76%	92.53%	85.77%	6.76%	11.77%	63.64%	78.00%	71.41%	6.59%	14.36%
26	Dresses	31,513,652	31,513,652	pieces	0	0.00%	97.39%	97.72%	92.94%	4.78%	0.33%	80.94%	91.57%	87.26%	4.31%	10.63%
31	Bras	267,723,630	267,723,630	pieces	0	0.00%	91.92%	95.62%	90.23%	5.39%	3.70%	76.61%	86.81%	80.58%	6.23%	10.20%
39	Woven table linen, toilet linen and kitchen linen	15,902,340	15,902,340	kg	0	0.00%	61.81%	74.25%	68.23%	6.02%	12.44%	46.93%	58.48%	54.18%	4.30%	11.55%
115	Flax or ramie yarn	5,484,274	5,484,274	kg	0	0.00%	98.07%	94.44%	89.88%	4.56%	-3.63%	92.15%	88.40%	86.31%	2.09%	-3.75%

It should be noted that, for comparison purposes, December 2006 are to 29 December 2006, November 2007 are to 30 November 2007 and December 2007 are to 31 December 2007.