

A COMPARATIVE ANALYSIS OF INDO-EU TEXTILES TRADE RELATIONS BETWEEN THE PRE AND POST MFA (MULTI -FIBRE AGREEMENT) PHASE-OUT PERIOD

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ABSTRACT

India's trade links with all the regions of the world have increased over the years. In past few years, Indo-EU relations have nurtured and developed towards establishing a closer co-operation and partnership. After the phase-out of Multi Fibre Agreement (MFA), India and EU have improved their trade in both goods and services. Both have signed number of agreements in different fields. India has registered herself as one of the leading trade partner of EU. As far as the case of Textiles and Clothing Industry is concerned, it occupies an important place in both the nations. After the phasing-out of MFA both are competing in global textiles market. The only difference is, EU is striving hard to shield its Textiles & Clothing sector from being vanished by the developing countries whereas India is competing with other rising developing giants specially China in international textiles market. In order to trace the transformations in Indo-EU trade relations, the researcher tried to measure the variations in India's textiles export to EU, India's textiles import from EU and EU's FDI in Indian textiles industry during pre and post MFA phase-out period. For this, Independent Samples T-Test is used in order to test the formulated hypotheses and to reach to the conclusion. The results suggest that textiles trade between India with EU has significantly increased after the phase-out of MFA as many other EU members have entered into trade agreements with India after the phase-out of MFA.

KEYWORDS: Multi Fibre Agreement (MFA), India, European Union, Export, Import, FDI