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Study on Textile and Apparel Trade between China and South Korea

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Abstract

This article analyzes the current status of China and South Korea's textile and apparel trade, the result is that the two countries are complementarity in textile and apparel trade. China mainly exports finally products such as apparel, footwear to South Korea, and imports semi-product such as chemical staple fibers, industrial textiles from South Korea. Although China and South Korea established a free trade agreement in 2015, the trade growth was sluggish in the following years. Based on the gravity model, the author calculated textile trade potential between China and South Korea. It was found that the potential of China's textile and apparel exporting to South Korea has been fully exerted; the growth is weak in the future. The main factors that influence textile trade are custom tariff, TBT (trade barrier of technical), the political reason and transferring of international textile industry. In order to strengthen the textile trade relations between China and South Korea in the future, the enterprises should improve the add value to search for the new growth point.

Keywords

China-South Korea; Textile and Apparel Trade; Custom Tariff and TBT; Sade's Entry into South Korea.

1. Research Background

South Korea is located in the northeast of Asia, at southern end of the Korean Peninsula, with a land area of 99,720 square kilometers. The population of South Korea is about 52 million in 2019. South Korea's communication facilities are the high-class in the world, and its market consumption potential is of great. Since the establishment of diplomatic relations between China and South Korea in 1992, two countries' cooperation has been carried out in the fields of science and technology, investment, trade, fishery, transportation and human resources. Many bilateral agreements are signed by the Chinese and Korean governments, which have greatly promoted the development of trade, economic and technological cooperation between the two countries.

1.1. The Current Situation of China and South Korea's Trade Relations

On July 4, 2014, China's President Xi Jinping visited South Korea, which deepened the understanding of the "Belt and Road" Initiative and the "Eurasian Initiative", and realized docking and deepening cooperation on the basis of "good time, good location and harmonious people" between two countries. On June 1, 2015, Chinese Minister of Commerce Gao Hucheng, on behalf of the Chinese government, signed a China ROK free trade agreement in Seoul with the head of South Korea's Ministry of industry, trade and resources, Yin Xiangzhi. On October 31, 2015, China and South Korea signed a series of documents such as "the Memorandum of Understanding on Cooperation in the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road and the Eurasian Initiative". That means China and South Korea have jointly explored the agreements of the "Belt and Road" Initiative, "Eurasian Initiative" and

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their own development, and cooperated in the fields of policy communication, institutional cooperation, smoothly investment, diversified capital and researcher exchanges.

1.2. Textile Industry in South Korea and China

China is the largest producer and exporter of textiles and garments in the world, accounting for about 40% of the world's total exports. China and South Korea are close neighbors.， so they have geographical advantages in textile and clothing trade. Textile and clothing is one of the main trade products of the two countries.

Textile and apparel industry is one of South Korea's major export and employment industries as well, its employment scale of labor force is accounting for 7.6% and the number of enterprises is of 11.7% of the country in 2019. The value of export and import are all outstanding in the world. Textile is an export-oriented industry in South Korea, the trade mode is importing one third of the raw materials and exporting two thirds of the finished products after processing. At present, textile industry of South Korea is undergoing strategic adjustment, such as traditional fiber industry and high-tech industry are merging, focusing on the development of composite fiber and carbon fiber, developing new cross-border markets and so on. South Korea is promoting the development of small and medium-sized enterprises, accelerating the internationalization of large enterprises, pushing forward the development of fashion industry, strengthening marketing and cultivating internationally renowned brands and excellent design talents.

1.3. Purpose of the This Research

Although the Korean Peninsula is not belong to the key cooperation partner of the "Belt and Road" Initiative, China is the largest trading partner and investment target country for South Korea, and there is still prospect for cooperation with each other in the future. This article intends to analyze the current trade situation between China and South Korea in textile and apparel, investigate the trade potential of China's textile and apparel to South Korea through empirical methods, and excavate the potential and cooperative direction between China and South Korea in textiles in the future.

2. Literature Review

Since the establishment of diplomatic relations in 1992, economic and trade cooperation between China and South Korea has been continuously strengthened(Minghui Shen, Yi Hu, 2017). The goods trade between China and South Korea is based on comparative advantages. Bilateral trade is imbalance, and there is a large degree of overlap in the export market (Shiying Shan, 2013). In 2015, the bilateral trade amount between China and South Korea was USD 275.8 billion, which accounting for 7% of China's total import and export. South Korea is China's sixth largest trading partner, while China is South Korea's the largest trading partner, export destination and import source (Yan Guo, 2017). After signing of the China-South Korea free trade agreement in 2015, the total amount of bilateral trade between China and South Korea did not increase but show a downward trend. This is because the economic factors of tariff and non-tariff barriers and the political factors of Sade's entry into South Korea, which have hindered the construction of China -South Korea Free Trade Zone (Liqin Wang, 2018). At present, the goods trade between China and South Korea has entered a "flat period", the export competition of goods is intensified, the barriers of service trade and investment in China are high, and the trade creation effect between China and South Korea is not obvious (Dongxin Lin, Yangyang Qin, 2018).

Both China's "Belt and Road" initiative and the "new North Policy" of Korea involved the construction of regional cooperation in Northeast Asia. They two have some similarities and have the potential of docking (Jiaxin Pang, Linggui Wang,2019). Achieving China's "Belt and

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Road" Initiative and the Korean "Eurasian Plan" strategy docking has become an urgent goal for China and South Korea, which can enhance their strategic partnership (Yuanhua Shi, 2015). The docking of "Belt and Road" Initiative with "Europe and Asia Strategy" is not only conducive the positive promotion of Eurasian strategy and the opening up and deepening of the "Belt and Road initiative, but also very beneficial to the restoration of the China-South Korean relations which are "cold" due to "Sade"(Haitao Liu, Quangao Li, 2020).

3. The Trend of Textile and Apparel Trade between China and South Korea

Based on the data of Uncomtrade and Country Report, this article analyzes the main textile and apparel trade products (HS code from 50 to 64) between China and South Korea from 2009 to 2018, then it summarizes the characteristics of textile and apparel trade between China and South Korea.

3.1. China Exports to South Korea

Among the top 30 products exported from China to South Korea in 2018, HS code 52 (cotton), 54 (man-made filaments, strips made of man-made textile materials, etc.), 61 (knitted or crocheted clothing and clothing accessories), 62 (non-knitted or crocheted clothing and clothing accessories), and 64 (shoes etc.) are on the list. The five products' export amount is relatively high. Table 1 shows the value of textile and apparel products that are exported by China to South Korea from 2009 to 2018.

Table 1. Value of China's textile and apparel products exported to South Korea (USD 100 million)

HS code	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
52 cotton	4.08	5.87	5.63	4.01	4.26	3.73	3.46	3.39	2.61	2.75
54 man-made filaments	2.50	3.93	5.61	5.06	5.54	6.18	5.66	5.19	5.41	5.45
61knittedclothing	7.02	8.94	11.08	10.54	11.53	11.80	11.93	12.00	11.76	13.22
62 non-knitted clothing	14.99	18.53	22.95	20.12	22.22	23.06	21.99	20.84	20.94	22.05
64 shoes	6.07	8.49	10.67	10.92	11.18	11.98	11.33	11.03	11.84	11.95

(Data Source: UNCOMTRADE Statistics)

We can see from table 1 that the proportion of clothing (61, 62) and footwear (64) showed a substantial increase from 2009 to 2014, and the export value of HS Code 62 (non-knitted or crocheted clothing and clothing accessories) was the highest, with the largest growth rate. However, after 2015, the three products were in turbulent rising. The export value of cotton product (HS 52) has the most obvious downward trend, from USD 408 million in 2009 to 272 million in 2018. Man-made filament (HS 54) shows a rising trend before 2015 and downward trend after 2015. Therefore, it can be concluded that China mainly exports manufactured goods to South Korea. We can also see from the table 1 that 2015 is a critical year, most of the products' export declined to some extent.

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3.2. South Korea Exports to China

Among the top 30 products imported by China from South Korea in 2018, textile products are HS codes of 54 (man-made filament), 55 (man-made staple fiber), 59 (industrial textile), 60 (knitted or crocheted fabric) and 62 (non-knitted clothing) have relatively high importing value, as was shown in Table 2.

Table 2. China importing textile and apparel products from South Korea (USD 100 million)

HS code	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
54 man-made filaments	5.70	6.62	7.30	6.37	6.07	5.49	4.74	4.34	4.24	4.21
55 man-made staple fiber	2.65	3.64	3.76	3.10	3.54	3.55	2.28	2.32	2.77	3.16
59 industrial textile	2.50	2.94	3.12	2.93	2.79	2.68	2.34	2.01	1.90	1.94
60 knitted or crocheted fabric	5.32	6.17	6.42	6.16	5.65	4.59	3.73	3.26	2.86	2.44
62 non-knitted clothing	1.97	2.47	2.85	2.50	2.85	2.66	2.48	2.50	2.04	2.13

It can be seen from Table 2 that in 2018, the textile products that China imported from South Korea are artificial filament (HS 54), with the import value of USD 421 million. The fastest-growing product was man-made staple fiber (HS 55), which rose from USD 265 million in 2009 to USD 316 million in 2018. The fastest decline product was knitted or crocheted fabrics (HS 60), which dropped from USD 532 million in 2009 to USD 244 million in 2018, and industrial textiles (HS 59) also declined to some extent in recent years yet.

Comparing Table 1 with Table 2, it can be seen that the textile trade value between China and South Korea is not large, but the trade products are highly complementary, China mainly exports apparels and shoes to South Korea, and mainly imports semi-finished products from South Korea for intensive processing. The second characteristics is 2015 is a remarkable year, the trade value between China and South Korea showed different degrees of decline, no matter export or import. The main reason of the descending may be textile transfer within the worldwide, most South Korea's orders were placed in Southeast Asia or South Asia. Another reason may be Sade's entry into Korea, it influenced the bilateral trade as well, even with the signing of China and South Korea Free Trade Agreement in 2015, South Korea cuts off the tariff of importing merchandise from China, the garments of HS code 61-63 would be reduced to "zero tariff" within 10 years. The Sade Incident made the trade between China and South Korea fell into a trough again, which led to the sluggish growth of trade between China and South Korea in the next few years.

4. Methodology

4.1. Introduction of Gravity Model

Gravity model was developed on the basis of Newton's universal gravity by economist Tinbergen. In Newton's law of universal gravitation, the gravitation between two objects is proportional to mass and inversely proportional to distance. Trade gravity model means that the single trade flow between two countries is directly proportional to their respective economic scale and inversely proportional to the distance between the two countries. Trade gravity model is an important tool to study bilateral trade value. The classical formula of gravity model is:

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$$X_{ij} = AY_iY_j/D_{ij} \quad (1)$$

In formula(1) , Xij represents the scale of trade between the two countries, A is a constant, Yi and Yj are the economic aggregate of country i and country j respectively, and Dij is the distance between the two countries. Taking the logarithm of both sides at the same time to get the following formula:

$$\mathrm{Ln}X_{ij} = \lambda_1 + \lambda_2 \mathrm{Ln}Y_i + \lambda_3 LnY_j + \lambda_4 LnD_{ij} + \mu \quad (2)$$

4.2. Model Establishment and Variables Description

In order to describe the bilateral trade scale and influence factors, scholars have extended the traditional trade gravity model and added some other influencing variables. In this study, we are trying to describe the factors that influencing textile and apparel trade between China and South Korea by establishing an expansion gravity model. Lin Ling and Wang Yan (2004) made an empirical test on China's bilateral trade through the trade gravity model, they pointed out that GDP, spatial distance and land area are the main variables that affects China's bilateral trade amount. Guo Xiaoming and Huang Sen (2020) constructed the trade gravity model of agricultural products between China and Brazil by using economic scale, trade distance, total population, per capita income gap, exchange rate and other three dummy variables. Hong Qiumei (2019) focused on the following variables in the gravity model of agricultural trade between China and five Central Asian countries: GDP, population, per capita GDP gap, physical distance and the proportion of agricultural added value to GDP. Zhou Chong and Zhou Dongyang (2020) introduced GDP, absolute value of the difference of GDP per capita, population, trade dependence and a dummy variable into the trade gravity model.

Based on the previous studies, this article intends to introduce the following variables: economic scale, trade distance, population size, GNP per capita, whether FTA is established or not between two countries. Economic scale reflects the import demand capacity of a country or region. The larger the economic scale, the greater the import capacity, and then the greater the bilateral trade flow. Trade distance usually represents the transportation cost which is an important factor for trade. Theoretically, the increase of population will lead to the increase of textile demand. The difference of GNP per capita indicates the difference between factor endowments between the two countries. The greater the absolute value of the difference of per capita income, the more inter-industry trade occurs. FTA is a dummy variable, as the regional trade groups will promote trade among members within FTA. If FTA was established, it takes 1; otherwise, takes 0. In order to avoid heteroscedasticity, the variables are logarithmic.

The formula of the extended gravity model of textile and apparel trade is:

$$\mathrm{Ln}T_{ij} = \lambda_1 + \lambda_2 Ln\left(GDP_i \times GDP_j\right) + \lambda_3 LnD_{ij} + \lambda_4 Ln\left(P_i \times P_j\right) + \lambda_5 LnABS_{ij} + \lambda_6 FTA_{ij} + \mu \quad (3)$$

In formula (3), Tij is an explained variable, which indicates the textile and apparel amount of China exporting to partner in HS Code from 50 to 64, with the unit of USD 100 million. GDPi and GDPj represent the GDP of China and its partner j respectively, with the unit of USD 100 million. Dij is the distance between the capital of China to the capital of its partner, with the unit of kilometers. Pi and Pj represent the total population of China and its partner respectively, with the unit of 100 million. ABSij refers to the absolute value of the difference of GNP per capita between China and partner, and its unit is USD/person. FTAij is dummy variable, which stands whether the two countries establish a free trade agreement. μ is a random disturbance term, which indicates other possible variables that not included in the model.

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4.3. Data Source

In this article, we select the top 10 countries/regions of China's textile and apparel partner in 2018 as samples, we extract the data of China's export amount from 2009 to 2018 as research objects. The 10 countries/regions are the United States, Japan, Hong Kong, Vietnam, Germany, UK, South Korea, Australia, Philippines and Russia. The data of textile and apparel trade between China and these 10 sample countries/regions come from UNCOMTRADE database. The GDP, total population, GNP per capita are from the World Bank database. The distance data from China's capital to the partner's capitals are from "The Linear Distance between Beijing and the Capitals of the World", the linear distance data between Beijing and Hong Kong comes from map ranging, the division of FTA is based on fta.mofcom.gov.cn, which is the service network of China Free Trade Zone.

5. Empirical Research

5.1. Correlation Analysis

In formula (3), if the correlation between the explained variable and the explanatory variable is high means the model is significance. At the same time, correlation of independent variables should be low. Generally, coefficient of 0.3-0.5 stands weak correlation, 0.5-0.8 stands medium correlation and above 0.8 is strong correlation. Table 3 shows the correlation between explanatory variable and interpreted variable in this study.

Table 3. Results of variables correlation analysis

Variable	LnTij	LnGDPi*GDPj	LnDij	LnPi*Pj	LnABSij	FTAij
LnTij	1.000					
LnGDPi×GDPj	0.621***	1.000				
LnDij	0.509***	0.143*	1.000			
LnPi×Pj	0.521***	0.127	0.309***	1.000		
LnABSij	0.687***	0.573***	0.288***	-0.237	1.000	
FTAij	-0.280**	-0.026	-0.189*	-0.350	0.227**	1.000

It can be seen from Table 3 that the correlation between explained variables and explanatory variables is high, while the correlation between independent variables are not low, so this model is meaningful for research.

5.2. Regression Result

In this article, the formula (3) is regressed by the panel data of mixed model, fixed effect model and random effect model by stata.16 software, and then selected by Hausman test. The P value obtained by Hausman test is 0. 000, which is far less than 0. 005. It is more reasonable to reject the original hypothesis and choose the fixed effect model. Therefore, the fixed effect model is finally selected for regression analysis. The regression results are shown in Table 4.

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Table 4. Regression results

Variable	fixed effects model
C	-1.964** (-2.46)
LnGDPi*GDPj	0.214*** (2.85)
LnDij	-0.376*** (-5.91)
LnPi×Pj	0.034*** (2.39)
LnABSij	0.526*** (6.72)
FTAij	1.011*** (8.82)
R2	0.794
F Statistic	65.46

(Note: * * *, * *, * represent the significance level of 0.01, 0.05 and 0.1 respectively, and the standard error are in brackets)

From the regression results in Table 4, it can be seen that R2 is 0.794, which is in good fitting condition. F value is used to judge the linear relationship, and the statistics are large, indicating that the linear relationship is significant. The regression equation is:

$$LnTij=-1.964+0.214LnGDPi*GDPj-0.376LnDj+0.034LnPi*Pj+0.526LnABSij+1.011FTAij \quad (4)$$

According to the results of the extended gravity model, we can conclude that the economic scale has a positive impact on the textile and apparel trade, and the coefficient of economic scale variable Ln(GDPi* GDPj) is 0.214, that is to say, for every 1% increase in the product of the two countries economic scale, China's textile and apparel export will increase by 0.214%. The distance of variable LnDij has a significant negative effect on the trade scale. Assuming that other conditions remain unchanged, for every 1% increase in geographical distance, the trade value will decrease by 0.376%. Population factor variable Ln(Pi*Pj) has a positive impact on the scale of textile and apparel trade, population growth will increase the demand for textiles and apparel. Assuming that other conditions remain unchanged, for every 1% increase in the product of the population of the two countries, the export value will increase by 0.034%. The variable LnABSij plays an active role, assuming other conditions remain unchanged, for every 1% increase in the difference between the per capita income of the two countries, China's textile and apparel export will increase by 0.526%. The coefficient of the dummy variable FTAij is 1.011, which shows that if the FTA has been established in the early stage, it will promote the trade between the two countries.

5.3. Textile Trade Potential between China and South Korea

To put the data of GDP, distance, total population and absolute difference of per capita income between China and South Korea into the regression equation (4), the ideal value of textile and

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apparel trade amount is calculated as E1. The actual value of textile and clothing export is as E2, the actual value E2 is divided by the ideal value E1, i.e. E1/E2, which is the trade potential of textile and apparel trade between the two countries. Table 5 shows the trade potential from 2009 to 2018.

Table 5. Trade Potential of Textiles and Clothing between China and South Korea

Years	E1(Billion dollars)	E2(Billion dollars)	Trade potential (E1/E2)
2009	39.26	39.12	1.00
2010	51.26	39.78	1.29
2011	62.35	40.62	1.53
2012	54.79	41.25	1.33
2013	59.6	41.74	1.43
2014	61.68	42.18	1.46
2015	59.62	42.27	1.41
2016	57.7	42.38	1.36
2017	56.99	42.81	1.33
2018	60.92	43.54	1.39

According to the existing trade potential judgment, the trade potential can be divided into three categories: if it's greater than 1.2, it belongs to "potential reshaping", that is to say, the trade potential has been fully displayed and a new trade growth point needs to be rebuilt. If the trade potential value is less than 1.2 and greater than 0.8, it belongs to "potential pioneering type", that means the trade potential can still be improved. If the trade potential value is less than 0.8, it is "great potential type", that is to say, the trade potential has not been excavated, and there are still great trade opportunities in the future. From Table 5, it showed that the textile and apparel trade potential between China and South Korea fluctuates over these years, but the trade potential is greater than 1.0. So textile and apparel trade between China and South Korea belongs to "potential pioneering" in 2009 and belongs to "potential reshaping" in other years, which shows that the textile trade potential between China and South Korea has been fully exerted and the two countries need to establish new trade growth points.

6. The Factors that Influence China-South Korea Textile Trade

The factors that influence China-South Korea textile trade may from two aspects: one is trade barrier, and the other is political reason.

6.1. Trade Barriers between China and South Korea

In terms of tariff reduction, after the conclusion of the FTA between China and South Korea, within a transition period of up to 20 years, China's products with zero tariff will reach 91% of the tax items, 85% of the import value. At the same time， the products of South Korea with zero tariff will reach 92% of the tax items, and 91% of the total import value. However, due to the long transition period, the tariff reduction effect is not obvious in the short term.

The main trade barrier is Trade Barrier of Technical(TBT) . By consulting China's WTO / TBT-SPS notification network, by 2020, South Korea has submitted 15 TBT notifications involving textiles and garments. Table6 shows TBT notifications submitted by South Korea.

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Table 6. TBT notification of South Korea from 2006

Notification number	Notification time	Contents of notification
G/TBT/N/KOR/123	2006.11.02	Safety standards for safety and Quality Labeling of textiles, leather products, etc
G/TBT/N/KOR/127	2006.11.07	Safety standards for textiles, carpets and other products (technical regulations)
G/TBT/N/KOR/142	2007.06.13	Safety and Quality Labeling Standards for household textiles and other products
G/TBT/N/KOR/143	2007.06.13	Safety standards for self-regulatory safety confirmation of carpet, warning clothing and other products
G/TBT/N/KOR/224	2009.07.30	proposal for revising the safety management system of 'Textile products for infant';
G/TBT/N/KOR/225	2009.07.30	proposal for revising the safety criteria for 'Textile products and leather products' subject to safety/quality labeling;
G/TBT/N/KOR/294	2010.10.19	A draft revision for Safety and Quality Mark Criteria for Textile Products Notice
G/TBT/N/KOR/295	2010.10.18	A draft revision for Safety Criteria on Textile Products for Infant Notice
G/TBT/N/KOR/330	2011.09.26	A draft revision for Safety and Quality Mark Criteria for Textile Products Notice
G/TBT/N/KOR/333	2011.10.07	Revise the safety criteria for leather products subject to Safety and Quality Mark
G/TBT/N/KOR/336	2011.10.28	A draft revision for Safety and Quality Mark Criteria for Textile Products Notice
G/TBT/N/KOR/678	2016.10.11	A draft revision for Safety Conformation Criteria for Textile Products for Infant notice
G/TBT/N/KOR/679	2016.10.11	A draft revision for safety and quality mark criteria for textile products and leather products notice
G/TBT/N/KOR/680	2016.10.11	A draft revision for supplier conformation criteria for leather products for children, textile products for children notice
G/TBT/N/KOR/681	2016.10.12	A draft revision for safety and quality mark criteria for internal corded window blinds notice

Data Source: WTO-TBT/SPS information network

It can be seen from table 6 that TBT notifications submitted by South Korea concerning textiles and garments mainly include label specifications, hazardous chemicals and their content standard. South Korea has more requirements on the safety of infant clothing, including the length of pulling rope, safety standards of harmful substances, clothing label requirements, etc. Within the implementation of these regulations and standards, some were different from that

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of China. If these regulations and standards exceeded China's mandatory standards, they will reduce the competitiveness of Chinese textile and garment enterprises in South Korea.

6.2. Political Factors

After the Sade's entry into Korea, China-South Korea relations was deteriorated. Although some signs indicated that relations between China and South Korea have eased，for example，Lotte has been restarted its comprehensive theme park in Shenyang., which was interrupted by the "Sade contradiction" three years ago, the COVID-19 helped to pull the gap between China and South Korea at the beginning of 2020, in reality, the "Sade Incident" in 2017 is still the biggest obstacle between China and South Korea. The diplomatic dilemma of the two countries can't be resolved in the short term. Both sides need to continue to take more pragmatic measures to achieve stable and progressive development of bilateral relations in the future.

6.3. Transferring of International Textile Industry

With the rising of labor cost in China, the advantages of textile and garment industry are gradually disappearing. The world textile industry is gradually transferring from China to Southeast Asia and South Asia countries. Textile trade between South Korea and these countries such as Vietnam, India, Bangladesh etc. are gradually increasing, so the trade volume with China is gradually decreasing.

7. Conclusion and Suggestions

From the above research, we can get the conclusion as follows:

(1) Textile trade between China and South Korea is highly complementary. This article analyses the trade data of textiles and apparels from 2009 to 2018, and finds that China mainly exports finished products, such as apparels, shoes and cotton products to South Korea, while China imports chemical staple fibers and industrial textiles from South Korea, the two countries are highly complementary.

(2) The textile and garment trade between China and South Korea declined from 2015. Although China and South Korea established a free trade agreement in 2015, the trade growth was sluggish in the following years.

(3) China's exporting of textiles and apparels to South Korea belongs to "potential reshaping", which means that China and South Korea have established a very close relationship, and put forward higher requirements for future development. With the trend of textile industry transferring to Southeast Asia, the growth space of traditional products in South Korean market is limited, so new products must be developed to open new marketing. For example, to develop high-tech products and green products to win the South Korean market and looking for new trade growth points.

At present, China's textiles and apparels have little potential for export to South Korea. From the perspective of enterprises, Chinese enterprises need to adjust the development strategy of textile and apparel. In recent years, South Korea pays attention to the functionality and environmental protection apparels. So China's enterprises should take green textiles and eco-apparels as new growth points to expand the market share of textile and apparel products in South Korea. Secondly, Chinese enterprises need to carry out technological reform, improve processes and standards, and increase added value of textile products, such as developing wearable textiles, integrating high-tech technologies such as electronic positioning, sensor detection, Internet design, 3D vision, textile electronic touch, etc., to open new horizons for human's life. Thirdly, Chinese enterprises should strictly implement the international leading standards for textile and apparel, and apply for the certification of South Korean quality and environmental system, so as to enhance the competitiveness of Chinese textile in South Korea.

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For the government aspect, China's government should grasp the trend of trade barriers in South Korea. Although tariff barriers have been gradually eliminated under China-South Korea Free Trade Area, but non-tariff barriers will still exist. The government must always pay attention to the new technical regulations of South Korea, strengthen the testing work, provide early warning system for Chinese enterprises. At the same time, we should strengthen bilateral consultations between China and South Korea, and make use of various platforms such as WTO TBT/SPS Committee to make consultation, so as to safeguard and strive for the interests of both sides.

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