

Trade disagreements

As Chinese imports are blocked at EU ports, the arguments surrounding globalisation once again hit the news.

1 Look at the terms below. They are all connected with trade. Which of them do you know?

protectionism quota manufacturer retailer free trade competition

2 Complete the missing information in the TV screen graphics by scanning the programme transcript below.

Quotas – 2005	
Jan	Global textile quotas abolished
(a) _____	EU and China agreed quotas
Sept	Chinese imports blocked

Chinese imports to the UK	
T-shirts	Up 160%
Trousers	Up 400%+
Pullovers	(b) Up _____

Prices of jeans in the UK	
2001	(c) _____
2003	£4.00
2005	(d) _____

Free trade?

Presenter: “Good evening. As you know, global textile quotas were abolished at the start of the year. Last June, the EU and China agreed quotas on imports of clothing lasting until 2008. However, we have recently seen 75 million items of Chinese textile goods sitting in warehouses and ports around Europe. The EU and China seem to have resolved some of these issues in what is essentially a dispute about free trade. Tonight’s programme looks at the problem of importing Chinese garments into the EU. John, you’re a UK retailer. What’s the current mood in the industry?”

John: “Well, the huge increase in Chinese clothing imports has been, um, expected. Some imports to the UK have risen by over 500% – pullovers for example. Some EU countries like France and Italy with large domestic textile industries are worried that cheap imports will threaten jobs. It’s the same in the States – about 20 factories have closed this year over there. Because China has a huge volume of cheap

labour, it can produce large volumes of cheap clothing at much lower prices than producers here so in my view it’s simply unfair competition.”

Presenter: “Sure, but I don’t hear customers complaining too much about low prices. Look at the prices of jeans here in the UK. In 2001, you could get a pair for just £14.00 – now, in 2005, they cost just £3.00 in some supermarkets. That’s a crazy price. Yang, you work in the textile industry in Shanghai. How do you see things?”

Yang: “Let me remind you that the EU’s initial refusal to let in millions of items of clothing could be regarded as protectionism. In China, we have the skills to produce garments that Europe simply cannot. We have expanded quickly over the last three years in preparation for a quota-free world. So, as we understand it, there is a global drive towards trade liberalisation. Is this not true?”

3 Read the whole transcript. Summarise the two positions in the dispute about free trade.

4 Find one word in each line that does not collocate with ‘competition’.

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|--------------------|-------------|-------------------|---------------|--------------------|
| 1 (a) unfair | (b) healthy | (c) tremendous | (d) average | (e) strong |
| 2 (a) domestic | (b) freely | (c) international | (d) fierce | (e) local |
| 3 (a) to stimulate | (b) to meet | (c) to encourage | (d) to create | (e) to manufacture |

competition

5 You will take part in a TV debate on free trade. Prepare your arguments. Use some of the terms in exercise 1.

- Should China be allowed to send cheap clothes to Europe and the USA?
- Should there be a quota on imports of goods into your country? Give examples where possible.
- Do you believe in a free market economy? Why / why not?