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Export networking challenges and opportunities for manufacturing firms from developing countries

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PART VI
APPENDICES

Appendix 1. General Characteristics of firms included in the study

Item	Footwear	Textile	Total
1. Sex			
Male	37	40	77
Female	4	7	11
2. Job status			
General managers	36	37	73
Marketing Mangers	3	5	8
Production Managers	2	5	7
3. Age			
<20	1	2	3
20-35	8	4	12
36-60	16	10	26
51-65	12	28	40
>65	4	3	7
4. Educational background			
Elementary	20	21	41
High School	14	16	30
College degree	5	9	14
Graduate degree	2	1	3
5. Number of years worked in the organization in the same job			
1-5	7	7	14
6-10	4	11	15
11-20	10	10	0
>20	20	19	39
6. Reasons to join the footwear/textile business			
Ancestors had this business	5	5	10
I acquired the knowledge on my own	13	10	23
I used to work in a similar business concern	19	25	44
Friends encouraged me to start the business	1	-	1
By selection and appointment	3	7	10
7. Firms experience in the current footwear/textile business			
<5	3	1	4
5-10	5	4	9
11-24	12	13	25
25-39	19	28	47
>39	2	1	3
8. Distribution of firms in terms of number of employees			
1-10	26	20	46
11-20	5	18	23
21-30	2	2	4
31-40	2	2	4
41-50	2	-	2
>50	4	5	9
9. Distribution of firms in terms of experience in exporting (years)			
None	9	5	14
<5	8	7	15
5-10	14	11	25
11-24	7	21	28
25-39	3	3	6
>39	-	-	-
10. Distribution of firms in terms of participation in trade fairs			
Participated	12	7	19
Not participated	29	40	69
11. Distribution of firms in terms of access to credit			
Received credit	13	16	29

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Not received credit	28	31	59
12. Distribution of firms in terms of access to training			
Participated in training	9	9	18
Not participated in training	32	38	70
13. Distribution firms in terms of access to communication facilities			
Telephone	37	45	82
Fax	11	9	20
E-mail	-	-	-
14. Distribution firms in terms access to government help			
Received	9	6	15
Not Received	32	41	73
15. Distribution of firms in terms of sales strategy adopted			
Through an agent	1	3	4
Through distributor	1	1	2
Have a sales outlet	34	29	63
Direct sales from a factory	5	10	15
Order based	5	9	14

(Source: Survey 2001)

Appendix 2. EU common external import tariffs for footwear by product group as a % of CIF without duties and VAT.

CN Code	General Tariff %	GSP %	Remarks
64.01	18.2	12.7	Does not apply to china and south Korea
64.02	20	12.7	As above
64.03	8	5.6	Does not apply to Brazil, China and South Korea
With the exception of:			
64.03.59.11	6.2	4.3	As above
64.03.91.98	6.2	4.3	As above
64.03.99.38	6.2	43	As above
64.03.99.98	7.4	5.1	As above
64.04	18.2	12.7	Does not apply to China and South Korea
64.05	4.4	3	Does not apply to Korea
With exception of:			
64.05 90.10	18.2	12.7	Does not apply to China

(Source: CBI 1998)

Appendix 3. EU Harmonised coding system for footwear

HS code	Product group
64.01	Water proof footwear
64.02	Footwear with outer soles and uppers of rubber or artificial plastic material
64.03	Footwear with leather uppers
64.04	Footwear with textile uppers, soles of rubber and plastic
64.05	Footwear with synthetic leather uppers, slippers and other indoor shoes with textile and other uppers
64.06	Parts of footwear

(Source: CBI 1998)

Appendix 4 Wholesaler and retailer margins as a percentage of consumer prices

	Low	Medium	High
Consume price	100	100	100
(VAT (17.5% of net selling price))	15	15	15
Net selling prices	85	85	85
Retailers margin	24	28	33
	61	57	52
Wholesalers margin	8	9	10
	53	46	42
Charges	3	3	2
CIF prices	50	43	40

(Source: CBI, 1998)

Appendix 5 Share of leather, cotton and labour in the production cost of footwear and textiles

Footwear industry (Model M/036/95 casual leather footwear)			Textile industry (100% cotton polo shirt)		
Component	% of total production cost	Domestic price	Component	% of total production cost	Domestic price
Materials:					
Leather	40*	Euro 1/square inch	Cotton	50	Euro1.48 /kilo
Others:	33	-	Others	5	-
Labour	11	Euro 45 per month	Labour	16	Euro 40 per month
Over heard cost	16	-	Overhead cost	29	-

Note: Others in the footwear industry refer to soles, eyelets, thread and glue. * In military boots the leather content covers 50% of the total cost. Others in the textile industry refer to chemicals used for dyeing and printing the polo shirt. Overhead cost: in both the footwear and textile industry refer to the cost of electricity, water, fuel, depreciation etc.

(Source, Survey data 2001)

