

Impact of MFA Phase-Out on Indian Textiles and Clothing Exports: A Shift Share Analysis Approach

Deepak K Srivastava*

The study focuses on the possible impact of Multi-Fibre Arrangement (MFA) phase-out on textile and clothing exports of India. To test this, it employs shift share analysis technique using trade data from 1996 to 2006. The result shows that MFA phase-out has not provided significant export opportunities for the Indian textile and clothing industry. Perhaps the effect of the quota regime has been so deeply rooted that trade liberalization is yet to be manifested in exports of textile products for India.