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INTERNATIONAL COMMODITY PROBLEMS

Cotton

As indicated in GATT/AIR/507, the following text of a note on problems in international trade in cotton, prepared by experts from African countries, is being circulated to contracting parties, with a view to discussion in the Working Group on International Commodity Problems.

Note Relating to International Trade in Cotton

A. GENERAL

1. General remarks on commodities

In examining the problems facing developing countries, it must never be forgotten that the gap between the standard of living in the rich countries and the poor countries is continually widening.

The maintenance of trade mechanisms based solely on competition can only broaden the gap, regardless of whether or not this traditionalism is accompanied by declarations of intention which do not go beyond the verbal stage.

Any system which, when stripped to its basic structure, depends exclusively on the law of supply and demand can operate only to the advantage of producers who are economically equipped to make the best use of the whole mechanism of supply in fluctuating circumstances - in other words, marketing.

Other solutions must therefore be found which can be implemented in the shortest possible time. To the extent that it is necessary to innovate and go beyond the traditional rules, such solutions can only be jointly drawn up by a broad range of countries, including both rich and poor ones.

The ideal would be for them to be adopted in the International Conference on Trade and Development, but, in view of the degree of urgency, GATT also must tackle the problems within its own field of activity, and indeed this is fully consistent with the new Part IV of the General Agreement.

Clearly, although certain general principles can be identified in regard to commodities, each one requires a separate study because of its individual characteristics of production and marketing.

It would not be desirable, however, for this procedure to result in any postponement in standardizing markets for each of the commodities.

From this angle it is dangerous to divide commodities into "sensitive products" and "products requiring special attention". The latter expression might become a euphemistic formula which would have the result of delaying the problems.

It could be justified only if the situation could be defined as difficult, but stable, and from the overall aspect still at present satisfactory for producing countries as a whole.

2. <u>Into which category does cotton fit?</u>

Although the developed countries, or those which have already attained a relatively advanced stage of development or diversification, can agree that cotton should not be ranged among the "sensitive" products, this could not be conceded by countries still in the initial stage of development which furthermore depend essentially on cotton, for both the national budget and the standard of living of their inhabitants.

It is not disputed that the improvement of competitive conditions depends partly on the producers themselves, taking the term in both the individual and the collective sense.

Nevertheless, the rate of improvement has limits which cannot be disregarded. One cannot boost agriculture from the traditional to the improved stage from one day to the next, because of the psychological and financial problems - to mention only those - which have to be solved for such transformation.

The same applies to marketing problems. Although the means of solving them can be analysed fairly easily, the analysis shows up the difficulties and delays involved in putting them into practice.

Consequently, our countries' situation can be likened to that of a racer who is asked to make up for an impressive handicap although his strength is far below that of his competitors.

3. Principal factors determining trends on the raw cotton market

Commodities are all affected to varying degrees by certain factors connected with the law of supply and demand and the law of competition.

Cotton - and more particularly cotton fibre, which is the subject of this study - therefore suffers the general effects of these factors.

The ones which concern it more particularly are the following:

- competition from man-made products;
- domination of the market by one developed country which produces nearly one third of the world total;
- the marked upward trend in world stocks.

Each of these affects present prices and constitutes a factor of uncertainty for the future.

4. Purpose of this study

This study does not aim to add any new general data to the studies already made by various organizations, in particular that contained in the FAO Commodity Review - 1965.

Nor can it propose original solutions. On the other hand, one can state without risk of error that no satisfactory solution can be found within the traditional mechanisms of the law of supply and demand. If these were observed, the producers least well-equipped to compete would be stifled.

One such process is already under way: Greece is growing other crops on land originally used for cotton cultivation.

Nor would any real solution be conceivable which did not include the harmonization of competition as between natural and man-made fibres.

Otherwise, the benefits of any standardization of trade in natural fibres would switch to the advantage of man-made fibres.

The general problems relating to such harmonization are summarized in Annex II to this study; they derive from a confrontation of authoritative opinions.

5. Scope of the study

Starting from the situation in the world cotton market, this study will be more particularly focussed on the particular case of one group of developed countries - the African and Malagasy States associated with the EEC (AAMS).

In this framework it will try to show how much more serious and absorbing the situation is than is generally acknowledged.

6. Justification for a closer examination of the influence of the present cotton market situation on the economy of CHAD

The economy of this country depends to the extent of about 80 per cent on exports of cotton fibre. This particular feature warranted special consideration.

It does not imply that the other African countries belonging to the AAMS are not also - mutatis mutandi - faced with acute problems in connexion with the marketing of cotton, as may be seen from the data concerning them. So far as Chad is concerned, the problem can be set out in particularly significant terms:

- Chad's economy depends to the extent of 80 per cent on its cotton;
- any possibility of diversification is greatly restricted by the continental situation of the country (more than 2,000 km. from the nearest ports) and the precariousness of the national and extra-national infrastructure;
- this same factor also raises the incidence of transport costs on the production price;
- the country's industrialization is at an extremely elementary stage, and considerable capital is required for its development. The capital can only be created by fiscal levies on exports. In turn, any such levies must be extremely limited, so far as cotton in particular is concerned, because of the incidence of the various price formation factors, otherwise the national product will be deprived of any possibility of competing.

Thus, the unanimously recognized objective of "remunerative and equitable prices" is not realized in regard to either the producer's return or the requirements of national development.

B. ECONOMIC STUDY

N.B. For reasons of convenience the statistics referred to in the study are grouped together in Annex I.

I. PRODUCTION

1. General

Cotton production is extremely complex to characterize, due to various factors, the main ones being as follows:

(a) there are producing areas in almost every part of the world and consequently at any time of the year cotton is being sown, harvested and marketed;

(b) production is very variable, being influenced by weather conditions and damage caused by insects and disease. It is also sometimes affected by certain political aspects;

(c) the qualities produced, in terms of staple, resistance, fineness, maturity, colour, cleanliness, form an almost unlimited range of varieties among which the middlings, with a staple of 1 inch to 1 1/16 inch, comprising much of the American and also usually the AAMS cotton, are preponderant.

2. Structure of world trade

As may be seen from Table 1, the three largest producers which our cotton encounters in world markets (United States, Brazil, Mexico) together account for nearly 40 per cent of total world production. The United States used to have a virtual world monopoly (72 per cent of total production in 1880).

Table 2 shows that more and more countries are producing cotton. They are at present more than fifty in number.

Table 3 shows the improvement in yield, which is almost general, with the possible exception of South America; on the other hand, the increase is very marked in the United States and this explains why total production is continuing to rise slightly, despite the efforts made in that country to limit the acreage under cotton.

Total world production (see Table 1) is continuing to increase and has risen by nearly 10 per cent in six years.

3. Production by major areas

A breakdown is given in Tables 1, 2 and 3. The classification is, of course, arbitrary to the extent that it only takes partial account of certain factors, for example, economic areas and also certain specialized production areas: among these (and this is of particular interest to Africa), the United Arab Republic and Sudan produce mostly long and extra long staples.

4. Production in the AAMS

Table 1(a) shows total production of AAMS cotton together with the main sources. One can clearly see that this cotton accounts for a modest share of the world total.

Table 3(a) shows, on the other hand, that this proportion could increase, without substantially affecting in world totals, if the acreage was extended and particularly if productivity were raised.

This could only be achieved, however, through the use of considerable resources: private and public investment, technical personnel, etc. For such a promotion action to be successful, resources would have to be found in present earnings. And this is out of the question in the present state of market.

5. Evolution and trends in production in recent years

It is clear from the above and from the statistical tables that:

At world level: Production is tending to rise in absolute figures and to become more diversified as regards the number of producing countries. Higher productivity is the main factor in the production increase.

At the AAMS level: Despite the fact that cotton production is of essential importance for several countries, the AMMS share in world totals is very low.

It could be increased without risk by extending or resuming (Congo-Leopoldville) cultivation, and particularly by raising productivity.

II. CONSUMPTION

1. At world level

Table 4 shows consuming countries according to area and in the order of magnitude of consumption (raw cotton). Table 4(a) shows the principal consuming countries, while distinguishing between producers and non-producers of raw cotton.

2. Trends in world consumption

Table 5 shows the evolution over five years. It can be seen that, taking into account the well-known sinusoidal movement in the cotton industry, consumption remains constant in absolute figures.

On the other hand, Table 7 shows the growing trend towards man-made fibres (boosted by considerable publicity and research resources); man-made fibres are taking up the entire increase in total consumption of fibres due to population growth and higher standard of living.

Table 7(a) shows this trend for the principal consuming countries.

Table 8 shows the trend in per caput cotton consumption for the major areas of the world.

3. Consumption in the EEC

Table 4(a) shows that the EEC countries take first place among processing countries which are not producers of raw cotton.

Table 7(a) shows that this market has nevertheless been gradually invaded by man-made fibres, which have not prevented total imports of raw cotton from increasing (see Table 9).

One may note in passing that the EEC absorbs between 11 and 12 per cent of world production and United States cotton at present accounts for a considerable share of total deliveries (25 to 30 per cent).

III. STOCKS

Table 6 shows the evolution of the ratio between world production and consumption.

The slight production shortfall which existed until 1962 has given way to a slight surplus, so that world stocks have expanded.

This situation is a matter for constant concern, particularly since it does not appear to be a passing phenomenon.

The stocks are a permanent threat for the future evolution of the market.

This is a problem requiring urgent examination on a priority basis. Nor should it be overlooked that any real remedy implies grave decisions.

Here, as in the study of other aspects of the cotton market, it is for the major holders of these stocks to make the first move.

IV. MARKETING

1. General trends

(a) Until the last war the influence of the futures market was preponderant; it played its traditional dual rôle as a world price barometer and as a guarantee of future prices for merchants.

Despite the gradual return to trade liberalization, the futures market has not resumed its function, in particular because of the United States price control policy.

At present a prevailing world price has given way to competition in each market. Everywhere, of course, American cotton is dominant due in particular to Government support of prices and to the fact that continuity of supplies is guaranteed for any given quality.

The other types of cotton are sometimes in great demand, although this is often merely temporary when their prices are competitive. As opposed to specific qualities, prices have a decisive influence. Because of technical progress in spinning and weaving, finished products can be obtained with no change in quality while using inferior qualities of raw cotton.

In the past, merchants played a very important part in markets by purchasing and stockpiling supplies which were not immediately required by the processing industries. At present, their function is complicated by stockpiling costs and also by uncertainty as to future prices. They therefore hesitate to stock large quantities. At present a large part of imports goes directly into the processing circuit.

(b) Situation of countries with very limited production in new market conditions

It is clear that for the small producing countries, for some of whom cotton is their principal source of earnings, the problem of disposing of their crop at the best possible price is complicated by the new characteristics of the market.

The new situation calls for a constant review of the level of competition by means of a comparison of prices and offers for all similar cotton.

The markets on which the best price can be obtained at a given moment vary continually, and constant information is necessary so that cotton can be re-routed towards the market which is most promising at any given moment.

We may note in passing that this constant competition calls for continuous quality control from the production stage until the final purchaser.

As regards the acknowledged need to keep in touch with potential buyers, three solutions are possible:

- to maintain agencies at the terminus of communication lines in many markets, some of which will only accasionally be fruitful - a solution which is all the more costly when the crop for sale is limited in size;

- to organize sales at the place of production. Although this solution presents the advantage of marketing at an earlier stage, it depends on the capacity of merchants either to take up the entire crop or on the contrary to find sufficient business. This solution also has the disadvantage of causing dependency on a more limited market;

- the compromise solution, consisting of organized sales on an intermediate market with sufficient connecting links towards other nearby markets.

In any case, present conditions call for "sales on a broad front" and this is only possible through established international markets.

(c) Special case of marketing through processing near production areas

According to a well-established principle, the textile industry ought to be the first one to be established in developing countries.

One should however examine possible outlets.

In the particular case of the AAMS, and on the assumption of a sufficiently protected AAMS common market, it can be seen from Table 8 that this market's absorption capacity for finished cotton products amounts at present to only about 40,000 to 50,000 tons. Indeed, the per caput consumption coefficient in Africa is particularly low, the extreme case being the AAMS. The increase in the standard of living, slow though it may be, should nevertheless have the effect of doubling these quantities in the not too distant future.

2. Trade flows

(a) Principal purchasing countries

They are shown in Tables 4 and 4(a).

(b) Sources of supply

A number of these countries - the major producers - obtain the raw products on the spot (see Table 4(a)). As for the others, their sources of supply are in some cases largely influenced by the fact that they belong to an economic organization which has hitherto been fairly rigid (Eastern Europe).

Because of their geographical situation, Japan, Hong Kong and Canada turn mainly towards the United States and Latin America.

Apart from these, the remaining countries are the United Kingdom and the EEC member States.

Table 10 shows that the United Kingdom is an important purchaser of AAMS cotton which at present accounts for 2.5 per cent of total imports by the United Kingdom market.

Sales of AAMS cotton outside the EEC and the United Kingdom are sporadic in character as can be seen from Table 10.

Table 9 shows the trend on EEC markets in principal sources and in AAMS sources, the latter amounting to 6 per cent or 7 per cent of the total quantities traded.

3. Prices

Because of market sensitivity and the relative cyclical evolution of cotton processing, no very precise conclusions can be drawn.

Tables 11 and 12 give some indications of recent price trends on two important markets.

Prices of American cotton - which, let us not forget, are affected by substantial Government protection - in turn affect the prices prevailing on all markets for each specific quality.

In order to appreciate the importance of this factor, it is sufficient to recall that in December 1963, cotton selling at 33.51 cents per pound in New York was quoted in Liverpool at 26.47 cents c.i.f. per pound, despite transport costs.

Recent data indicate that this policy might be stepped up still further in the near future.

The disastrous effect of this protection on production returns in Chad, for the cultivator on the one hand and for the national budget on the other hand, can be seen from Tables 13 and 13(a).

The first shows the decline in prices over the past fifteen years.

The second gives a breakdown, in percentage terms, of the components of the average price in 1963.

It is easy to see from this the low return, for the cultivator as well as for the State, from a product which is nevertheless the backbone of the national economy. It is self-evident that any promotion effort comes up against an insuperable obstacle, whether at the level of the producer or of the public authorities.

C. CONCLUSIONS

1. Promotion problems for the AAMS

Reference has been made to these problems in the foregoing pages. At the risk of repeating ourselves, we shall mention the main ones again:

- expansion of production, by exploiting land found suitable for cotton cultivation, and of productivity through better cultivation techniques;

- creation of infrastructure, in producing countries to ensure the constant improvement of techniques of cultivation, harvesting, collection, ginning and putting up cotton, as well as continuous control of the quality and regular standard of the products;

- reduction of production prices and since these are greatly influenced by transport costs, a special study of means of reducing the latter;

- co-ordination within the AAMS so as to combine efforts and avoid duplication along the production and marketing chain;

- improvement of sales structure to ensure wider and more effective participation in the markets of the EEC and neighbouring areas;

- permanent promotional action directed towards possible processors and purchasers;

- examination of the possible establishment of stockpiles in the vicinity of potential purchasers;

- study of development possibilities for Africa's infant cotton industry;

- study of the marketing of derived products, including the establishment of local industries.

2. Possibilities of achieving such a programme

Clearly, the AAMS alone cannot carry out a programme so ambitious but which is nevertheless essential in order to attain a higher standard of living for the peoples concerned, increased Government resources and the creation of durable competitive conditions.

3. Solutions

As has already been said, a solution can be found only in a broad international agreement.

The mechanisms of such an agreement should include arrangements to harmonize production of natural and man-made fibres.

Its urgency is beyond dispute for all who sincerely want to contribute to the development of countries in great need of it.

Indeed, "equitable and remunerative prices" do not at present exist so far as the still underdeveloped countries are concerned. In addition, the present situation prevents them from making any effective efforts towards trade promotion.

Though a short-term solution is urgent one must not lose sight of the need to guarantee long-term stability and consequently to enable the necessary advance programme to be drawn up.

Careful examination and particularly effective measures will be needed in order to deal with the influence of the considerable stocks already existing, their foreseeable evolution and the threat which they cause to market stability.

Lastly, if it is to meet objectives which are accepted throughout the world, any agreement must, in the first instance, take account of the interests of the countries which are least favoured and of the extent to which their economy depends on the cotton market.

ANNEX 1/ANNEXE 1

Statistics/Statistiques

COTTON FILE - TABLE 1 /

DOSSIER COTON - TABLEAU 1

1. Evolution of world production by principal areas (in '000 metric tons) /
Evolution de la production mondiale par grandes régions (en milliers de tonnes métriques).

Year (1/8 to 31/7) / Année (du 1/8 au 31/7)	North America / Amérique du Nord	Latin America / Amérique du Sud	Europe (except USSR) / Europe (sans l'URSS)	USSR / URSS	Asia and Oceania / Asie et Océanie	Africa / Afrique	Annual total / Total pour l'année	Remarks / Observations
1959-60	3,607	685	158	1,604	3,324	885	10,263	
1960-61	3,664	750	168	1,485	3,137	904	10,108	
1961-62	3,700	894	230	1,528	2,679	788	9,819	
1962-63	3,968	860	228	1,485	2,946	932	10,419	
1963-64	4,039	859	219	1,756	3,203	878	10,954	
1964-65	4,141	855	177	1,735	3,278	1,008	11,193	Estimates/ Prévisions

2. Evolution of production in the seven major producing countries (in '000 metric tons) /
Evolution de la production des sept plus grands producteurs (en milliers de tonnes métriques).

Year (1/8 to 31/7) / Année (du 1/8 au 31/7)	United States of America / Etats-Unis d'Amérique	USSR / URSS	Mainland China / Chine continentale	India / Inde	United Arab Republic / République Arabe Unie	Brazil / Brésil	Mexico / Mexique	Remarks / Observations
1959-60	3,170	1,604	1,843	726	457	370	360	
1960-61	3,107	1,485	1,366	1,008	478	423	455	
1961-62	3,177	1,528	911	884	336	542	431	
1962-63	3,237	1,485	932	1,073	457	488	523	
1963-64	3,339	1,756	1,019	1,138	442	510	457	
1964-65	3,343	1,735	1,193	1,062	501	499	507	Estimates/ Prévisions
Present % of world production/ % actuel de la prod.mond.	30%	15%	10.5%	9.5%	4.5%	4.5%	4.5%	

COTTON FILE - TABLE 1(a)/

DOSSIER COTON - TABLEAU 1 bis

Evolution of production in the AAMS (in '000 metric tons)/
Evolution de la production des EAMA (en milliers de tonnes métriques)

N.B. The years are reckoned from 1 August to 31 July/
Les années sont comptées du ler août au 31 juillet.

Source/ Provenances	56-57	57-58	58-59	59-60	60-61	61-62	62-63	63-64	64-65(1)	Remarks/ Observations
Burundi	2	2	3	3	3	2	2	2	2	(1) Estimates/ Prévisions
Cameroon/ Cameroun	6	7	8	7	10	12	14	16	17	(2) Other AAMS sources can be classified among "miscellaneous" with production not exceeding 2000 m.t. per annum./ D'autres provenances EAMA peuvent être classées dans les "divers", lesquels ne dépassent pas 2 000 tonnes métriques par an.
Central African Republic/ R.C.A.	13	14	16	12	10	10	10	10	11	
Chad/Tchad	21	28	24	15	35	16	34	37	37	
Congo (Leo.)/ Congo-Léo.	47	52	62	50	27	14	16	13	9	
ex French West Africa/ Ex. A.O.F.	5	6	5	5	8	2	3	3	3	
Togo (2)	2	2	2	3	2	2	3	3	3	
Total	100	111	120	95	95	58	82	84	82	
In % of world total/ En % du total mondial	1%	1.2%	1.2%	0.9%	0.9%	0.6%	0.8%	0.8%	0.8%	

COTTON FILE - TABLE 2/
DOSSIER COTON - TABLEAU 2

Breakdown of producing countries by principal areas and in relation to present production/Pays producteurs classés par grandes régions et par rapport à leur production actuelle.

Present production of cotton fibres (m.t.)/Production actuelle de coton fibre (en tonnes métriques)	North America/ Amérique du Nord	Latin America/ Amérique du Sud	Europe (except USSR)/ L'Europe (sans l'URSS)	USSR/ URSS	Asia and Oceania/ Asie et Océanie	Africa/ Afrique
More than/ Plus de 3,000,000	United States/ Etats-Unis					
More than/ Plus de 1,000,000				USSR/ URSS	Mainland China/ Chine continentale and India/et Inde	
More than/ Plus de 500,000	Mexico/Mexique	Brazil/Brésil				UAR/RAU
More than/ Plus de 250,000					Pakistan Turkey/Turquie	
More than/ Plus de 100,000	Nicaragua	Argentina/ Argentine Peru/Pérou			Syria/Syrie Iran	Sudan/Soudan
More than/ Plus de 75,000	Guatemala El Salvador/ Salvador		Spain/Espagne			
More than/ Plus de 50,000		Colombia/ Colombie	Greece/Grèce			Uganda/Ouganda
More than/ Plus de 25,000					Afghanistan	Chad/Tchad Mozambique Nigeria/Nigéria
More than/ Plus de 10,000	Honduras	Paraguay Venezuela	Bulgaria/ Bulgarie		Burma, Israel/ Birmanie-Israël Thailand, Iraq/ Thaïlande-Irak	Ex Fr.W.Africa/ Ex-AOF Cameroon/Cameroun Central Af. Rep./ Rép. centrafricaine Malawi, Rhodesia/ Malawi-Rhodésie S. Africa/Afrique du Sud Congo (Leo)/Congo (Léo)
5 000 to 10,000/De 5 000 à 10 000			Albania/Albanie		Aden	
1,000 to 5,000/De 1 000 à 5 000	Costa Rica Cuba	Ecuador/Equateur	Italy/Italie Yugoslavia/ Yougoslavie		Australia/Australie Korea/Corée Yemen/Yémen	Angola-Morocco/Angola-Maroc Togo,Kenya,Burundi,Algeria/ Togo-Kenya-Burundi-Algérie

COTTON FILE - TABLE 3 (Yield) /
DOSSIER COTON - TABLEAU 3 (Rendements)

1. Average yield per hectare, by major producing areas (in kg. of cotton fibre)/
Rendements moyens à l'hectare, par grandes régions productrices (en kilos de coton fibre)

Cotton Year/ Année cotonnière	North America/ Amérique du Nord	Latin America/ Amérique du Sud	Western Europe/ Europe Occ.	Eastern Europe/ Europe Or.	USSR/ URSS	Asia and Oceania/ Asie-Océanie	Africa[1]/ Afrique[1]	Remarks/ Observations
1961-62	500	269	379	655	655	176	207	1. Total African yield is strongly affected by yield in the United Arab Republic and Sudan (see country yield statistics in Table 6a)/Les rendements africains totalisés sont fort influencés par les rendements en République arabe unie et au Soudan (Voir les rendements par pays au tableau 6bis)
1962-63	531	265	351	310	622	193	256	2. Estimate/Estimations
1963-64	582	247	379	284	708	206	234	
1964-65	602	241	381	282	692	207	267	

2. Average yield per hectare in the major producing countries (in kg. of cotton fibre)/
Rendements moyens à l'hectare, dans les pays gros producteurs (en kilos de coton fibre)

Cotton Year/ Année cotonnière	USA/ Etats Unis d'Amérique	USSR/ URSS	Mainland China/ Chine continentale	India/ Inde	UAR/ Rép. Arabe Unie	Brazil/ Brésil	Mexico/ Mexique	Remarks/ Observations
1961-62	491	655	214	114	402	243	542	1. Estimate/ Estimations
1962-63	512	622	231	135	657	220	628	
1963-64	579	708	244	143	646	219	579	
1964-65[1]	587	692	268	135	740	205	648	

COTTON FILE - TABLE 3a/
DOSSIER COTON - TABLEAU 3 bis

Cultivated area (in '000 hectares) and yield (in kgs. of cotton fibre per hectare) in the African countries./Surfaces cultivées (en millier d'hectares) et Rendements (en kilos de coton fibre par hectare) dans les pays africains.

1. In the AAMS Countries/Dans les EAMA

N.B. The statistics do not include certain small producers./Les statistiques ne mentionnent pas certaines productions réduites.

Country/ Pays	Cultivated Area/ Surfaces cultivées				Yield per Hectare[2]/ Rendements à l'hectare[2]				Remarks/ Remarques
	61-62	62-63	63-64	64-65	61-62	62-63	63-64	64-65	[1] Estimate/ Prévision
Cameroon/ Cameroun	64	68	73	73	188	208	223	238	[2] World average 338/Moyenne mondiale 338
Central African Rep./R.C.A.	142	174	150	162	67	58	65	67	
Congo (Leo.)/ Congo-Léo	101	121	121	81	139	135	108	108	
Chad/Tchad	300	339	290	304	54	100	128	121	
ex French West Africa/Ex-AOF	121	162	182	182[1]	85	98	108	119[1]	

2. Other African Countries[2]/Autres Pays Africains[2]

Country/ Pays	Cultivated Area/ Surfaces cultivées				Yield per Hectare/ Rendements à l'hectare				Remarks/ Remarques
	61-62	62-63	63-64	64-65	61-62	62-63	63-64	64-65	
Angola	36	36	36	36	131	212	149	131	[1] Estimate/ Prévisions
Kenya	39	49	49	55	43	52	53	59	[2] No data available on Nigeria/Les données manquent concernant le Nigéria
Mozambique	302	258	314	314	140	113	131	121	
Morocco/Maroc	8	9	15	14	372	520	289	306	
South Africa/ Afrique du Sud	36	43	51	51	198	277	214	214	
Sudan/Soudan	476	448	445	445	456	359	229	341	
Tanzania/Tanzanie	192	192	202	202	160	203	235	262	
UAR/R.A.U.	834	696	684	676	402	657	646	740	
Uganda/Ouganda	839	730	815	870[1]	41	90	85	81[1]	

COTTON FILE - TABLE 4/
DOSSIER COTON - TABLEAU 4

Breakdown of raw cotton consuming countries, by principal areas and in relation to their present consumption./Pays consommateurs de coton brut classés par grandes régions et par rapport à leur consommation actuelle.

Consumption (m.t.)/ Consommation en tonnes métriques		N. America/ Amérique du Nord	Latin America/ Amérique du Sud	W. Europe/ Europe Occ.	E. Europe/ Europe Or.	USSR/ URSS	Asia and Oceania/ Asie et Océanie	Africa/ Afrique
More than/ Plus de	1,000,000	United States/ Etats-Unis				USSR/ URSS	Mainland China/ Chine continentale India/Inde	
More than/ Plus de	500,000						Japan/Japon	
More than/ Plus de	200,000		Brazil/Brésil	F.R. Germany/ Allemagne R.F. France UK/Royaume-Uni Italy/Italie			Pakistan	
More than/ Plus de	100,000	Mexico/Mexique		Spain/Espagne	Poland/ Pologne Czechoslovakia/Tchécoslovaquie E. Germany/ Allemagne Or.		Hong Kong/ Hong-kong Turkey/Turquie	UAR/RAU
More than/ Plus de	75,000	Canada	Argentina/ Argentine	Belgium/ Belgique Netherlands/ Pays-Bas				
More than/ Plus de	50,000		Colombia/ Colombie	Portugal Yugoslavia/ Yougoslavie	Rumania/ Roumanie Hungary/Hongrie Bulgaria/ Bulgarie		Formosa/Formose Korea/Corée	
More than/ Plus de	25,000		Chile/Chili	Switzerland/ Suisse Greece/Grèce Austria/ Autriche			Australia/ Australie Iran Philippines	S. Africa/ Afrique du Sud

Consumption (m.t.)/ Consommation en tonnes métriques		N. America Amérique du Nord	Latin America/ Amérique du Sud	W. Europe/ Europe Occ.	E. Europe/ Europe Or.	USSR/ URSS	Asia and Oceania/ Asie et Océanie	Africa/ Afrique
More than/ Plus de	20,000		Peru/Pérou	Sweden/Suède			Israel/Israël Thailand/ Thaïlande Syria/Syrie	
More than/ Plus de	10,000	Cuba	Venezuela	Finland/ Finlande/ Denmark/ Danemark			Viet-Nam/ Vietnam Afghanistan Indonesia/ Indonésie Burma/Birmanie Iraq/Irak	Nigeria/Nigéria Ex Fr.W.Africa-Ethiopia/Ex AOF-Ethiopie Congo (Leo) - Sudan/ Congo-Léo - Soudan Morocco-Rhodesia/ Maroc-Rhodésie
More than/ Plus de	5,000	El Salvador/ Salvator Guatemala	Uruguay	Ireland/ Irlande Norway/ Norvège	Albania/Albanie			
More than/ Plus de	1,000	Costa Rica Jamaica-Nicaragua Jamaïque-Nicaragua Haiti/Haïti	Ecuador/Equateur Paraguay Bolivia/Bolivie	Malta/Malte			Lebanon/Liban Ceylon/Ceylan	Uganda/Ouganda Port. Africa/ Afr. Portugaise

COTTON FILE - TABLE 4(a)/
DOSSIER COTON - TABLEAU 4 bis

Principal Consuming Countries for Raw Cotton/
Principaux pays consommateurs de coton brut

In order of importance (measures in '000 metric tons)/
Classés en ordre d'importance mesurée en milliers de tonnes métriques

Quantities/ Quantités	Non-producers of raw cotton/ Non producteurs de coton brut	Major producers of raw cotton/ Gros producteurs eux-mêmes de coton brut
More than 1,000/ Plus de 1.000		United States/Etats Unis Mainland China/Chine cont. India/Inde USSR/URSS
More than 500/ Plus de 500	Japan/Japon	
From 200 to 300/ De 200 à 300	West Germany/Allemagne occidentale France United Kingdom/Royaume-Uni Italy/Italie	Pakistan Brazil /Brésil
From 100 to 150 De 100 à 150	Poland/Pologne Hong Kong/Hong-kong Czechoslovakia/Tchécoslovaquie East Germany/Allemagne or.	United Arab Republic/ République arabe unie Mexico/Mexique Turkey/Turquie Spain/Espagne
From 75 to 100 De 75 à 100	Belgium/Belgique Netherlands/Pays-Bas Canada	Argentina/Argentine
From 40 to 75 De 40 à 75	Portugal Rumania/Roumanie Hungary/Hongrie Bulgaria/Bulgarie Switzerland/Suisse Formosa/Formose	Colombia/Colombie Australia/Australie Korea/Corée

COTTON FILE - TABLE 5 /
DOSSIER COTON - TABLEAU 5

Trends in raw cotton consumption, by principal consuming areas, (in '000 metric tons) /
Evolution de la consommation du coton brut, par grandes régions consommatrices, exprimée en milliers de tonnes métriques

Years (1 8 to 31 7) / Années du 1 8 au 31 7	N. America / Amérique du Nord	Latin America / Amérique du Sud	W. Europe / Europe Occ.	E. Europe / Europe Or.	USSR / URSS	Asia and Oceanie / Asie et Océanie	Africa / Afrique	World total / Total mondial
1959-60	2,168	472	1,670	470	1,344	4,201	171	10,496
1960-61	2,015	496	1,705	493	1,344	3,972	180	10,205
1961-62	2,169	508	1,628	518	1,355	3,576	204	9,958
1962-63	2,059	472	1,597	517	1,366	3,540	222	9,773
1963-64	2,128	494	1,608	530	1,431	3,902	222	10,315

COTTON FILE - TABLE 6/
DOSSIER COTON - TABLEAU 6

1. Comparison between world production and consumption in recent years (cotton fibre in '000 metric tons), and evolution of world stocks (year as from 1 August)/Comparaison entre la production et la consommation dans le monde pendant les dernières années (coton fibre en milliers de tonnes métriques) et évolution des stocks mondiaux (l'année étant comptée à partir du 1er août)

Item/Rubriques	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	Remarks/Observations
World production/ Production mondiale	10,263	10,108	9,819	10,419	10,954	11,193(1)	(1) Estimate/Prévisions
World consumption/ Consommation mondiale	10,496	10,205	9,958	9,773	10,315		
Production surplus/ Excédent de production	-	-	-	646	639		
Production shortfall/ Déficit de production	233	97	139	-	-		
Stocks existing at beginning of annual period(2)/Stocks existant au début de la période annuelle(2)	4,596	4,406	4,378	4,290	5,019	5,628	(2) Stocks do not represent the sum of the preceding stock level and the surplus or shortfall of annual production, due to various factors (cotton destroyed during transport, etc.)/Les stocks ne représentent pas la cumulation du stock précédent et de l'excédent ou du déficit de la production annuelle, ceci étant dû à divers facteurs (destruction coton en cours de transport, etc.)

COTTON FILE - TABLE 7/

DOSSIER COTON - TABLEAU 7

World evolution of industrial consumption of cotton and wool, rayon and other man-made fibres (in percentage terms)/
Evolution mondiale de la consommation industrielle de coton, de la laine et de la rayonne et des autres fibres artificielles (exprimée en pourcentages).

1. World, except Eastern Europe, USSR and China./
Le monde, sauf l'Europe orientale, l'URSS et la Chine.

Item/ Rubriques	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Cotton/Coton	67.1	67.2	65.2	64.7	63.6	65.5	63.0	63.1	62.7	60.7	58.5
Wool/Laine	12.1	10.9	10.7	11.0	10.9	10.5	10.4	19.5	10.4	9.9	9.7
Rayon/Rayonne	18.8	19.5	21.1	20.9	21.1	19.6	20.2	19.5	19.2	19.8	220.6
Other man-made fibres/ Autres fibres chimiques	2.0	2.4	3.0	3.4	4.4	4.6	5.9	6.6	7.7	9.6	11.2

2. World, including Eastern Europe, USSR and China/
Le monde y compris l'Europe orientale, l'URSS et la Chine.

Item/ Rubriques	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Cotton/Coton	71.3	71.2	69.7	69.2	68.5	70.4	68.8	68.0	66.5	64.1	62.5
Wool/Laine	10.6	9.9	9.8	10.0	10.0	9.4	9.8	9.8	9.9	9.7	9.5
Rayon/Rayonne	16.5	17.0	18.1	18.1	18.2	16.8	17.1	17.0	17.7	18.6	19.1
Other man-made fibres/ Autres fibres chimiques	1.6	1.9	2.4	2.7	3.3	3.4	4.3	5.2	5.9	7.6	8.9

COTTON FILE - TABLE 7(a)/
DOSSIER COTON - TABLEAU 7 bis

Evolution (in percentage terms) of industrial consumption of raw cotton (fibre) in relation to overall consumption of cotton, wool and man-made fibres, by calendar year./
Evolution exprimée en pourcentage de la consommation industrielle de coton brut (fibre) par rapport à l'ensemble de la consommation de coton, laine et fibres chimiques, par année civile.

I. In principal processing countries other than the EEC./ Dans les principaux pays transformateurs autres que ceux de la CEE.

Country/Pays	1953	1959	1960	1961	1962	1963
United States/Etats Unis	68.8	65.0	65.2	63.9	60.5	57.1
USSR/URSS	Statistics not available/Chiffres non disponibles					
Mainland China/ Chine continentale	Statistics not available/ Chiffres non disponibles					
India/Inde	96.1	93.6	93.1	93.3	92.6	92.2
Japan/Japon	62.6	50.8	51.9	53.9	49.6	47.7
Brazil/Brésil	82.6	81.5	81.4	80.9	80.7	80.9
United Kingdom[1]/Royaume-Uni[1]	48.3	40.2	37.8	37.3	34.4	33.0
United Arab Republic/ République arabe unie	87.7	89.1	90.1	88.9	86.4	90.2

[1]Wool accounts for 30 per cent of textile fibre consumption in the United Kingdom./La laine intervient pour 30 pour cent dans la consommation de fibres textiles au Royaume-Uni.

II. In EEC countries/Dans les pays de la CEE.

Country/Pays	1953	1959	1960	1961	1962	1963
Fed. Rep. of Germany/ Allemagne Féd.	52.2	52.6	52.0	50.4	47.0	44.7
Belgium/Belgique	65.4	59.0	56.9	54.7	47.7	45.7
France	57.0	52.1	51.2	50.9	48.1	46.0
Italy/Italie	59.7	50.5	50.6	49.7	45.7	44.4
Netherlands/Pays-Bas	69.6	66.0	65.4	64.7	61.6	56.9
Luxemburg/Luxembourg	Pro memoria, has no cotton industry/ Pour mémoire, n'a pas d'industrie cotonnière					

COTTON FILE - TABLE 8/
DOSSIER COTON - TABLEAU 8

Per caput cotton consumption (finished products) (in kg.)/
Consommation de coton (produits finis) par habitant (en kilos)

Principal countries/ Grandes régions	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961		Remarks/Remarques
North America/ Amérique du Nord	12.4	12.1	11.2	11.1	10.8	10.6	10.0	9.8	9.9	10.0	9.8		
Oceania/Océanie	4.8	4.2	4.0	4.0	4.7	4.4	4.3	4.4	4.8	5.1	5.0		
W. Europe (1)/ Europe Occidentale (1)	4.2	4.1	4.1	4.3	4.4	4.6	4.7	4.7	4.7	4.8	4.9	(1)	Major consumer of wool/ Grande consommatrice de laine
E. Europe/ Europe Orientale	4.0 (2)	4.3 (2)	4.6 (2)	4.8 (2)	4.9 (2)	5.0 (2)	5.2 (2)	4.2 (3)	4.4 (3)	4.6 (3)	4.7 (3)	(2)	Including USSR/Y compris l'URSS
Latin America/ Amérique Latine	3.0	2.9	2.9	3.1	3.2	3.3	3.2	3.2	3.2	3.1	3.1	(3)	Except USSR/Sans l'URSS
Near East (4)/ Proche Orient (4)	1.8	1.9	2.0	2.1	2.2	2.2	2.3	2.4	2.4	2.7	2.7	(4)	Including UAR and Sudan/ Y compris RAU et Soudan
Far East/ Extrême Orient	1.5	1.8	1.9	1.9	2.0	2.1	2.2	2.1 (5)	2.1 (5)	2.2 (5)	2.3 (5)	(5)	Not including mainland China/Chine continentale non comprise
Africa (6)/ Afrique (6)	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.2	(6)	See (4)/Voir (4)
of which/dont:													
AAMS (7)/EAMA (7)	1	1	1	1	1	1	1	1	0.9	0.9	0.9	(7)	Approximate/Approximatif
World average/ Moyenne mondiale	2.97	3.06	3.11	3.11	3.25	3.30	3.34	3.39	3.42	3.46	3.39		

COTTON FILE - TABLE 9/

DOSSIER COTON - TABLEAU 9

Imports into EEC countries (in thousand bales, weighing each 500 lb. i.e. 227 kgs.)/
Importations dans les pays de la CEE. Les quantités sont exprimées en milliers de balles de 500 livres anglaises soit 227 kilos.

Item/ Rubriques	1 August 1961- 31 July 1962/ 1er août 1961 31 juil. 1962	1 August 1962- 31 July 1963 / 1er août 1962 31 juil. 1963	1 August 1963- 31 July 1964 / 1er août 1963 31 juil. 1964	Remarks/ Remarques
1. Total imports/ Importations totales (1) (2).	4,256.4	4,368.3	4,668.5	(1) EEC imports 11-12% of world production/ La CEE importe 11 à 12% de la production mondiale.
2. AAMS sources/ Provenances EAMA				
Total/ Totales	300.4	224.9	296.1	(2) The Grand Duchy of Luxemburg has no textile industry of its own./ Le Grand Duché de Luxembourg n'a pas d'industrie textile propre.
In % En %	7%	5%	6%	
3. Other African sources/ Autres provenances africaines				The UAR and Sudan are classified separately, being producers of long and extra-long staples./
UAR - Sudan/ RAU - Soudan	394.6	426.9	465.7	
Others/ Autres	190.1	182.9	164.0	La RAU et le Soudan sont classés à part en tant que producteurs de coton à fibres longues et extra longues.
4. Major suppliers/ Gros fournisseurs				
USA/USA	1,202.4	686.6	1,476.6	
Brazil/Brésil	424.5	435.7	501.7	
Mexico/Mexique	288.0	697.0	366.8	
Turkey/Turquie	370.3	393 6	333.4	

COTTON FILE - TABLE 10/ DOSSIER COTON - TABLEAU 10

Exports by AAMS other than to EEC countries (quantities in thousand bales)./Exportations des EAMA en dehors de la CEE. Les quantités sont exprimées en milliers de balles.

1. Uniged Kingdom/Royaume-Uni

Item/ Rubriques	1 August 1961 31 July 1962/ 1er août 1961 31 juillet 1962	1 August 1962 31 July 1963/ 1er août 1962 31 juillet 1963	1 August 1963 31 July 1964/ 1er août 1963 31 juillet 1964	1 August 1964 31 December 1964 (5 months)/ 1er août 1964 31 décembre 1964 (5 mois)
1. Total imports/ Importations totales	971.6	1,021.5	1,241.3	349.5
2. AAMS sources/ Provenances EAMA				
Cameroon/Cameroun	5.0	6.9	3.6	3.6
Chad/Tchad	7.0	3.8	20.1	11.1
Congo (Leo.)/Congo-Léo	1.6	1.2	1.3	0.3
Congo (Brazzaville)/ Congo-Brazza	0.3	nil/néant	1.5	nil/néant
Dahomey	nil/néant	nil/néant	2.9	0.1
Ivory Coast/Côte-d'Ivoire	1.2	0.3	1.3	nil/néant
Mali	0.5	nil/néant	1.6	nil/néant
Total	15.6	12.2	32.3	15.1

No increase in AAMS sources from 1963 on. Approximately 2.5 per cent of total imports./Nette augmentation des provenances EAMA à partir de 1963. Environ 2,5 pour cent du total des importations.

2. Sporadic purchases of AAMS cotton identified as such in other countries (small quantities)/Achat épisodique du coton EAMA identifié comme tel dans d'autres pays (faibles quantités)

Importing countries/ Pays importateurs	1961-62	1962-63	1963-64	1964-65 (beginning)/ 1964-65 (début)
		Sources/Provenances		
Yugoslavia/Yougoslavie		Mali	Chad/Tchad Congo (Leo.)/ Congo-Léo Mali Togo	Central African Republic/RCA Mali Togo
USSR/URSS		Mali Somalia/ Somalie	Mali Somalia/ Somalie	
Switzerland/Suisse	Congo (Leo.)/ Congo-Léo	Congo (Leo.)/ Congo-Léo	Congo (Leo.)/ Congo-Léo	Congo (Leo.)/ Congo-Léo
Sweden/Suède		Congo (Brazzaville)/ Congo-Braz.	Chad/Tchad	
Poland/Pologne			Mali	Mali
Portugal	Chad/Tchad Congo (Leo.)/ Congo-Léo	Chad/Tchad		
Japan/Japon	Togo	Congo (Leo.)/ Congo-Léo	Congo (Leo.)/ Congo-Léo	
Denmark/Danemark			Chad/Tchad Niger	had/Tchad

COTTON FILE - TABLE 11 (Prices)/ DOSSIER COTON - TABLEAU 11 (Prix)

N.B. This table, which shows CIF price trends in a major European market (Liverpool, UK) for certain types offered on the market in large quantities, is only of indicative value. It includes ordinary cottons and a few long-staple cottons (Californian US, Tanguis Peru, G 5L Sudan). Prices are recorded every four months and apply in principle to shipments for the three ensuing months. There is generally an upswing around February-March-April./Le présent tableau, qui donne l'évolution des prix CAF sur un marché européen important (Liverpool - Royaume-Uni) pour certaines caractéristiques présentées en grosses quantités sur le marché, n'a qu'une valeur indicative. Il comprend des cotons courants et quelques cotons à fibres longues (Californian US, Tanguis Pérou, G 5L Soudan). Les prix sont relevés de quatre en quatre mois et s'appliquent en principe aux expéditions des trois mois suivants. Une pointe se manifeste en général vers février-mars-avril.

No prices of statistical value could be noted for AAMS cottons which are normally dealt with in the same way as comparable cottons from the major producers (United States, Brazil, etc.). Prices are expressed in cents per lb./Des prix pouvant avoir une valeur statistique n'ont pu être relevés pour les cotons EAMA qui suivent normalement le sort des cotons correspondants des gros producteurs (Etats-Unis d'Amérique, Brésil, etc.). Les prix sont exprimés en cents la livre anglaise.

Source/ Provenances	Type	Aug./ Août 1962	Dec./ Déc. 1962	Apr./ Avr. 1963	Aug./ Août 1963	Dec./ Déc. 1963	Apr./ Avr. 1964	Aug./ Août 1964	Dec./ Déc. 1964	March/ Mars 1965
USA	Orléans Texas Ml	28.30	27.89	28.59	26.80	26.66	27.17	26.94	27.14	27.41
Brazil/ Brésil	Sao Paulo 1-1/32"	25.42	27.14	26.26	26.33	26.64	25.90	25.30	26.19	26.13
USSR/ URSS	SM 1-1/32"	29.93	28.96	29.28	29.16	30.12	30.20	29.74	29.94	29.74
USA	Memphis SM 1-1/16"	30.47	30.61	31.98	29.16	29.29	30.14	29.62	29.94	29.33
Mixico/ Mexique	SM 1-1/16"	28.97	29.62	29.13	29.18	29.31	29.58	29.20	29.15	29.33
Syria/ Syrie	SM 1-1/16"	28.88	29.39	29.90	28.67	30.02	28.36	29.27	29.19	29.68
Greece/ Grèce	SM 1-1/16"	29.22	29.35	29.40	28.65	29.67	30.20	29.62	29.84	30.03
USA	Californian SM 1-3/32"	31.63	32.03	33.49	31.57	33.17	33.81	34.50	36.58	37.02
Peru/ Pérou	Tanguis Type 5	32.91	33.96	34.47	36.32	35.68	38.19	38.80	36.49	34.92
Sudan/ Soudan	G 5L	35.07	35.33	35.18	35.19	37.31	43.96	45.01	44.19	40.16

COTTON FILE - TABLE 12/
DOSSIER COTON - TABLEAU 12

Comparison of prices ruling in a major EEC market (Rotterdam, per kg. of raw cotton (strict middling 1-1/32")), for United States and Mexican cotton respectively./Relevé comparatif des prix pratiqués sur un grand marché de la CEE (Rotterdam) au kilo de coton brut en strict middling 1-1/32", respectivement pour le coton USA et le coton mexicain.

Prices are shown in florins (F2.35 per kg. is equivalent to approximately 29.50 cents per lb.)./Les prix sont donnés en Florins (2 Fl 35 le kilo équivalent à environ 29,50 en cents la livre anglaise.

Source/ Provenance	Oct./ Oct. 1963	Nov./ Nov. 1963	Dec./ Déc. 1963	Jan./ Jan. 1964	Feb./ Fév. 1964	March/ Mars 1964	April/ Avr. 1964	May/ Mai 1964	June/ Juin 1964	July/ Juil. 1964	Aug./ Août 1964	Sept./ Sept. 1964
USA	2.33	2.32^{5}	2.32^{5}	2.33^{5}	2.33^{5}	2.36^{5}	2.36^{5}	2.37	2.37^{5}	2.35^{5}	2.35	2.34^{5}
Mexico/ Mexique	2.36	2.36^{5}	2.36^{5}	2.36^{5}	2.36^{5}	2.36^{5}	2.36^{5}	2.37	2.37^{5}	2.35^{5}	2.35^{5}	2.34^{5}

TABLE 13/TABLEAU 13

Trends in average selling prices for Chad cotton, 1950-1965/
Evolution des prix de vente moyens du coton tchadien de
de 1950 à 1965

(in cents/lb.)/
(Prix exprimés en cents/livre)

1950	37.03
1957	29.25
1963	25.55
1964	26.10
1965	25.55

TABLE 13a/TABLEAU 13 bis

CHAD/TCHAD

Breakdown of average selling price in 1963, showing principal components (in %)/ Ventilation du prix de vente moyen 1963, entre les principaux composants (en pourcentage).

Average price/Prix moyen: 138 frs. CFA per kg, or 25.55 cents per lb./ 138 frs CFA au kilog, soit 25,55 cents à la livre.

Breakdown/Ventilation	%
Production sector/Secteur de la production	47.3
Processing and salaries of managerial personnel/ Usinage et traitement des cadres	15.6
Amortization of premises and marketing costs/ Amortissement des immobilisations et frais de commercialisation	7.7
Transport/Transports	16.4
Taxes/Fiscalité	13.0
	100.0

ANNEX II

Attempted Synthesis of Statements Made at a One-Day Symposium on the Harmonization of Natural and Man-Made Products

I. The problem

1. The emergence and accelerated development of artificial substitutes for natural commodities are in the line of progress in man's endeavour to overcome his dependence on natural products which are in relatively scarce supply in order to meet new and increasing requirements.

It would be both unavailing and harmful to slow up such progress.

2. While some believe that competition between the two groups of products is necessarily wholly within the framework of the "laws of selection", others rightly point out that such reasoning is somewhat too logical and disregard the concept of human fellowship. The developing countries are not equipped to sustain the fight and at the same time achieve the degree of economic advancement to which they are entitled.

3. Although general trends can be brought out, it is difficult to deal with the problem as a whole; each individual commodity has its own situation.

Some natural commodities come up against little or no competition from man-made products, others are developing in parallel with the latter although at a slower pace, while there are still others which are condemned to total substitution.

Among the most important products threatened, one may mention rubber, fibres (wool, cotton, jute and sisal), oilseeds, and hides and skins.

4. Man-made products are gaining ground because of the development of new characteristics rather than because they reproduce those of natural products.

In some cases they are combined with natural products and they can, to some extent, thus contribute to promoting the natural product, providing the mixing is in equitable proportions.

5. In studying the problem one must consider not only the immediate or short-term situation, but also immediate and long-term prospects.

6. The threatened products generally originate in developing countries and afford a substantial part of their export earnings.

In some cases they are faced with a two-fold threat: from the man-made product, and from expanding production of the natural product in developed countries (e.g. cotton).

7. Generally speaking, however, man-made products are manufactured in the industrialized countries and the natural products come from developing countries.

II. <u>How can natural products improve their competitive position, and how can producing countries remedy the vulnerability of their trade balance?</u>

1. One should first analyse the factors which have encouraged the development of man-made products:

- specific characteristics and homogeneity;
- level and stability of prices;
- considerable investment in research;
- assurance of steady supplies;
- desire to meet particular requirements or to create them;
- skilful and considerable publicity.

2. Consequently:

(a) Producers of natural raw materials must concentrate on improving the quality, homogeneity, presentation and manufacturing qualities of their products.

(b) They must try to improve cost prices by improving yield.

Price stability might be achieved through international arrangements.

(c) Research must be applied to natural products. The effort should be considerable and be aimed first at helping to develop or even modify the specific qualities of products, either at the production stage or by appropriate treatment at an intermediate stage.

It must also be aimed at finding new ways of using the natural product and at improving manufacture.

(d) Marketing methods should be brought up to date frequently; in particular stockpiling arrangements should enable demand to be met immediately, even if it is of an irregular character.

(e) Natural products should have access to permanent publicity facilities as powerful as those devoted to man-made products.

Publicity should be aimed principally at the consumer and should be accompanied by close contacts with the processing industries, which should be kept properly informed.

(f) If they do not already exist, powerful international bodies should be established to promote and co-ordinate research, publicity and information.

3. The developing countries must try to diversify their production as much as possible, on the basis of projection studies ensuring adequate future prospects and outlets for the new production lines envisaged.

4. The most decisive remedy no doubt lies in the industrialization of developing countries.

Without necessarily being limited to this strict framework, the initial objective would be to process domestic raw materials and meet domestic requirements.

5. Lastly, it should be emphasized that the efforts of developing countries must be co-ordinated in order to attain the objectives described above.

III. <u>How can one envisage the harmonization of natural and man-made products?</u>

1. Harmonization by means of strict regulations seems to be Utopia.

2. On the other hand, the work of GATT and UNCTAD indicates a tendency towards a certain form of negotiated harmonization.

3. This might go so far as to envisage measures for the financial compensation of countries suffering the most serious damage or for assisting the structural adjustment of developing countries, and even for certain reconversion which might have become necessary.

4. At the international level, studies must be made of possibilities and kinds of financing for action to promote national products as described in Chapter II, when such action is beyond the capacity of the branch of industry concerned.

5. Representatives of the two sectors might co-operate in better statistics, exchanges of information and joint examination of production plans, in particular to avoid types of competition which are harmful to all.

6. One type of co-operation already exists in the production of mixed products; it could be developed, particularly if based on research to perfect new products of this type containing an equitable proportion of natural products.

7. Lastly, the production and manufacture of man-made products, since they are inevitable, should not remain the prerogative of the developed countries, but such industries should be created in the developing countries with the assistance and support of the industrialized countries.