

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Textiles Committee

NOTE BY THE SECRETARIAT ON MEETING OF TECHNICAL SUB-GROUP ON DOCUMENTATION, 30 APRIL-1 MAY

The Technical Sub-Group on Documentation, created by the decision of the Textiles Committee, held its first meeting 30 April-1 May 1974, under the chairmanship of Mr. Gardner Patterson, Deputy Director-General. It was agreed at the outset that the group would base its discussion on the points set forth in COM.TEX/W/8, although several representatives reserved their right to make general statements on points D, E, and F of that note. Before the discussion opened on point A, a delegation requested the secretariat to compile a list of SITC and BTN positions covering the textile products enumerated in Article 12 of the Textiles Arrangement. Such a compilation was prepared and distributed before the end of the meeting, the secretariat stressing, however, that it was only a tentative compilation, not intended as an interpretation of Article 12, and therefore subject to discussion and confirmation, or amendment, by parties to the Textiles Arrangement.

A. Product classification

(a) Trade statistics

The first point of discussion concerned the product classification of trade statistics needed by the Textiles Committee for carrying out the studies required of it by Article 16, paragraph 2.

The Chairman explained that the task under discussion was one of setting up a system of regular statistical reporting, and of determining its optimal degree of detail so that, on the one hand, the Textile Committee had all the information it needed for its regular analyses of the current state of world production of, and trade in textile products and which, on the other hand, would impose the least possible burden on both national and secretariat statistical services. While intended primarily for the Textile Committee, these regularly collected statistics would also form a general framework of information for the Textiles Surveillance Body.

The Technical Sub-Group was then asked whether it would consider the textiles section of SITC Rev.2 a suitable basis for the regular reporting and, if so, whether it would be technically possible to accelerate the implementation for textiles of this revised nomenclature which is expected to be in general application only in 1976. The representative of the Customs Cooperation Council reported on the current work on trade classifications and nomenclatures, emphasizing that the BTN was currently

being subdivided so as to preserve its traditional one to one correspondence with SITC Rev.2.

Most delegations felt that SITC Rev.2 would provide a suitable basis for the regular statistical reporting on trade in textiles and apparel. It was pointed out that it made a distinction by fibre possible even in the division of apparel where difficulties in this respect had existed before the revision. Most importantly, since SITC Rev.2 was going to be adopted by all members of the United Nations, reporting to the GATT secretariat on its basis would imply no extra work for national statistical services. The majority of countries represented in the sub-group found it possible to report on the basis of SITC Rev.2; some were able to do this in full detail of this classification while some others informed the group that, for the time being, they might have difficulties reporting in more detail than available at 3 or 4 digit levels. Those countries which could report would also find it possible to report in this form as of January 1975. Some members of the group, however, considered that an expansion to other fibres of the classification used in statistical reporting to the Cotton Textiles Committee would be satisfactory for the purpose at hand, and favoured this approach, but agreed to study the possibility of supplying more statistical detail within the scheme so that their own reporting could gradually approach the structure and degree of detail of SITC Rev.2. In this context, several delegations emphasized the desirability of having uniform criteria for distinguishing blended products by fibre content.

A discussion of the question of temporary imports and exports for processing revealed that for a number of countries this trade was unimportant, for most of them comprehensive detailed reporting would create serious difficulties, and that the few countries able to provide such data could not do so on a comparable basis. One delegation was prepared to collect data for temporary imports on a monthly basis, provided other participants undertook to do the same. Some others could provide these figures only on a global basis without indicating sources or destinations. It was agreed that special reporting on this trade would be, for the time being, at least, too ambitious.

The sub-group then discussed at considerable length the problem of reporting the quantities traded. It recognized that the practice under LTA of converting different quantity units (e.g. units of surface into units of weight) by constant factors was unsatisfactory. It was further recognized that for different groups of products different quantity units gave the best results, e.g., tonnage for yarns, tonnage and surface for fabrics, tonnage and units for apparels; and that it would be desirable if reporting in two different quantity units could be commonly adopted for fabrics and apparel. Delegates of several countries announced that, for various reasons, this would not be possible for the time being, but that they would discuss the possibility with their statistical authorities.

(b) Production statistics

It was generally recognized that for its assessment of the state of world production and trade in textile products, the Textiles Committee will need reliable data on national production, and that it would be highly desirable for this data to be provided in a form comparable with the data on trade. A number of delegations recalled the fact that, in present statistical practices, production and trade data are not collected according to a common classification and that, while in the area of textiles there might exist some, though not insuperable, problems in obtaining comparability between production and trade data, in the sector of apparel it has been so far impossible even to collect comprehensive data on total production (and, a fortiori on production by fibre) let alone obtain comparability between production and trade data.

One way of overcoming this difficulty, and obtaining at least a rough but comprehensive notion of national apparel production, a delegation suggested, would be to calculate the intake of yarns and fabrics, by fibre, into each domestic apparel industry. Another way, which the majority of delegations considered more promising and deserving further study, would be to agree on a representative list of products and to establish a regular reporting of their output.

Those countries which collect production statistics do it in terms of volume, and in a few countries additional statistics on the value of production or sales are also available. A few countries do not regularly collect any production data at present, or collect them in terms which are not comparable with those of the majority of other countries. It was understood that considerable effort by all governments would be needed to develop a satisfactory comparable set of production data. Delegates of several countries stated that all statistics supplied to the Textiles Committee should stem from official sources, and this was generally agreed.

(c) Other statistics

The group had a first exchange of general views on the additional statistics relating to the textile industry that the Textiles Committee might require. One delegation emphasized that additional data should relate to specific points of study in order to avoid a massive build-up of statistical information which may not always be relevant. From a discussion of the usefulness of such statistical indicators as those of value added in manufacturing, employment, unemployment, investment and machinery of the industry, it emerged that all additional information of this kind relates to the industry, possibly its individual branches, and could not be related to individual products. It also appeared that, while a large majority of countries collected statistics on several of the aspects mentioned above, there were considerable divergences in national statistical practices and definitions. Statistics on value added by and on employment and/or unemployment

in, the textiles and apparel industry were available in the majority of countries, the former because the majority of governments practise national income accounting, the latter because of their immediate importance for policy formation. These two types of statistics would therefore seem to deserve more discussion at the next meeting in which the national methods, definitions and periodicity of reporting could be clarified further in order to ascertain to what extent the international comparability of the data could be improved.

B. Extent and geographical detail of reporting

Only general statements were exchanged under this heading. It was emphasized that all participating countries should supply a commonly agreed minimum of statistics. While it was recognized that some countries may have difficulties with respect to particular statistical series, it was hoped that these difficulties would be gradually overcome. A number of specific points remain to be discussed and decided at the next meeting, such as the geographical detail of trade reporting (should each country supply detail on exports by destination and imports by origin?).

On the question of periodicity of reporting, some countries showed willingness to report trade monthly and production quarterly. While some other countries felt that annual or bi-annual reporting would be sufficient, most delegations favoured quarterly reporting of trade and annual reporting of production. With very few exceptions, trade statistics generally seem to be available within three months. With respect to production statistics, there is much more diversity among individual countries, some able to compile them within three months, some only with a delay of six months or more. This might raise problems should the report of the Textiles Committee on the state of the textile production and trade be required to appear in summer. An agreement on specific reporting deadlines should be sought at the next meeting.

With respect to the past period to be covered by trade statistics on an agreed basis, most countries felt able to supply data for the past three years, and some could go even further.

C. The form of regular reporting

The delegate of the European Communities announced that the reporting would be made by the Statistical Office of the Communities and would be in terms of aggregates for the nine member countries combined. The secretariat expressed a preference for the reporting of trade statistics to be effected on magnetic tapes, since all governments report in this form to the Statistical Office of the United Nations. Making another tape copy of the textiles sector would thus minimize the work of national services as well as facilitate the processing of the data in the secretariat, a decision on this, however, was left for a future meeting.

D. Statistics required by the TSB and E. Trade policy reporting to the TSB

Most delegations felt that the TSB itself should decide on the nature and form of the data it will need, and that discussion of these points in the technical sub-group would be superfluous and even inappropriate. It was stressed in this context that the product categorization discussed in the present meeting was for the sole purpose of regular statistical reporting to the Textiles Committee, and had no implications as to the definition of product categories subject to bilateral negotiations.

F. Adjustment reporting to the TSB (and Textiles Committee)

Only a few general statements were made on this issue. There was no disagreement with the view of several delegations that governments should report on the adjustment measures "sufficiently often" (e.g. annually) to permit the Textiles Committee to make an assessment of the general trend of adjustment efforts. It remains for the Textiles Committee to indicate more specifically the nature and form of this reporting.

Several countries including those which did not participate in the debate reserved their right to return to all points discussed on 30 April-1 May 1974 in the next meeting of the group which was set for 5 June at 10 a.m.