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DEMAND, PRODUCTION AND TRADE IN
TEXTILES AND CLOTHING SINCE 1973

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...	not available
()	estimate
-	nil or negligible
- (referring to net trade)	import surplus
c.i.f.	cost, insurance, freight
f.o.b.	freight on board

Introductory Remarks

1. The purpose of this report is to review the main developments in demand, production and trade in textiles and clothing in the member countries of the MFA since 1973. It also contains a brief summary of developments in employment, productivity and investment. COM.TEX/W/75 has been extended by providing a more detailed examination of the statistics for the period 1973-79, as well as by adding whenever possible information for the first half of 1980.
2. It should be noted at the outset, that much of the available statistical information of relevance to this report suffers from serious shortcomings. These pertain both to the country and product coverage of the data as well as to the methodology employed.¹
3. This problem is most acute in relation to quantum measurement. The bulk of available data is expressed in terms of current (dollar) values. Where it is of interest to determine the underlying real changes over a certain period, it is necessary to deflate these values by the amount of inflation. Thus, it is necessary to have an adequate index of price movements. In the case of consumer expenditure on clothing, this information is generally available, even if not always completely reliable. Having deflated consumer expenditure in current values by these price indices, any remaining growth in the figures will in principle result not only from changes in the aggregate physical quantity but also from changes in quality and/or shifts from lower to higher priced items. However, the reliability of these deflated figures is crucially linked to that of the price indices.²
4. In the case of trade, the price information needed for deflating current values is less generally available than that for consumer expenditure. Nevertheless, the secretariat has attempted, for developed countries as a whole, to deflate recorded trade values with the help of such partial price data. It can present these results, however, only with an emphatic warning that they are indicative, at best, of orders of magnitude, and could be seriously misleading in matters of detail. Following accepted practice, these deflated current values are referred to as "volume"; as in the case of real consumer expenditure, they reflect not only the change in the aggregate quantity of physical units, which in itself is not very meaningful, but also the upgrading of the products traded. The more detailed examination of trade flows in this report has had to be based on data in current values.³

¹See prefaces to the statistical appendices (COM.TEX/W/76, 77 and 78).

²For a discussion of the statistical problems of quantum measurement in this area see the explanatory notes at the end of this report.

³Trade data in quantities are available for a number of textile products (in particular yarns and fabrics) and some clothing articles. (See COM.TEX/W/76, Tables 21-30 and COM.TEX/W/78).

I. DEMAND

5. The main categories of demand in the textiles and clothing sector are as follows: (i) final consumer expenditure on clothing, which absorbs the bulk of clothing output; (ii) consumer expenditure on made-up textile products, consisting mainly of products for home furnishing (such as carpets, linen, curtains); (iii) intermediate demand for textile products used as inputs in the production of clothing and made-up textile products; and, (iv) intermediate demand for textiles used as inputs in other industries (e.g. in the production of tyres, sport and travel goods). Data on demand for made-up textiles and those used for technical purposes being available only for a few products, the analysis¹ of developments in demand has been confined to consumer expenditure on clothing.

6. In the developed countries, consumer expenditure on clothing in real terms has grown at a slow rate overall, averaging roughly 2 per cent per year between 1973 and 1979. As can be seen in Table 1, there were, however, considerable differences among the individual countries and areas, a faster-than-average growth in consumption being recorded in North America and Japan, whereas in Europe, and especially in the EC, the rise was significantly lower.

7. The slow growth of real consumer expenditure on clothing in the developed countries can be attributed to the combined impact of three factors: (i) the slow growth of population, which between 1973 and 1979 did not exceed 0.8 per cent on average per year (as compared with 1.2 per cent per year in the preceding decade); (ii) the slowing down in total consumer expenditure per head to 2 per cent on average per year, half the rate in the preceding decade; and, (iii) the fact that consumer expenditure on clothing tended in most countries to lag behind total consumer expenditure.

8. Consumer expenditure on clothing refers to spending at the retail stage and includes, apart from the basic value of the clothing items produced by the domestic (or foreign) industry, the value of various services, such as transport, warehousing, wholesale and retail trade. Although no quantitative assessment can be made, it would appear that, as in the case of other types of consumer expenditures (foodstuffs and beverages, for instance) these services have accounted for a growing share of consumer expenditure on clothing.

9. The growth of demand in developed market economies has been largely determined by growth in per capita incomes. It is thus important to examine the impact of this on the pattern of expenditure on clothing. It has been estimated for the Federal Republic of Germany, for instance, that spending on higher qualities (associated with a growth in incomes) represented about one-half of the rise in consumer expenditure on clothing in lower-income households and about three-quarters in higher-income households.²

¹The relation between textiles used as inputs in the clothing industries, and the production of clothing is discussed below under the section dealing with production.

²See IFO Schnelldienst, 12 June 1980, "Textilindustrie im strukturellen Wandel", p. 22.

TABLE 1. - TOTAL CONSUMER EXPENDITURE (T) AND EXPENDITURE
ON CLOTHING^a (C) IN SELECTED COUNTRIES, 1973-1979

(Annual average percentage rate of change in volume)

		1973-79 ^b	1974	1975	1976	1977	1978	1979
EC	T	2.6	1.1	1.6	3.8	2.1	3.7	3.5
	C	1.1	0.5	0.2	1.4	0.7	1.7	(1.9)
United States	T	3.1	-0.9	1.8	5.9	4.9	4.5	2.6
	C	4.0	-0.8	3.6	4.5	4.4	7.3	5.2
Canada	T	4.4	5.4	5.0	6.3	2.7	2.8	...
	C	7.6	16.4	7.1	7.6	2.4	5.2	...
Japan	T	3.8	0.8	4.2	4.5	3.8	5.5	...
	C	2.3	-1.4	5.4	8.5	-1.4	0.6	...
Austria	T	2.9	2.8	3.0	4.6	6.2	-3.4	4.7
	C	2.2	-0.9	2.4	2.8	2.7	-1.5	8.2
Finland	T	1.2	2.3	3.1	0.9	-1.4	1.2	...
	C	4.8	4.4	6.0	5.5	4.1	4.2	...
Norway	T	3.0	4.3	5.0	6.4	4.7	-2.5	0.7
	C	1.4	-1.3	6.2	6.1	6.3	-4.8	-3.1
Sweden	T	1.9	3.9	3.0	4.0	-0.8	-0.7	...
	C	4.8	10.7	2.8	6.9	2.9	1.3	...
Switzerland	T	0.6	-0.5	-2.9	1.0	3.1	2.2	1.0
	C	-3.4	-6.0	-11.3	-3.3	1.5	1.5	1.0
Greece	T	4.5	0.7	5.7	5.6	5.1	5.5	...
	C	3.3	-3.7	8.2	7.4	1.5	3.5	...
Spain ^c	T	3.5	5.2	2.4	4.6	1.9	1.6	...
	C	2.2	2.6	-0.3	5.6	1.0	...	...
Israel	T	5.1	7.6	0.6	3.9	4.2	8.6	6.1
	C	6.1	9.6	2.5	8.5	2.7	17.7	-3.3
Korea	T	8.1	6.8	6.1	7.1	10.2	10.3	...
	C	6.0	5.4	4.5	9.3	4.3	9.8	...
Singapore ^c	T	6.2	5.8	3.2	7.1	8.7	...	...
	C	3.6	0.8	-1.4	9.5	6.0	...	...

^aIncluding footwear.

^bOr 1973-78.

^c1973-77.

Sources: OECD, National Accounts of OECD Countries; national statistics.

10. It would appear from the limited data available, that consumption of made-up textiles for household furnishings and the usage of textiles for technical purposes have grown even more slowly than consumer expenditure on clothing.

11. Trends in the consumption of textiles and clothing are even more difficult to assess in the developing countries than in the developed countries. Not only are the data on consumer expenditure on clothing more fragmented, but consumer expenditure on textiles (for which, as shown above, even in the developed countries there is less information available) is in many developing countries more important than that on clothing. Nevertheless, from what information is available it appears that real consumption of textiles and clothing expanded significantly faster in the developing countries as a group than in the developed areas between 1973 and 1979.

12. The main factor underlying this trend has been a growth of population in the developing countries of nearly 2¹/₂ per cent on average per year, three times faster than in the developed areas. In addition, real consumption per head of textiles and clothing in the developing countries has also been increasing, though at a slower rate than total consumer expenditure per head (similar to the experience of the developed countries). The growth in consumption per head was more rapid in those developing countries which experienced a faster rise in per capita incomes. In the Republic of Korea, for instance it can be inferred from the data in Table 1 that consumer expenditure per head on clothing increased in real terms by 3 per cent on average per year between 1973 and 1979; this is close to the estimated growth of consumption per head of textiles and clothing in Brazil for the 1970s.¹ In the case of India, however, per capita (apparent) consumption of cloth, while showing marked year-to-year fluctuations, is estimated to have risen between 1973 and 1978 by the equivalent of about 1 per cent per year.²

II. PRODUCTION³

13. The slow growth of consumption of textiles and clothing taken together in the developed countries between 1973 and 1979 was accompanied by a stagnation in their combined production and by a relatively marked increase in net imports (discussed below in the section on foreign trade). However, developments were different in the textile sector from those in clothing.

¹See International Textile Manufacturers Federation, International Textile Manufacturing, vol. 2 1979, p. 79.

²See International Textile Manufacturers Federation, op.cit., p. 28.

³All the indices of aggregate production used in this section refer to value added at constant prices, and are not comparable with production data for selected products, which are expressed in physical units.

14. While¹ there were significant fluctuations throughout the period, recorded production of clothing in the developed countries showed on average a slight rise between 1973 and 1979 equivalent to about $\frac{1}{2}$ per cent per year. (See Table 2.) Production of textiles however, declined between 1973 and 1979, by the equivalent of about $\frac{1}{2}$ per cent per year. This discrepancy requires explanation. It cannot reflect developments in foreign trade in textiles, because throughout the period developed countries remained net exporters of textile products, their net exports having even increased somewhat between 1973 and 1979.² The main factor seems to have been the continuation of a long-term downward trend in the ratio of inputs of textiles to production in the clothing industry, reflecting, *inter alia*, technological change and shifts in the quality and composition of production in the clothing sector.

15. Production of both clothing and textiles has shown wide fluctuations from year to year. Again for developed countries as a whole, production of clothing, after having declined by $4\frac{1}{2}$ per cent in 1974 and by 3 per cent in 1975 recovered strongly, to grow by $9\frac{1}{2}$ per cent in 1976. A slight further increase in the production of clothing in 1977 was followed by a slight decline in 1978 and a small rise in 1979. Production of textiles, though declining more markedly than that of clothing in 1974 and 1975, recovered at the same rate in 1976. After a further decline in 1977, production of textiles stagnated in 1978 but recovered in 1979. These wide fluctuations in production can only partly be explained by cyclical movements in overall demand. They also reflect the variations in demand for end-use products referred to above and movements in stocks. Cyclical fluctuations in stocks have, in particular, been traditionally quite important, especially in the textile sector, though once again the lack of data precludes an assessment of their impact.

16. The movements in production of textiles and clothing for developed countries as a whole conceal wide divergences among the main producers, as can be seen in Table 2. For the period 1973-1979, production of clothing increased in North America (where the increase in consumption was more pronounced than in other developed countries) Finland and, to a lesser extent, Austria; stagnated in the EC and Switzerland and declined in Sweden and Japan. Production of textiles declined in Western Europe and Japan and stagnated in the United States. Year-to-year variations were also very pronounced in each producing area and country. For instance, in the EC, production of both clothing and textiles recovered in 1976 and again in 1979, in each case following two years of decline. A similar development occurred in the other Western European countries (as a group), though the decline of clothing production in 1977 and 1978 was more

¹It should be noted that, to the extent to which the growth of production in the unrecorded sectors (small-scale production and production units not legally registered) has diverged from recorded production, bias will be introduced into the indices used in this section.

²It is true, obviously, that the marked increase of developed countries' net imports of clothing, to the extent to which it affected their production of clothing, also indirectly influenced their total requirements for textiles as inputs in the clothing sector.

TABLE 2. - WORLD PRODUCTION OF TEXTILES AND CLOTHING BY AREA, 1973-MID-1980
(Annual average percentage rate of change in volume)

	1973-79	1974	1975	1976	1977	1978	1979	1980 ^a Jan-June
TEXTILES								
<u>Developed countries</u>	<u>-½</u>	<u>-6½</u>	<u>-7</u>	<u>9</u>	<u>-2</u>	<u>-½</u>	<u>4½</u>	<u>2</u>
EC	-½	-4	-8½	10	-3	-3	5½	4
United States	-	-7	-7½	9½	-	2	5	-
Canada	1½	-2	-4	1	2	5	8	-4½
Japan	-½	-12	-5½	8½	-2	1	2	1
Austria	-2	-4	-13½	7	1	-3½	2½	5½
Finland	1½	10	2	-3½	-4½	-5	11	2
Sweden	-4	1	-10	1	-8½	-10½	2½	-½
Switzerland	-½	-3	-15½	13½	1	-	3	4
<u>Developing countries</u>	<u>3½</u>	<u>1½</u>	<u>3</u>	<u>5</u>	<u>1½</u>	<u>4</u>	<u>5</u>	...
<u>Eastern trading area</u>	<u>4½</u>	<u>5</u>	<u>6</u>	<u>4½</u>	<u>3½</u>	<u>3½</u>	<u>3½</u>	...
CLOTHING								
<u>Developed countries</u>	<u>½</u>	<u>-4½</u>	<u>-3</u>	<u>9½</u>	<u>1½</u>	<u>-1½</u>	<u>1</u>	<u>-3</u>
EC	-	-4	-1	5½	-2	-4	5½	1
United States	2	-3	-5	16½	6½	-	-2½	-6
Canada	1½	-	1	5	-5	5	3½	-15½
Japan	-2	-11	-6½	6	-	1	-1	-6
Austria	½	2	-4	1	-	-5	9½	11
Finland	2½	2	3	2	-3	-	12½	16
Sweden	-11½	-2	-5	-11	-19½	-24	-6	-4
Switzerland	-	-5	-5½	21	1	-4½	-5	5½
<u>Developing countries</u> ^b	<u>4</u>	<u>6</u>	<u>8</u>	<u>3½</u>	<u>½</u>	<u>3</u>	<u>3</u>	...
<u>Eastern trading area</u> ^b	<u>5</u>	<u>5½</u>	<u>6½</u>	<u>5½</u>	<u>4</u>	<u>3½</u>	<u>3½</u>	...

^aChange over January-June 1979; provisional figures.

^bIncluding leather and footwear.

Sources: UN, Monthly Bulletin of Statistics; OECD, Indicators of Industrial Activity; national statistics.

pronounced, and the 1979 recovery less marked, than in the EC. In the United States, following the two recession years 1974 and 1975, there was also a marked recovery in 1976 for both textiles and clothing. In 1977, production of clothing continued to rise, while that of textiles stagnated, whereas in 1978 and 1979 production of textiles increased, while that of clothing stagnated (in 1978) or declined (in 1979). In Japan, following a strong decline of production in both textiles and clothing in 1974-75, and a marked recovery in 1976, production in both sectors has shown less variation, around a generally stagnating trend.

17. In most countries, the share of textiles and clothing in total manufacturing production (value added) declined significantly between 1973 and 1979. This decline was less evident between 1973 and 1976, when manufacturing production either remained stagnant or declined in all countries. For example in the EC, the share of clothing in manufacturing value added was about the same in 1976 as in 1973, while that of textiles had declined only slightly. In the United States, production of clothing had actually increased relative to that in manufacturing between 1973 and 1976. This was also the case in Canada, Finland and Switzerland. Between 1976 and 1979, however, manufacturing production grew more rapidly than that of textiles and clothing in all countries except Finland.

18. In the first half of 1980, production of textiles in developed countries generally performed better than clothing production. Compared to the first half of 1979, textiles output increased by just over 4 per cent in the EC, compared with a 1 per cent increase for clothing; in the United States, production of textiles remained the same, whereas that of clothing fell by almost 6 per cent; in Japan, textiles production was 1 per cent higher in the first half of 1980, but production of clothing was 6 per cent lower. In Canada, production of textiles declined by $4\frac{1}{2}$ per cent in the first half of 1980, relative to the same period in the preceding year and clothing output fell by $15\frac{1}{2}$ per cent.

19. In the developing countries taken together, the growth of production, as in the case of consumption, was higher than in the developed areas. Annual production of textiles expanded in the developing countries by $3\frac{1}{2}$ per cent on average, the highest growth rates (of about 5 per cent) being recorded in 1976 and 1979 and the lowest ($1\frac{1}{2}$ per cent) in 1974 and 1977. Production of clothing increased in the developing countries by 4 per cent per year on average between 1973 and 1979, the growth rates being lower in 1977, 1978 and 1979 than in the first three years of the period.

20. Between 1973 and 1979 the fastest growth of production occurred in the Eastern trading area. Production of textiles increased at an annual average rate of $4\frac{1}{2}$ per cent, and clothing at 5 per cent.

21. As a result of these divergent movements in production by areas, the share of developed countries in world production (value added) declined between 1973 and 1979, from nearly 52 to 46 per cent for textiles and from nearly 55 to 49 per cent for clothing. In both sectors the largest gains were made by the Eastern trading area, which increased its share in world output from 26 to 30 per cent for textiles and from 31 to 35 per cent for clothing. The gains for developing countries were less marked, though their shares also increased throughout the period, representing in 1979 about one-quarter of world textile production and around 15 per cent of world clothing production.

III. EMPLOYMENT, PRODUCTIVITY AND INVESTMENT

Employment

22. In the period 1973-1979, employment in textiles declined in all developed countries (shown in Table 3) while that in the clothing sector fell everywhere except Japan. As may have been expected, for the majority of countries the sharpest decline in employment occurred in the recession year 1975. In the EC, employment declined by an average of $4\frac{1}{2}$ per cent per year for textiles, and by 4 per cent annually for clothing, but the decline was more pronounced between 1973 and 1976 than in the subsequent period. In the United States, the overall rate of decline in employment in both textiles and clothing between 1973 and 1979 was about one-half that in the EC, a more rapid deterioration in 1974 and 1975 being offset by a sharp recovery in 1976. Between 1976 and 1979, employment remained fairly stable in both industries. Employment in textiles declined by less in the United States than in any of the other developed countries shown in the table. In Japan, employment trends in the textiles sector were quite different from those in clothing. In textiles, employment declined in every year except 1978, averaging 6 per cent per year. In the clothing industry, the level of employment in 1979 was about the same as in 1973, growth in the first half of the period offsetting declines in 1978 and 1979. Among the other Western European countries shown in the table, employment declines in textiles were of comparable magnitude, but there were significant differences in clothing. In Sweden, employment in the clothing sector declined very rapidly after 1975, averaging 9 per cent annually for the whole period. In contrast, employment in the Finnish clothing sector declined by an average of 1 per cent per year throughout this period.

23. Table 4 shows for the same countries the proportion of total manufacturing employment accounted for by the textiles and clothing sectors between 1973 and 1979. In all countries, with the exception of Japan, the share of both sectors in manufacturing employment declined over the period. For example, in the EC, the two industries together accounted for 10 per cent of total manufacturing employment in 1973 and $8\frac{1}{2}$ per cent in 1979; in the United States, their combined share fell from 12 per cent in 1973 to $10\frac{1}{2}$ per cent in 1979. By 1979, textiles and clothing accounted for roughly one-tenth of total manufacturing output in the United States, Canada, the EC, Switzerland and Finland; slightly more in Japan and Austria, and substantially less (below 5 per cent) in Sweden. These shares were relatively small compared with those in many developing countries. For example, in Hong Kong and Korea the textiles and clothing sectors together accounted for almost one-half of total manufacturing employment in 1979.

24. The relative importance of the textiles and clothing sectors for employment varies somewhat among countries. In the United States, Canada and Sweden, both sectors accounted for about the same share of manufacturing employment. In Japan, the textiles sector provided more than twice as much employment as the clothing sector. In the EC, employment in textiles was in 1979 about 40 per cent greater than that in clothing.

TABLE 3. - EMPLOYMENT IN TEXTILES AND CLOTHING, DEVELOPED MEMBERS,
1973-1979

(Annual average percentage rate of change)

	1973-79	1974	1975	1976	1977	1978	1979
<u>TEXTILES</u>							
EC	-4½	-5	-7½	-3½	-2½	-5	-2½
United States	-2	-5	-10½	7	-	-	-1
Canada	-4½ ^a	-1	-6	-4½	-5½	...	...
Japan	-6	-8	-5½	-3½	-9½	1½	-9
Austria	-6	-7	-13	-2½	-1½	-7½	-3
Finland	-4½	2	-8	-7½	-5½	-8½	-
Sweden	-4½	-	-3	-7	-5½	-7	-2½
Switzerland	-4½	-4	-12½	-3½	-	-2½	-4
<u>CLOTHING</u>							
EC	-4	-6	-4½	-4½	-3½	-5	-
United States	-2	-5	-8½	5½	-1	-	-1
Canada	-3 ^a	-2	-2	2	-7	...	...
Japan	-	1	5	1	-	-3	-5
Austria	-3	-4	-4	-3½	-1	-5½	-
Finland	-1	2	-	-3	-4	-5½	5½
Sweden	-9	-1	-	-14	-14	-11	-12½
Switzerland	-5	-6	-11½	-3½	-1	-1	-4

^a1973-1977.Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76),
Table 2 (incorporating latest data).

TABLE 4. - SHARE OF TEXTILES AND CLOTHING IN EMPLOYMENT
IN TOTAL MANUFACTURES, DEVELOPED MEMBERS, 1973-1979

(Percentages)

	1973	1974	1975	1976	1977	1978	1979
EC							
Textiles	6	6	5½	5½	5½	5	5
Clothing	4	4	4	4	3½	3½	3½
United States							
Textiles	6	5½	5½	5½	5½	5½	5
Clothing	6	6	6	6	6	5½	5½
Canada							
Textiles	6	5½	5½	5½	5	...	...
Clothing	6	5½	6	6	5½	...	...
Japan							
Textiles	10½	9½	9½	9½	9	8½	8
Clothing	3½	4	4	4	4½	4	4½
Austria							
Textiles	10	9½	8½	8½	9	8	8
Clothing	6	6	6	6	6	5½	5½
Finland							
Textiles	6	6	5½	5	5	4½	5
Clothing	7	6½	7	6½	6½	6½	7
Sweden							
Textiles	3	3	3	3	3	2½	2½
Clothing	3	3	3	2½	2	2	1½
Switzerland							
Textiles	7½	7	7	7	7	7	6½
Clothing	3½	3½	3½	3	3	3	3

Note: The figures are based on statistics shown in documents COM.TEX/W/76 and COM.TEX/W/77. As described in the notes to these documents, data are not fully comparable with regard to coverage and methods of collection.

Labour productivity

25. While a precise assessment of productivity gains cannot be made from available data, a rough indicator of productivity changes can be derived from production and employment indices, as shown in Table 5.¹ The clothing and textiles sectors of most developed countries generally exhibited stagnant or declining production between 1973 and 1979, coupled with rising productivity of labour. For the period as a whole, the average annual rate of growth in implied productivity was 4-4¹/₂ per cent in the EC for both textiles and clothing; in the United States, implied productivity gains amounted to 2¹/₂ per cent per year for textiles and 4 per cent for clothing. With the exception of the clothing sectors of Japan and Sweden, the implied productivity index has shown similar gains in other developed countries.

26. The implied productivity index in Table 5 can also be regarded as an indicator of the production levels needed to maintain employment at the 1973 levels. For most countries, the production levels needed to prevent productivity-induced labour shedding were in any year substantially above the actual production levels achieved. To take the most striking examples, production of textiles in Japan and Austria would have needed to have been about 45 per cent greater in 1979 than their actual levels for employment to have been maintained at the 1973 level in the face of the gains in apparent productivity. In the EC, employment in both textiles and clothing in 1979 could have been maintained at the 1973 level only if output had been raised by 30 per cent. In the United States, 1979 production of both textiles and clothing was 12 per cent below the levels needed to offset the increased productivity.

27. The recent empirical literature on the sources of job displacement in developed countries has generally found that changes in labour productivity and demand have had a greater impact on employment than import growth. This conclusion has of course been even stronger when a subset of imports, such as those from developing countries, was examined. These studies have, however, encountered a number of problems relating to methodology and data. In many cases no allowance has been made for² the fact that changes in demand, productivity and imports may be interrelated.

28. The large increases in implied productivity can have several possible explanations. It should be emphasized that when production is being cut back, an industry's overall productivity can rise without any new investment taking place. Firms which are the least viable will generally also have the lowest

¹Whenever possible, employment data have been adjusted to account for variations in working hours.

²For a survey of this literature and its methodological limitations, see, GATT Studies in International Trade, No. 6, Adjustment, Trade and Growth in Developed and Developing Countries, 1978, pp. 58-62; OECD, The Impact of the Newly Industrializing Countries on Production and Trade in Manufactures, Paris, 1979, Annex II; D. Keesing and M. Wolf, Textile Quotas against Developing countries, Trade Policy Research Centre, 1980, pp.36,37 and pp.113-118; and studies cited therein. More recent studies include, A.O. Krueger, "Labour displacement and economic redeployment in the United States", Journal of Policy Modeling, 2, 1980; and, "Protectionist pressures, imports and employment in the United States", The Scandinavian Journal of Economics, 2, 1980; and, F. Wolter, "Restructuring for Import Competition from Developing Countries: The Case of the Federal Republic of Germany", Journal of Policy Modeling, 2, 1980.

TABLE 5. - PRODUCTION (P), EMPLOYMENT (E) AND IMPLIED PRODUCTIVITY (IP)^a
IN TEXTILES AND CLOTHING, DEVELOPED MEMBERS, 1973-1979

(1973=100)

	TEXTILES						CLOTHING					
	1974	1975	1976	1977	1978	1979	1974	1975	1976	1977	1978	1979
EC ^b												
P	96	88	97	94	92	96	96	95	100	98	94	99
E	95	88	85	83	79	77	95	91	86	82	77	76
IP	101	100	114	113	116	125	101	104	116	120	122	130
United States												
P	93	86	94	94	96	101	97	92	107	114	114	111
E ^c	93	82	89	89	89	88	93	85	92	91	91	88
IP	100	105	106	106	108	115	104	108	116	125	125	126
Japan												
P	88	83	90	88	89	91	89	83	88	88	89	88
E	92	87	84	76	77	70	101	106	107	107	104	99
IP	96	95	107	116	116	130	88	78	82	82	86	89
Canada												
P	98	94	95	97	102	110	100	101	106	101	106	110
E	99	93	89	84	...	...	98	96	98	91	...	...
IP	99	101	107	115	...	...	102	105	108	111	...	...
Austria												
P	96	83	89	90	87	89	102	98	99	99	94	103
E ^c	94	80	84	78	69	68	97	91	92	86	79	80
IP	102	104	106	115	126	131	105	108	108	115	119	129
Finland												
P	110	112	108	103	98	109	102	105	107	104	104	117
E ^c	99	91	86	77	71	...	99	100	97	92	89	...
IP	111	123	126	134	138	...	103	105	110	113	117	...
Sweden												
P	101	91	92	84	75	77	98	93	83	67	51	48
E ^c	104	98	90	80	75	72	108	105	88	75	64	54
IP	97	93	102	105	100	107	91	89	94	89	80	89
Switzerland												
P	97	82	93	94	94	97	95	90	109	110	105	100
E	96	84	81	81	79	76	94	83	80	79	78	75
IP	101	98	115	116	119	128	101	108	136	139	135	133

^aRatio of production and employment indices.^bData for clothing industry exclude France.^cAdjusted for variation in working hours.

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76)
Table 3 (incorporating latest data).

level of technical efficiency. The cessation of their operations will immediately raise the productivity of the industry as a whole. Also, when a firm scales down its operations it will dispose of its least productive workers first, and this will raise the productivity of the remaining workforce. Such phenomena provide a plausible explanation for the large abrupt rises in the implied labour productivity index which occurred in certain years between 1973 and 1979. This form of productivity gain will be significant when production is stagnant or declining but could be reversed with a recovery. Durable gains in labour productivity can only be achieved by changes in the capital stock through investment.

Investment

29. Before examining recent trends in investment activity and their impact on labour productivity, it should be kept in mind that production methods vary greatly both between and within the textiles and clothing sectors. It is well known that the capital intensity of the textiles sector as a whole is far greater than that in the clothing sector. However, the range of capital intensities within both sectors is very large. This is mainly a reflection of the great diversity of products which make up the output of these industries. But even for a single homogenous product the nature of the capital used in production, its age-structure and labour requirements (and thus also labour productivity) can vary quite significantly from one plant to another as a result of differences in relative factor costs or simply managerial preferences.

30. The productivity of labour is raised by an increase in the number of units of capital per worker (automation) and by an increase in the productiveness of the capital employed. Changes in the volume of capital used in production are difficult to measure even at a conceptual level. Existing data is inadequate and sometimes misleading. What seems clear is that both the capital stock and the amount of capital per employee did increase rapidly in the late 1960s. At this time most countries experienced an investment boom in both the textiles and clothing industries. This came to an end in the early 1970s. In the EC, the value of fixed investment in constant prices fell sharply in 1974 and 1975 and, in 1977 was one-third below its level in 1973 for textiles and one-quarter lower in the case of clothing. While no information was available on real investment expenditure in the other countries, it is clear from the current value data given in Table 6 that for most countries the volume of aggregate investment in textiles and clothing declined sharply in 1975. Taking the period 1973-1977 as a whole, it appears that the decline in investment in the textiles sector was stronger than that in clothing. In five of the countries shown in the table, the value of fixed investment in the textiles sector in 1977 was lower in current dollars than in 1973; in the clothing sector, declines were registered for Canada and Japan.

31. The decline in investment in textiles and clothing since 1973 was for most countries more severe than in manufacturing generally (see Table 7). In the preceding five years, however, the relative investment performance of these sectors differed among countries. In the United States, Canada and Finland, capital investment in textiles and clothing was generally maintained or raised as a proportion of total manufacturing investment between 1968 and 1973. In contrast, in Austria and Sweden the investment share of these sectors has declined continuously since 1968. In Japan and the EC, fixed investment in textiles declined as a proportion of total manufacturing fixed investment throughout the whole period, whereas investment in clothing generally maintained its share. Preliminary data for 1978, shows the share of the textiles and clothing sectors

TABLE 6. - TOTAL GROSS FIXED INVESTMENT IN
TEXTILES AND CLOTHING, SELECTED DEVELOPED MEMBERS, 1973-1977
(million dollars)

	1973	1974	1975	1976	1977
<u>TEXTILES</u>					
EC					
Current value	1 903	1 970	1 786	1 799	1 712
Value at 1970 prices	1 289	1 207	925	929	844
United States	1 255	1 280	1 100	1 191	1 343
Canada	136	186	166	111	75
Japan	1 210	1 015	641	697	796
Austria	69	75	59	75	73
Finland	36	53	34	27	41
Sweden	40	53	53	46	32
<u>CLOTHING</u>					
EC					
Current value	445	406	401	441	458
Value at 1970 prices	298	245	205	220	222
United States	283	281	277	320	329
Canada	25	24	16	17	22
Japan	193	151	122	169	178
Austria	17	17	20	24	28
Finland	16	27	20	17	25
Sweden	8	11	16	14	11

Source: GATT: Statistics on Textiles and Clothing, Part 2 (COM.TEX/W/77),
D series tables.

TABLE 7. - SHARE OF TEXTILES AND CLOTHING IN TOTAL MANUFACTURES'
GROSS FIXED INVESTMENT, SELECTED DEVELOPED MEMBERS, 1968-1977

(Percentages)^a

	1968	1973	1976	1977
EC ^b				
Textiles	5.6	5.0	4.1	3.6
Clothing	0.7	0.7	0.7	0.7
United States				
Textiles	3.7	4.7	3.0	2.8
Clothing	1.0	1.0	0.8	0.7
Japan				
Textiles	4.5	3.9	2.7	2.5
Clothing	0.4	0.5	0.6	0.5
Canada				
Textiles	3.1	4.1	2.4	1.6
Clothing	0.5	0.8	0.5	0.4
Austria				
Textiles	10.5 ^c	6.0	5.4	4.0
Clothing	2.0 ^c	1.8	1.6	1.5
Finland				
Textiles	3.8	3.9	1.6	1.4
Clothing	0.9	1.7	1.0	1.2
Sweden				
Textiles	2.4	2.0	1.3	1.1
Clothing	0.8	0.4	0.4	0.4

^aBased on current values.

^bExcluding Ireland and Luxembourg for which data are not yet available for all the above years. For France, total manufactures include mining and clothing is included in textiles.

^c1969.

Notes: In order to obtain a long time series it was necessary to use the data from the UN Yearbook of Industrial Statistics. These data are not strictly comparable to those given in COM.TEX/W/77.

(taken together) in total manufacturing gross fixed investment to have remained the same as in 1977 in the United States, Canada and Finland, to have declined in Austria and increased in Sweden.

32. It is difficult to know in the absence of adequate data whether the lower level of investment expenditure in developed countries since 1974 has been sufficient to increase the capital stock or not. Nevertheless, given the sharp decline in employment in most countries, it is likely that the volume of utilized capital per employee has continued to rise. In the Federal Republic of Germany, a recent study found that half of the investment expenditure between 1975 and 1977 was intended to rationalize production by raising the level of automation and reducing labour costs.¹ The limited data available on the composition of installed weaving machinery in the cotton and wool industries of developed countries shows a continuation of the trend towards greater automation.² While the volume of investment has declined, the share of this expenditure devoted to the modernization and upgrading of existing plant appears to have risen and, with it, labour productivity and displacement. Evidence of this trend towards capital "deepening" is found in the rising share of machinery and equipment in total fixed capital investment in all countries for which data were available (see Table 8). It is also supported by data on shipments of automatic weaving machinery between 1974 and 1979, given in Appendix Table 1, which shows a substantial swing to the use of shuttleless looms. For example, in both the United States and the EC, only about one-tenth of the looms installed in the cotton industry in 1978 were of the shuttleless variety, whereas cumulative shipments of shuttleless looms between 1974 and 1979 exceeded by two and a half times those of shuttle looms. A similar shift in the composition of shipments of spinning machinery from spindles to₃rotors (the output of the latter being some 2¹/₂ times greater per unit of time³) is also apparent in the majority of countries between 1974 and 1979.

¹IFO Schnelldienst, "Textilindustrie in Strukturellen Wandel", 12 June 1980, pp. 26, 27.

²These data are available in: International Textile Manufacturers Federation, International Cotton Industry Statistics, and, Commonwealth Secretariat, Wool Statistics.

³International Textile Manufacturers Federation, International Textile Machinery Shipment Statistics, Volume 2/1979, p. 4

TABLE 8. - SHARE OF MACHINERY AND EQUIPMENT IN TOTAL INVESTMENT,
SELECTED DEVELOPED MEMBERS, 1973-1977

(Percentages)

	1973	1974	1975	1976	1977
EC					
Textiles	79½	78	80½	81½	82½
Clothing	62	62½	70½	69	69½
United States					
Textiles	77	77½	77	84½	...
Clothing	68	68	69	70	...
Canada					
Textiles	78½	79	79½	85½	80½
Clothing	60	62½	69	82½	62½
Finland					
Textiles	61	58½	64½	70½	72
Clothing	45	47	54	55½	52½
Sweden					
Textiles	70½	77	78	83	82½
Clothing	81	69	68½	66	82
Austria					
Textiles	65½	64½	63½	71	72
Clothing	43½	55	50½	49½	52

Source: GATT, Statistics on Textiles and Clothing, Part 2, (COM.TEX/W/77),
D series tables.

IV. FOREIGN TRADE

1. VALUE

33. The dollar value of world trade in textiles and clothing, while showing considerable year-to-year fluctuations, has on average grown quite rapidly in the period under review, reaching \$56.6 billion in 1979. (See Table 9) Between 1973 and 1977, the dollar value of world trade in textiles and clothing increased by about 13 per cent on average per year, its growth accelerating to about 18 per cent in both 1978 and 1979. In most years the largest part of the increase stemmed from the rise in dollar prices. It is estimated that in both 1978 and 1979, two-thirds of the increase in the dollar value of world trade was due to price increases. (Volume estimates are given in Section 2 below.)

34. In 1973, world trade in textiles accounted for 65 per cent of the value of trade in textiles and clothing combined. By 1976, this proportion had declined to 60 per cent. In the next two years, the share of textiles in world trade in textiles and clothing declined to 58 per cent and was maintained at this level in 1979.

35. While developed countries continued to represent the largest part of world trade in textiles, their share declined from 61 per cent in 1973, to 59 per cent in 1976 and 56 per cent in 1979. In world trade in clothing, developing countries were the major suppliers, increasing their share from 50 per cent in 1973 to 58 per cent in 1976; their share in world trade dropped back to 55 per cent in 1977, however, only partly recovering in the next two years. Looking at world trade in textiles and clothing combined, developed countries' share fell from just over one-half in 1973 to 46-47 per cent in 1976 and 1977 and 45 per cent in 1978 and 1979. The share of developing countries in world trade in textiles and clothing rose from 36 per cent in 1973 to 42 per cent in 1976 and 1977, but in the next two years increased at a much slower rate to reach 43 per cent in 1979. The share of the Eastern trading area in world exports of textiles and clothing, after having declined from 12 to 11 per cent between 1973 and 1976, recovered to 12 per cent again in 1979.

36. It has not been possible to separate the trade of member from non-member countries at such an aggregated level. The examination of trade in the following sections, however, is based on data supplied by the member countries of the MFA¹ alone, which distinguishes between their trade with other members as well as with non-member countries.

(i) Trade of the member countries of the MFA, by major areas

(a) Developed and developing countries as a whole

37. Certain basic trends in the pattern of world trade apparent in the years to 1976, and if anything, reinforced in that year, were interrupted in 1977 and not resumed in the next two years. Therefore, in examining the trade of the member countries under MFA II, it is important to also review the developments in trade in 1977, which clearly represented a turning point.

¹The member countries of the MFA accounted in 1978 for about three-quarters of world trade in textiles and clothing (excluding intra-EC trade).

TABLE 9. - EXPORTS OF TEXTILES AND CLOTHING FROM THE WORLD
AND FROM SELECTED AREAS, 1973-1979

	1973	1976	1977	1978	1979
(Billion dollars)					
World ^a					
Textiles	16.10	21.10	23.60	27.70	32.90
Clothing	8.60	14.30	16.50	19.80	23.70
Textiles and clothing	24.70	35.40	40.10	47.50	56.60
(Percentage shares)					
Developed areas ^a					
Textiles	61	59	58	56	56
Clothing	33	28	30	29	29
Textiles and clothing	51	46	47	45	45
Developing areas					
Textiles	29	32	32	33	34
Clothing	50	58	55	56	56
Textiles and clothing	36	42	42	43	43
Eastern trading area					
Textiles	10	9	10	11	10
Clothing	17	14	15	15	15
Textiles and clothing	12	11	12	13	12

^aExcluding intra-EC trade.

Sources: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76); UN, Monthly Bulletin of Statistics and trade data tapes; national statistics.

38. The area pattern of the developed member countries' combined imports of textiles and clothing is shown in Table 10.¹ The share of imports coming from developed countries (that is from intra-trade, excluding that within the EC) declined from 60 per cent in 1973 to 56 per cent in 1976 and to 54 per cent in 1979 for textiles; for clothing, the share of imports from developed countries declined from 31 per cent in 1973 to 24 per cent in 1976 and remained unchanged in 1979. The proportion of imports of both textiles and clothing coming from the developing member countries rose markedly between 1973 and 1976, to reach 23 per cent for textiles and 54 per cent for clothing. Between 1976 and 1979, however, the share of the developing member countries increased only slightly for textiles (to 24 per cent) and declined to 50 per cent for clothing. The share of imports coming from developing non-member countries, increased during the period under review for both textiles and clothing, reaching 16 and 20 per cent, respectively in 1979. The share of the Eastern trading area remained unchanged at around 6 per cent for both textiles and clothing. In the first half of 1980, the share of developing member countries in total imports declined, especially for clothing. Increased shares in clothing imports were recorded by the developing non-member countries and the non-member countries of the Eastern trading area. For textiles, an above-average increase in imports came from the non-member countries of the Eastern trading area.

39. The shifts in the area pattern of developed member countries' imports of textiles and clothing are brought out more clearly in Table 11, which compares the geographic composition of the increment to imports between 1973 and 1976 with that for 1976-1979. In the case of textiles, the developed countries themselves were the main contributors in both periods, increasing their share in the increment from 43 to 50 per cent between the two sub-periods (excluding EC intra-trade). In contrast, the proportion of the increment to developed countries' imports of textiles accounted for by developing member countries fell from 36 per cent in 1973-1976 to 24 per cent in 1976-1979. With respect to imports of clothing, the developing member countries accounted for the largest part of the increment in both periods, but their share declined from 62 to 43 per cent. The shares of all the other groups of suppliers in the increment to developed countries' imports were higher in 1976-1979 than in the preceding period.

40. In summary, it can be seen in Chart I that the share of developing member countries in the total imports of textiles and clothing of developed countries, after having risen between 1973 and 1975, and even accelerating in 1976, has subsequently declined. This reversal of the earlier trend continued to the first half of 1980.

41. As regards the area distribution of developed countries' exports, the share taken by developed countries declined for both textiles and clothing between 1973 and 1976, but recovered thereafter to reach 51 and 71 per cent, respectively, in 1979. The proportion of exports going to developing member countries also declined between 1973 and 1976 for both textiles and clothing; between 1976 and 1979 it recovered slightly for textiles, to 17 per cent, but remained unchanged for clothing, at 8 per cent. Throughout the period, developing non-member countries have been more important than developing member countries as markets, absorbing an increasing proportion of developed countries' total exports (24 per cent for textiles and 18 per cent for clothing in 1979).

¹All discussion of developed countries' trade in this section refers to members of the MFA.

CHART I. - SHARE OF DEVELOPING COUNTRIES IN TOTAL IMPORTS OF
TEXTILES AND CLOTHING INTO DEVELOPED MEMBERS OF THE MFA
(percentages)

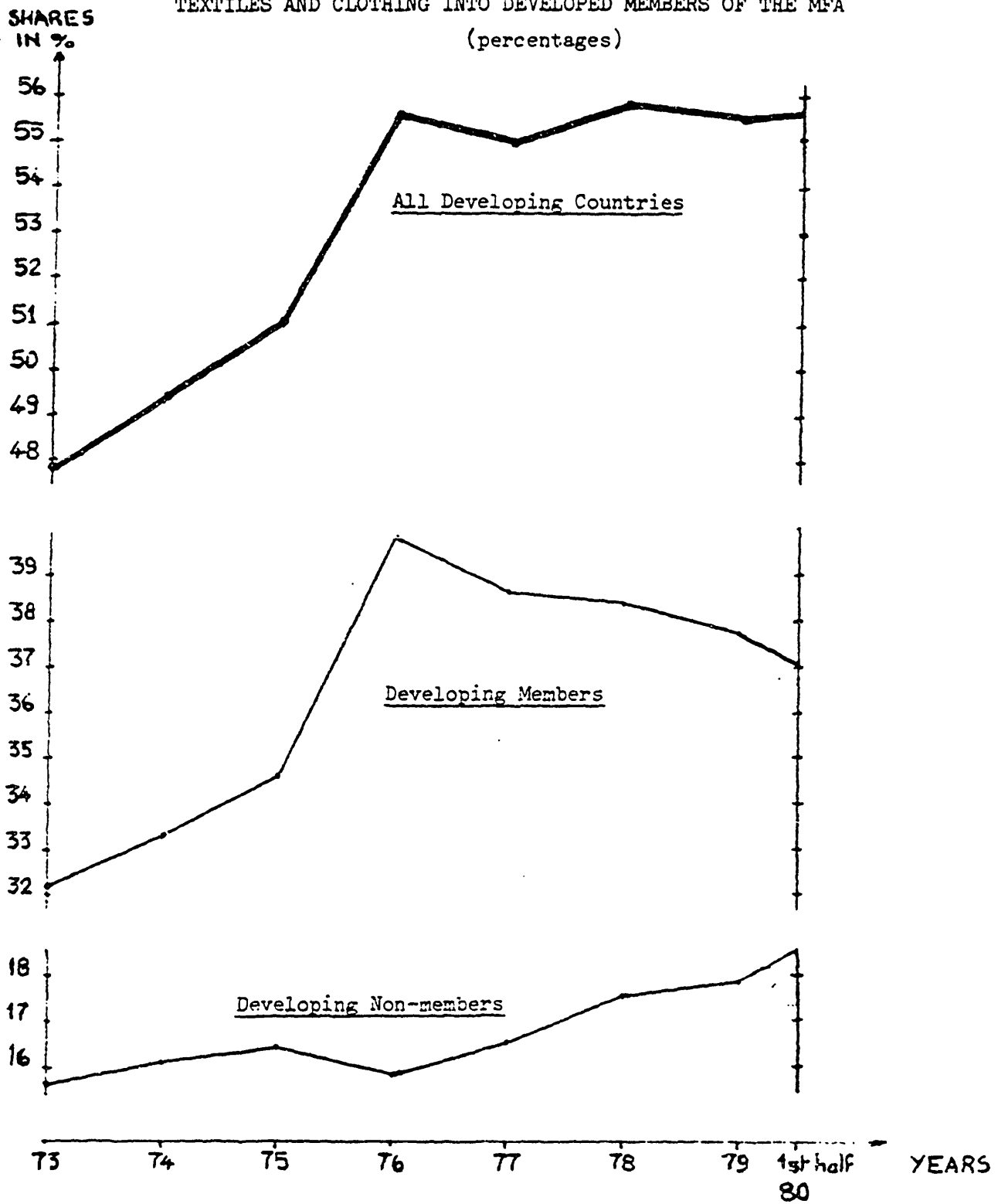


TABLE 10. - AREA DISTRIBUTION OF TRADE, DEVELOPED MEMBERS, 1973-1979

	<u>TEXTILES</u>						<u>CLOTHING</u>					
	1973	1976	1977	1978	1979	1980 ^a	1973	1976	1977	1978	1979	1980 ^a
<u>IMPORTS</u> (billion dollars)												
Total	<u>7.48</u>	<u>9.25</u>	<u>10.03</u>	<u>12.17</u>	<u>15.60</u>	<u>(18.10)</u>	<u>6.07</u>	<u>10.84</u>	<u>12.08</u>	<u>14.84</u>	<u>18.48</u>	<u>(21.80)</u>
(percentage shares)												
Developed area	60	56	56	55	54	54	31	24	25	24	24	24
Developing area	35	38	38	39	40	40	64	71	69	70	69	69
Members	20	23	23	23	24	23	47	54	51	51	50	47
Non-members	15	15	15	16	16	17	17	17	18	19	20	22
Eastern trading area	6	6	6	6	6	7	6	5	5	5	6	7
Members	2	2	2	2	2	2	4	3	3	3	3	3
Non-members	4	4	4	4	4	5	2	2	2	2	3	4
<u>EXPORTS</u> (billion dollars)												
Total	<u>9.71</u>	<u>12.34</u>	<u>13.65</u>	<u>15.30</u>	<u>18.03</u>	...	<u>2.72</u>	<u>3.92</u>	<u>4.77</u>	<u>5.50</u>	<u>6.59</u>	...
(percentage shares)												
Developed area	53	49	48	50	51	...	73	69	68	69	71	...
Developing area	39	41	43	43	41	...	22	25	27	26	26	...
Members	19	16	16	17	17	...	9	8	8	8	8	...
Non-members	20	25	27	26	24	...	13	17	19	18	18	...
Eastern trading area	7	8	8	8	8	...	5	5	4	4	3	...
Members	4	3	3	4	3	...	2	2	1	1	1	...
Non-members	3	5	5	4	5	...	3	3	3	3	2	...

^aFirst six months at annual rate; preliminary figures.

Sources: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76) Tables 7-10; UN trade data tapes; national statistics.

TABLE 11. - IMPORT INCREMENT, DEVELOPED MEMBERS,
1973-1976, 1976-1979
(billion dollars and percentages)

	1973-1976		1976-1979		1979
	Increment	Share	Increment	Share	Import Value
<u>TEXTILES</u>					
Total	1.77	100	6.34	100	15.6
Developed area ^a	0.76	43	3.15	50	8.4
Developing area					
Members	0.64	36	1.54	24	3.7
Non-members	0.24	14	1.15	18	2.5
Eastern trading area					
Members	0.04	2	0.10	2	0.3
Non-members	0.09	5	0.36	6	0.7
<u>CLOTHING</u>					
Total	4.77	100	7.64	100	18.5
Developed area ^a	0.75	16	1.92	25	4.5
Developing area					
Members	2.98	62	3.31	43	9.1
Non-members	0.82	17	1.74	23	3.6
Eastern trading area					
Members	0.16	3	0.28	4	0.7
Non-members	0.07	1	0.34	4	0.5

^aExcluding intra-EC trade.

Source: GATT, Statistics on Textiles and Clothing, Part I (COM.TEX/W/76).

42. The movements in the net trade of the developed countries with the developing countries and the Eastern trading area are shown in Table 12. In trade with developing countries member countries, the export surplus in textiles of \$0.3 billion in 1973 shifted to an import surplus of \$0.2 billion in 1976, which grew further to \$0.6 billion in 1979. In clothing trade, the deficit with this group of countries increased almost fourfold, to \$8.6 billion, in 1979. In trade with developing non-member countries, the export surplus in textiles doubled, to \$1.8 billion in 1979, whereas in the case of trade in clothing, the import surplus expanded nearly fourfold, to \$2.4 billion. In trade with the Eastern trading area, there was also a sharp rise in the import surplus of clothing, from less than \$0.2 billion in 1973 to nearly \$1 billion in 1979.

43. An indication of the area distribution of the developing member countries'¹ trade is shown in Table 13. For textiles, the share of total exports going to developed areas declined from 56 per cent in 1973 to 54 per cent in 1976 and less than one-half in 1978, while the proportion going to the developing countries increased from 34 per cent in 1973 to 35 per cent in 1976 and 41 per cent in 1978. In the case of clothing, the developed countries' share in total exports remained preponderant, though declining slightly, from 88 per cent in 1973 and 1976 to 86 per cent in 1978. On the import side, developed countries' share in the developing member countries' total imports of textiles declined from 58 per cent in 1973 to 51 per cent in 1976 and less than one-half in 1978; the proportion accounted for by developing countries rose from 30 to 37 per cent between 1973 and 1976, but declined to 36 per cent in 1978. In the case of clothing imports, the proportion coming from developed areas remained at around 36-37 per cent throughout the period.

b. Main importers and exporters²

44. Developments in the level and area distribution of imports, exports and trade balances have varied greatly among the individual areas and countries, as can be seen in Appendix Tables 2-12.

45. In the EC (see Appendix Table 2)³ the share of imports from developed countries in total imports remained largely unchanged (at about 37-39 per cent) for textiles, and declined slightly, to 13 per cent in 1979, for clothing. In the case of textiles, the proportion of imports from developing member countries, after having risen from 25 per cent in 1973 to 31 per cent in 1976, fell back to 29 per cent in 1979 for textiles. Similarly, for clothing, the share of imports coming from developing member countries, after having risen from 56 per cent in 1973 to 59 per cent in 1976, fell to 53 per cent in 1979. The share of developing non-members in imports of textiles declined from 28 per cent in 1973 to 24 per cent in 1976 and recovered only slightly (to 25 per cent) in 1979, whereas their share in imports of clothing rose throughout the period (from 18 per cent in 1973 to 25 per cent in 1979). On the export side, the proportion accounted for by developed areas declined from 52 per cent in 1973 to 48 per cent in 1979 for

¹Comprising the 14 developing member countries for which data are available for the period 1973 to 1978.

²For details on the trade of countries not shown in this report, see COM.TEX/W/76 and 78.

³As already noted, trade of the EC excludes intra-trade.

TABLE 12. - NET TRADE OF DEVELOPED MEMBERS BY AREA,
1973-1979
(billion dollars)

	1973	1976	1977	1978	1979
<u>TEXTILES</u>					
Total	2.22	3.09	3.62	3.13	2.43
Developing area	1.14	1.59	2.05	1.76	1.23
Members	0.28	-0.18	-0.13	-0.20	-0.60
Non-members	0.86	1.77	2.18	1.96	1.83
Eastern trading area	0.27	0.46	0.56	0.42	0.38
Members	0.19	0.21	0.23	0.29	0.28
Non-members	0.08	0.25	0.33	0.13	0.10
<u>CLOTHING</u>					
Total	-3.35	-6.93	-7.31	-9.34	-11.89
Developing area	-3.28	-6.68	-7.05	-8.90	-11.05
Members	-2.62	-5.51	-5.82	-7.10	-8.61
Non-members	-0.66	-1.17	-1.23	-1.80	-2.44
Eastern trading area	-0.19	-0.36	-0.45	-0.61	-0.99
Members	-0.17	-0.31	-0.37	-0.46	-0.59
Non-members	-0.02	-0.05	-0.08	-0.15	-0.40
<u>TEXTILES AND CLOTHING</u>					
Total	-1.13	-3.84	-3.69	-6.21	-9.46
Developing area	-2.14	-5.09	-5.00	-7.14	-9.82
Members	-2.34	-5.69	-5.95	-7.30	-9.21
Non-members	0.20	0.60	0.95	0.16	-0.61
Eastern trading area	0.08	0.10	0.11	-0.19	-0.61
Members	0.02	-0.10	-0.14	-0.17	-0.31
Non-members	0.06	0.20	0.25	-0.02	-0.30

Source: GATT, Statistics on Textiles and Clothing, Part 1
(COM.TEX/W/76) Table 17.

TABLE 13. - AREA DISTRIBUTION OF TRADE, SELECTED DEVELOPING MEMBERS^a,
1973-1978

	Textiles				Clothing			
	1973	1976	1977	1978	1973	1976	1977	1978
Exports								
	(billion dollars)							
Total	<u>2.21</u>	<u>3.11</u>	<u>3.44</u>	<u>4.33</u>	<u>2.55</u>	<u>5.23</u>	<u>5.48</u>	<u>6.49</u>
	(percentage shares)							
Developed area	56	54	47	49	88	88	86	86
Developing area	34	35	40	41	7	9	11	11
Members	22	19	19	22	1	2	2	3
Non-members	12	17	21	19	6	7	9	8
Eastern trading area	10	11	12	10	5	4	3	3
Imports								
	(billion dollars)							
Total	<u>2.38</u>	<u>3.06</u>	<u>3.21</u>	<u>3.83</u>	<u>0.20</u>	<u>0.28</u>	<u>0.36</u>	<u>0.45</u>
	(percentage shares)							
Developed area	58	51	53	49	37	36	36	37
Developing area	30	37	34	36	21	34	30	32
Members	18	18	18	20	14	25	23	25
Non-members	12	19	16	16	7	9	7	7
Eastern trading area	13	13	12	15	42	31	34	31

^aComprising Argentina, Brazil, Egypt, Hong Kong, Indonesia, Israel, Korea, Pakistan, Philippines, Singapore, Thailand, Trinidad and Tobago, Turkey, Yugoslavia.

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76) Tables 11-14.

textiles and remained virtually unchanged (69 per cent in both years) for clothing. The proportion of exports going to developing member countries remained much the same for both textiles (11-13 per cent) and clothing (6-7 per cent), while that going to developing non-member countries was higher in 1979 (29 per cent for textiles and 22 per cent for clothing) than in 1973 (23 and 17 per cent, respectively). Net exports of textiles declined from nearly \$2 billion in 1973 to \$0.55 billion in 1979. This decline was due partly to the reduction, from \$1.4 billion in 1973 to \$1 billion in 1979, in the export surplus with developed countries and partly to the increase in the import surplus with developing member countries, from \$0.1 to \$1.2 billion. In the case of clothing, the EC import surplus expanded five-fold to \$4.2 billion in 1979, sharp increases in the import surpluses with developing member countries (to \$4 billion in 1979), with developing non-member countries (to \$1.1 billion) and with the Eastern trading area (to \$0.6 billion) being only partly compensated for by a substantial rise in the export surplus with developed countries (which reached \$1.6 billion in 1979).

46. In the United States, (see Appendix Table 3) the share of developed countries in total imports declined between 1973 and 1979 from 67 to 52 per cent in the case of textiles, and from 27 to 12 per cent in the case of clothing. During the same period, the share accounted for by developing member countries rose from 25 to 35 per cent for textiles and from 53 to 64 per cent for clothing. The share of imports represented by non-member countries rose from 7 to 9 per cent for textiles and remained stable, at around one-fifth, for clothing. On the export side, for textiles the share of developed countries declined from 70 per cent in 1973 to 64 per cent in 1979, whereas for clothing it increased (from 31 to 44 per cent). The share taken by both developing member and non-member countries increased between 1973 and 1979 (to 18 and 16 per cent, respectively) for textiles, but it declined (to 31 and 24 per cent) for clothing. The net imports of clothing rose from \$1.7 billion in 1973 to \$4.4 billion in 1979. The largest part of this increase stemmed from the growing import surplus in trade with developing member countries, which reached \$3 billion in 1979 (as compared with less than \$1 billion in 1973), and with developing non-member countries which amounted to \$0.9 billion in 1979 (three times more than in 1973). For textiles a small import surplus (of \$0.08 billion) in 1973 shifted to an export surplus of \$1.2 billion in 1979, the bulk of which was in trade with developed countries.

47. In Canada (see Appendix Table 4) the bulk of imports of textiles came from developed countries, the combined share of which declined from 84 per cent in 1973 to 82 per cent in 1979. For clothing, however, the proportion of imports coming from developed countries declined significantly throughout the period, falling from 44 to 28 per cent. The proportion accounted for by developing member countries, after having risen from 33 to 46 per cent between 1973 and 1976, declined to 42 per cent by 1979, as the developing non-members and the Eastern trading area increased their shares to 19 and 10 per cent respectively. Net imports of textiles nearly doubled to reach \$1.1 billion in 1979, mainly due to the growing import surplus with developed countries, and net imports of clothing nearly trebled, to \$0.6 billion, in this case reflecting mainly the growing import surplus with developing countries (both members and non-members).

48. In Japan (see Appendix Table 5) the share of developed countries in total imports declined for textiles (from 44 to 39 per cent) but increased for clothing (from 17 to 23 per cent) between 1973 and 1979. With regard to textiles, the

shares of developing member and non-member countries, after having declined between 1973 and 1976, recovered in the subsequent years and were in 1979 (at 38 and 10 per cent, respectively) slightly higher than in 1973. For clothing, however, the 1979 import share of both the developing member and non-member countries was lower than in 1973 (at 49 and 17 per cent, respectively). The share of imports from the Eastern trading area increased throughout the period, reaching 14 per cent for textiles and 11 per cent for clothing in 1979. On the export side, the share of developed countries declined for both textiles (to 24 per cent) and clothing (to 67 per cent) in 1979. The share of textile exports going to developing member countries declined from 40 per cent in 1973 to 32 per cent in 1976, recovering only partly (to 38 per cent) in 1979, while that of developing non-member countries, after having risen from 25 per cent in 1973 to 34 per cent in 1976, fell back to 30 per cent in 1979. The net export surplus in textiles, after having increased from \$1.3 billion in 1973 to \$3 billion in 1977, contracted to \$2.4 billion in 1979. The import surplus in clothing rose six-fold to \$1.2 billion in 1979, due partly to the growing import surplus with developing member countries, which reached \$0.7 billion in 1979, and partly to the shift, from an export, to an import surplus in trade with developed countries.

49. In Austria (see Appendix Table 6) the bulk of trade in both textiles and clothing consists of exchanges with developed countries. For textiles, the share of developing member countries increased from 3 per cent in 1973 to 4 per cent in 1976 and 5 per cent in 1979. For clothing, however, the share of developing member countries, after having risen from 12 per cent in 1973 to 17 per cent in 1976, fell back to 12 per cent in 1979. At the same time, the share of clothing imports originating in the developed countries (essentially the EC), after having been reduced from 83 per cent in 1973 to 80 per cent in 1976, rose again to 85 per cent in 1979. On the export side, developed countries are also Austria's main partners, their dominance being particularly pronounced for clothing (more than 90 per cent of the total). Net imports expanded continuously, from \$30 million in 1973 to \$90 million in 1979 for textiles and from \$30 to \$260 million for clothing, largely due to the growing import surplus with developed areas.

50. In Finland (see Appendix Table 7) developed countries account for the largest part of trade. Their share in total Finnish imports of textiles rose from 83 per cent in 1973 to 86 per cent in 1976 and declined slightly, to 84 per cent, in 1979, while in the case of clothing, their share declined throughout the period, from 65 per cent in 1973 to 57 per cent in 1979. For textiles, the share of developing member countries in total imports rose from 4 per cent in 1973 to 6 per cent in 1979, while for clothing it also rose between 1973 and 1976, from 10 to 18 per cent, but declined thereafter, to 15 per cent, in 1979. The share of the Eastern trading area rose slightly for textiles, reaching 6 per cent in 1979, and more rapidly for clothing, to 12 per cent in 1979. The expansion of Finnish exports was also concentrated on developed countries. The net import surplus in textiles, which doubled between 1973 and 1979, when it reached \$380 million, was almost entirely accounted for by the growing deficit with developed countries, which represented also the bulk of the expanding export surplus in clothing which amounted to \$370 million in 1979.

51. In Sweden (see Appendix Table 8) the share of developed countries in total imports remained practically unchanged (around three-quarters) in the period under review for textiles. For clothing the share of developed countries, after

having declined from 62 to 59 per cent between 1973 and 1976, rose to 64 per cent in 1979. The share of developing member countries rose somewhat for textiles (from 6 per cent in 1973 to 9 per cent in 1979). For clothing, however, the share of developing member countries, after having risen from 25 per cent in 1973 to 29 per cent in 1976, fell back again to 25 per cent in 1979. In the case of exports, the preponderance of developed countries is even more marked (nearly 90 per cent for textiles and almost 100 per cent for clothing). Developed countries also accounted for the largest part of the increase in the import surplus of textiles from \$310 million in 1973 to \$530 million in 1979. In the case of clothing the more rapidly growing import surplus, from \$250 million in 1973 to \$810 million in 1979 was mostly due to the increasing deficit with developed countries (from \$110 million in 1973 to \$440 million in 1979) but the rising import surplus with developing member countries (from \$90 to \$260 million) also played a contributory rôle.

52. In Switzerland (see Appendix Table 9), where the largest part of trade also consists of exchanges with developed countries, for textiles the share of developing member countries rose from 4 per cent in 1973 to 6 per cent in 1979. For clothing, the share of developing member countries, after having doubled between 1973 and 1976, to 18 per cent, fell back to 13 per cent in 1979. On the export side, developed countries are even more preponderant than on the import side, having accounted in 1979 for 83 per cent of the total for textiles and 95 per cent for clothing. The largest part of the expanded export surplus in textiles (from \$130 million in 1973 to \$390 million in 1979) and of the growing import surplus in clothing (from \$320 million in 1973 to \$810 million in 1979) was accounted for by developed countries.

53. In Brazil (see Appendix Table 10) the share of exports of textiles going to developed areas declined from 69 per cent in 1973 to 61 per cent in 1979. Net exports of textiles rose from \$150 million in 1973 to \$520 million in 1979, net exports to developed areas having risen from \$90 million to \$310 million.

54. In Hong Kong (see Appendix Table 11) most exports of clothing continued to go to developed areas (around 90 per cent). In the case of textiles, however, the proportion of total exports going to developed countries declined from 69 to 55 per cent between 1973 and 1979, whereas the share of developing areas rose from 31 to 38 per cent and that of the Eastern trading area, from 1 to 7 per cent. The proportion of textile imports coming from developed countries also declined, from 42 to 34 per cent, while the developing countries' share rose from 36 to 42 per cent and that of the Eastern trading area from 21 to 24 per cent. The export surplus in clothing almost trebled, to \$3.4 billion in 1979, essentially due to growth in the export surplus with developed countries. There was also a trebling in the import surplus in textiles (to \$1.5 billion), reflecting the growing import surplus with the developing countries, the Eastern trading area and developed countries.

55. In the Republic of Korea (see Appendix Table 12) the share of developed countries in total exports of clothing remained predominant, though declining from 96 to 91 per cent. For textiles, the share of developed areas in total exports declined more sharply, from 63 to 47 per cent, whereas that of the developing areas rose from 36 to 52 per cent. With regard to imports, there was also a decline (from 92 to 87 per cent) in the proportion accounted for by developed countries. The rise in net exports of clothing, from \$0.7 billion in

1973 to \$2.4 billion in 1979, was due essentially to trade with developed countries, while in the case of textiles, the growing export surplus (from \$0.1 billion to \$1 billion) was shared by developing and developed areas.

56. Per capita imports of textiles and clothing into developed countries in current values are shown in Table 14. The growth in current dollar value was obviously largely determined by the high rates of inflation and by the depreciation of the US dollar. In the United States, per capita imports of textiles and clothing (taken together) from developing countries rose from \$9 to \$23 from 1973 to 1979 and in Canada from \$11 to \$24. In the EC, they increased during the same period from \$12 to \$40, in Austria from \$8 to \$26, in Finland from \$10 to \$21, in Sweden from \$26 to \$60 and in Switzerland from \$20 to \$49. In Japan, imports per head of textiles and clothing from developing countries rose from \$8 in 1973 to \$15 in 1979.

(ii) Imports into the developed countries from major and minor developing country suppliers

57. In the market of the developed countries as a whole, the two major suppliers among developing member countries accounted in 1973 for 17 per cent of total imports of textiles and clothing (taken together). Their combined share increased to 22 per cent in 1976 but fell back thereafter to $19\frac{1}{2}$ per cent in 1979. (See Table 15) The combined share of the 15 smallest suppliers¹, which had stagnated at 1 per cent of total imports in 1973 and 1976, rose to 2 per cent of the total in 1979. For clothing alone, the proportion of developed countries' imports accounted for by the two major suppliers among developing member countries rose from 31 per cent in 1973 to 36 per cent in 1976, but was reduced to 31 per cent by 1979. The 18 smallest suppliers among developing member countries together accounted for about $1\frac{1}{2}$ per cent of total imports in 1973, 2 per cent in 1976 and $2\frac{1}{2}$ per cent in 1979.

58. The relative importance of the individual supplying developing member countries varied from one market to another, as can be seen in Appendix Tables 13-14. In the EC, for textiles and clothing together, the share of the two largest suppliers rose from $18\frac{1}{2}$ per cent in 1973 to $20\frac{1}{2}$ per cent in 1976, falling back to $16\frac{1}{2}$ per cent in 1979. The combined share of the 15 smallest suppliers, increased from 1 per cent in both 1973 and 1976 to 2 per cent in 1979. In the United States, the share of the two major suppliers for textiles and clothing (taken together) increased from 23 per cent in 1973 to 34 per cent in 1976, but had declined to 33 per cent by 1979. The combined share of the 18 smallest suppliers among developing member countries declined from $3\frac{1}{2}$ per cent in 1973 to $2\frac{1}{2}$ per cent in 1976, but increased thereafter, reaching $5\frac{1}{2}$ per cent in 1979. The share of the two major suppliers among developing member countries in Canada's total imports of textiles and clothing rose from 9 per cent in 1973 to $17\frac{1}{2}$ per cent in 1976, but declined to $13\frac{1}{2}$ per cent in 1979. The combined share of the 21 smallest suppliers, which was around 1 per cent in both 1973 and 1976, rose to 2 per cent in 1979. In Japan, the two major suppliers increased their share in total imports of textiles and clothing from 29 per cent in 1973 to 40 per cent in 1976, before it fell back to 36 per

¹In this section the group of "smallest" suppliers always consists of those developing members individually supplying less than an arbitrarily chosen 0.5 per cent of developed countries' total imports in 1976.

TABLE 14. - PER CAPUT IMPORTS BY AREAS OF ORIGIN, DEVELOPED MEMBERS
1973-1979

(dollars per caput)

	Textiles			Clothing			Textiles & Clothing		
	1973	1976	1979	1973	1976	1979	1973	1976	1979
EC									
Total	10.3	15.7	29.1	8.6	17.2	31.0	18.9	32.9	60.1
Developed area	4.0	5.9	11.3	1.3	2.1	4.2	5.3	7.9	15.5
Developing area	5.5	8.7	15.7	6.4	13.6	24.1	11.9	22.3	39.8
Eastern trading area	0.8	1.2	2.0	1.0	1.5	2.6	1.8	2.7	4.6
United States									
Total	6.2	6.7	8.3	9.4	15.1	23.4	15.6	21.8	31.7
Developed area	4.2	3.6	4.3	2.5	2.4	2.8	6.7	6.0	7.1
Developing area	2.0	2.9	3.7	6.8	12.5	19.7	8.8	15.4	23.4
Eastern trading area	0.1	0.2	0.3	0.0	0.2	0.9	0.1	0.4	1.2
Canada									
Total	34.9	44.2	56.2	14.2	29.9	28.5	49.1	74.1	84.7
Developed area	29.2	36.6	46.1	6.2	9.3	8.0	35.4	45.9	54.1
Developing area	3.9	5.5	6.9	7.0	18.6	17.5	10.9	24.1	24.4
Eastern trading area	1.8	2.2	3.2	1.0	2.0	3.0	2.8	4.2	6.2
Japan									
Total	9.7	5.0	12.9	5.0	6.3	13.3	14.7	11.3	26.2
Developed area	4.3	2.5	5.0	0.9	1.1	3.1	5.2	3.6	8.1
Developing area	4.5	2.0	6.2	3.7	4.8	8.8	8.2	6.8	15.0
Eastern trading area	0.8	0.5	1.8	0.4	0.4	1.4	1.2	0.9	3.2
Austria									
Total	62.4	81.8	132.9	23.6	49.4	97.5	86.0	131.2	230.4
Developed area	56.3	71.7	117.2	19.5	39.3	82.4	75.8	111.0	199.6
Developing area	4.2	7.4	11.9	3.8	9.4	14.0	8.0	16.8	25.8
Eastern trading area	1.9	2.8	3.8	0.3	0.7	1.1	2.2	3.5	4.9
Finland									
Total	55.0	70.5	110.2	11.2	16.6	30.4	66.2	87.1	140.6
Developed area	45.8	60.5	92.9	7.3	10.5	17.4	53.1	71.0	110.3
Developing area	6.5	6.5	11.3	3.7	5.5	9.5	10.2	12.0	20.8
Eastern trading area	2.7	3.5	6.1	0.3	0.6	3.5	3.0	4.1	9.6
Sweden									
Total	60.6	83.9	104.2	45.5	84.7	126.3	106.1	168.6	230.5
Developed area	48.0	65.5	81.0	28.2	50.4	81.4	76.2	115.9	162.4
Developing area	10.0	15.0	18.1	16.4	32.7	42.3	26.4	47.7	60.4
Eastern trading area	2.6	3.3	5.1	0.8	1.7	2.6	3.4	5.0	7.7
Switzerland									
Total	78.1	82.4	154.0	67.0	91.1	174.2	145.1	173.5	328.2
Developed area	65.4	69.8	131.8	56.6	69.0	140.9	122.0	138.8	272.7
Developing area	10.2	10.4	19.5	9.4	20.7	29.7	19.6	31.1	49.2
Eastern trading area	2.6	2.2	2.8	1.0	1.4	3.6	3.6	3.6	6.4

Sources: GATT, Statistics on Textiles and Clothing (COM.TEX/W/76) Part 1, Table 16 and UN, Monthly Bulletin of Statistics.

TABLE 15. - SHARE OF INDIVIDUAL DEVELOPING MEMBERS IN TOTAL IMPORTS OF TEXTILES AND CLOTHING INTO DEVELOPED MEMBERS, 1973-1979

(Percentages)

	1973	1976	1977	1978	1979
<u>TEXTILES AND CLOTHING</u>					
All developing members	32.2	39.8	38.6	38.4	37.7
Hong Kong	11.1	13.7	12.5	12.0	11.3
Korea Rep.	6.1	8.3	8.3	8.8	8.2
India	2.0	2.9	3.1	3.0	3.2
Yugoslavia	2.3	2.2	2.0	1.8	1.7
Mexico	1.4	1.3	1.2	1.0	0.9
Romania	1.0	1.3	1.2	1.3	1.3
Turkey	0.6	1.3	1.1	1.1	1.1
Brazil	1.2	1.2	1.3	1.1	1.2
Pakistan	1.5	1.2	1.0	1.1	1.3
Macao	0.6	0.9	1.0	0.8	0.9
Singapore	1.0	0.9	1.0	1.0	1.0
Philippines	0.5	0.8	1.0	1.0	1.1
Thailand	0.4	0.8	0.7	0.8	0.9
Israel	0.7	0.7	0.7	0.7	0.8
Colombia	0.4	0.5	0.4	0.3	0.3
Malaysia	0.2	0.5	0.6	0.6	0.6
15 other members, each with share less than 0.5%	1.1	1.1	1.4	1.8	1.8
<u>CLOTHING</u>					
All developing members	46.9	53.8	51.4	51.2	49.8
Hong Kong	21.0	22.8	20.7	20.2	19.3
Korea Rep.	10.1	13.0	12.6	12.6	11.7
Yugoslavia	4.1	3.4	3.3	2.9	2.6
India	1.2	2.6	2.6	2.9	3.1
Romania	1.6	1.9	1.6	1.8	1.8
Macao	1.2	1.5	1.7	1.4	1.5
Mexico	1.5	1.5	1.3	1.2	1.1
Singapore	1.9	1.4	1.4	1.6	1.6
Philippines	0.9	1.3	1.6	1.8	1.9
Israel	1.0	0.9	0.9	0.9	0.9
Thailand	0.5	0.7	0.6	0.8	0.8
Brazil	0.5	0.5	0.4	0.3	0.3
Malaysia	0.3	0.5	0.6	0.6	0.6
18 other members, each with share less than 0.5%	1.2	2.0	2.1	2.3	2.5

Note: Ranked in descending order of importance in 1976.

Source: GATT, Statistics on Textiles and Clothing, Part I (COM.TEX/W/76), Tables 6 and 9.

cent in 1979. The combined proportion accounted for by the 22 smallest suppliers among developing countries, after having declined from 3¹/₂ per cent in 1973 to 1 per cent in 1976 recovered only slightly, to 1.2 per cent, in 1979. In Sweden, the share of total imports of textiles and clothing accounted for by the two largest developing member suppliers rose from 8 per cent in 1973 to 11¹/₂ per cent in 1976, but declined to 9¹/₂ per cent in 1979. The combined share of the 23 smallest suppliers, which had increased from 2 per cent in 1973 to 2¹/₂ per cent in 1976, remained unchanged in 1979.

59. As regards the developing non-member countries, their combined share in the total imports of textiles and clothing by developed countries rose from 15¹/₂ per cent in 1973 to 16 per cent in 1976 and 18 per cent in 1979. The share of the largest supplier within this group declined slightly, from 6.2 per cent in 1973 to 6 per cent in 1976 and 5.9 per cent in 1979. The combined share of those developing non-member countries supplying each less than ¹/₂ per cent of total imports rose slightly between 1973 and 1976, from 0.7 to 0.9 per cent, but remained unchanged in 1979.

(iii) Product composition¹

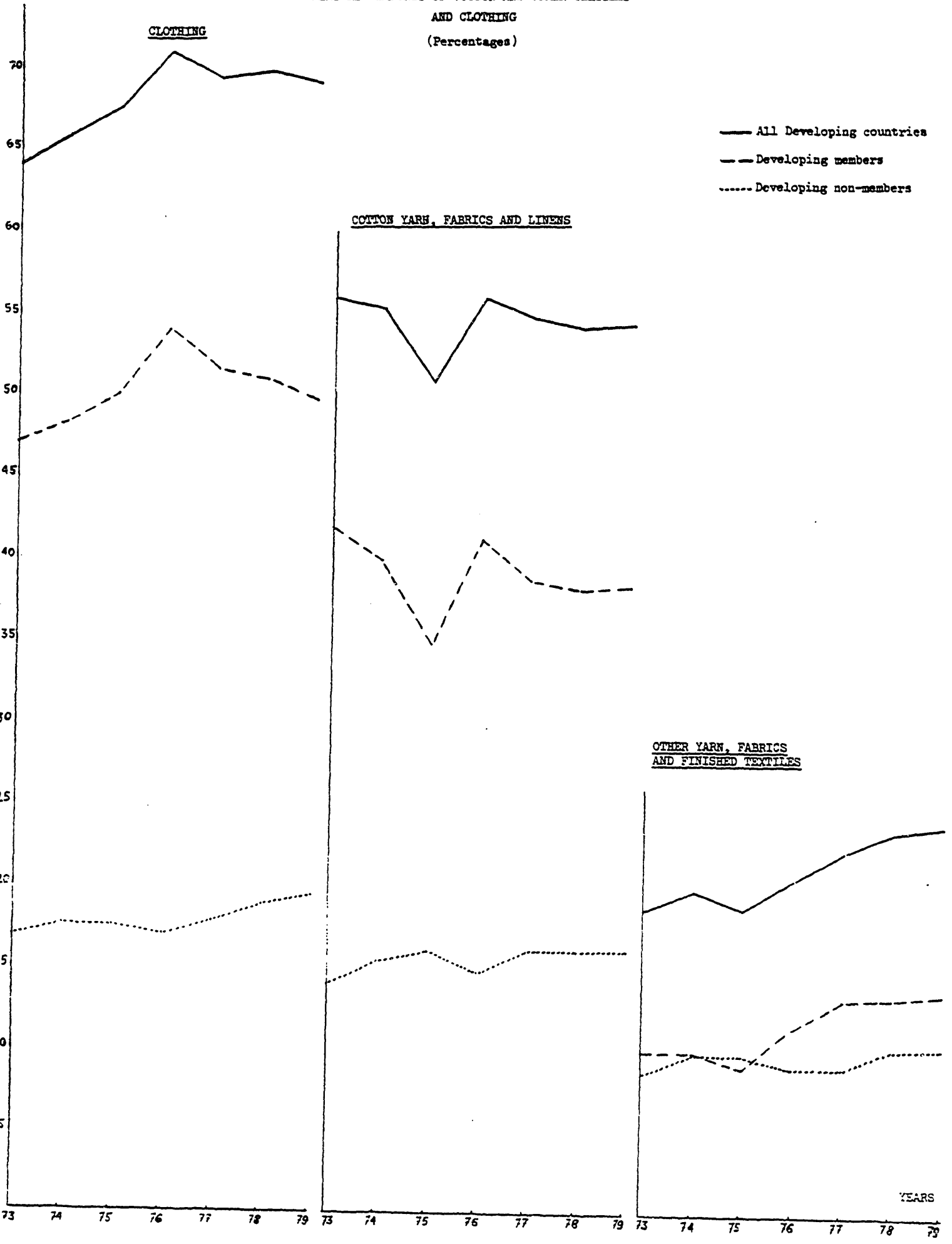
60. For the purpose of this analysis it was considered useful to distinguish three broad categories of products: (i) clothing, (ii) cotton yarn, cotton fabrics and linen (mainly cotton linen), and (iii) wool and man-made fibre yarn and fabrics, knitted fabrics, and other made-up textiles. The developing member countries were the major suppliers of clothing, cotton yarn, fabrics and linen. In the case of the third category (wool and man-made fibre yarn and fabrics, knitted fabrics and other made-up articles), the developed countries have been the dominant suppliers.

61. Chart II shows the share of developing countries (member and non-member) in the developed countries' imports of these three categories. For clothing, the share of developing member countries, as already mentioned, rose from 47 per cent in 1973 to 54 per cent in 1976, but declined thereafter, to less than one half in 1979. For cotton yarn, fabrics and linens, the share of developing member countries declined between 1973 and 1975, from 42 to 35 per cent, then recovered in 1976, to 41 per cent, but declined again in the subsequent years, to 38 per cent in 1979. For other yarn, fabrics and finished products, the share of developing member countries' in imports of the developed countries, which was below 10 per cent between 1973 and 1975, tended to move upwards in the subsequent years but still did not exceed 13¹/₂ per cent in 1979.

62. The divergent developments in the shares of developing (member and non-member) countries in the different major markets for clothing have already been examined. For cotton yarns, fabrics and linen, the share of developing member countries in EC' imports declined continuously, from 46 per cent in 1973 to 38¹/₂ per cent in 1978, but recovered to 39¹/₂ per cent in 1979. (See Appendix Table 15.) In the United States, the share of imports of these products accounted for by developing members rose from 55 per cent in 1973 to 64 per cent in 1976, declined in the next two years before increasing again to 62 per cent in 1979. In Japan, the share of developing countries in total imports of cotton yarns, fabrics and linens declined from 54 per cent in 1973 to 37 per cent in 1977, but then recovered to 51¹/₂ per cent in 1979. With respect to the share of developing countries in imports of other yarns, fabrics and finished textiles, an increase was recorded in most developed countries in

¹This sub-section examines trends in the product composition of trade by value for broad product categories. Trade movements in tonnages for individual products are given in a later section.

CHART II. - SHARE OF DEVELOPING COUNTRIES IN DEVELOPED
MEMBERS' IMPORTS OF COTTON AND OTHER TEXTILES
AND CLOTHING
(Percentages)



the years to 1977. In 1978, the share of these countries continued to increase in Japan and Canada, but declined somewhat in the EC and the United States. In 1979, it declined in the EC and Japan, but increased in the United States.

63. In the developed countries as a whole, the share of clothing in imports of textiles and clothing increased from 45 per cent in 1973 to 54 per cent in 1976. (See Table 16.) Since then, however, there was little further increase, the share of clothing remaining almost unchanged to 1979 and also, according to preliminary indications, in the first half of 1980. This break in the rising trend of clothing imports as a proportion of total imports by developed countries, coincided with the discontinuation after 1976 of the hitherto rising share of developing countries. The combined share of cotton yarn, fabrics and linens in developed countries' total imports of textiles and clothing declined from 17 per cent in 1973, to 16¹/₂ per cent in 1976 and 15 per cent in 1978, but recovered to 16 per cent in 1979. The share of other yarns, fabrics (wool, man-made and knitted fabrics) and finished products declined from 34 per cent in 1973 to 26 per cent in 1976, the same period in which the share of clothing in developed countries' total imports had increased. Since 1976, however, the share of these products has stabilized around 26 per cent.

64. The product composition of trade varied greatly among the main markets. In the EC, the share of clothing in total imports increased from 46 per cent in 1973 to 52 per cent in 1976, but levelled off thereafter. The share of cotton yarn, cotton fabrics and linens rose from 20 to 21¹/₂ per cent between 1973 and 1976, then fell back to 20 per cent in 1979. The proportion of imports accounted for by other yarns, fabrics and finished products, which had declined from 27 per cent in 1973 to 20¹/₂ per cent in 1976, recovered in 1979 to 22 per cent.

65. In the United States, the share of clothing in total imports has been higher than in the other developed countries, from 60 per cent in 1973 to 69 per cent in 1976 and 74 per cent in 1979. The share of cotton yarn, cotton fabrics and linens, however, which has been lower than in the other developed countries, declined from 12 per cent in 1973 to 11 per cent in 1976 and to 7¹/₂ per cent in 1979. The share of other yarns, fabrics and finished products declined throughout the period, from 26 per cent in 1973 to 18 per cent in 1976 and 16 per cent in 1979.

66. In Canada, the proportion of clothing in total imports, after having risen from 29 to 40 per cent between 1973 and 1976, was reduced to 34 per cent in 1979. The share of cotton yarn, cotton fabrics and linens declined from 16 per cent in 1973 to 15 per cent in 1976 and 12¹/₂ per cent in 1979. Other yarns, fabrics and finished products, which are relatively more important in Canada than in other developed countries, declined from 55 per cent in 1973 to 44 per cent in 1976, but recovered to 54 per cent in 1979.

67. In Japan, the share of clothing increased substantially, from 34 to 56 per cent, between 1973 and 1976, falling back somewhat, to 51 per cent, in 1979. The share of cotton yarn, cotton fabrics and linens, after having been reduced from 27 to 15¹/₂ per cent between 1973 and 1976, recovered to 22 per cent in 1979. The proportion of other yarns, fabrics and finished products declined throughout the period, from 38 per cent in 1973 to 28 per cent in 1976 and 26¹/₂ per cent in 1979.

68. In Sweden, the share of clothing in total imports rose throughout the period, from 43 per cent in 1973 to 50 per cent in 1976 and 55 per cent in 1979. The proportion of the other two broad categories have been declining, reaching 12 per cent for cotton yarn, cotton fabrics and linens and 31 per cent for other yarn, fabrics and finished products in 1979.

TABLE 16. - COMPOSITION OF IMPORTS INTO DEVELOPED MEMBERS,
BY BROAD PRODUCT GROUPS, 1973-1979

(percentages)

	1973	1976	1977	1978	1979
<u>Developed Members</u>					
Clothing	44.8	54.0	54.6	54.9	54.2
Cotton yarns and fabrics; linens	16.9	16.5	15.3	15.1	15.9
Other yarns, fabrics and finished products	34.3	26.2	26.4	26.0	25.8
<u>European Communities</u>					
Clothing	45.7	52.3	52.1	51.6	51.6
Cotton yarns and fabrics; linens	19.8	21.4	20.3	19.1	20.0
Other yarns, fabrics and finished products	26.7	20.5	21.4	22.3	22.0
<u>United States</u>					
Clothing	60.1	69.3	70.3	72.8	73.9
Cotton yarns and fabrics; linens	11.8	10.8	9.0	8.5	7.5
Other yarns, fabrics and finished products	26.4	18.3	19.0	17.0	16.3
<u>Canada</u>					
Clothing	28.9	40.3	36.6	34.2	33.7
Cotton yarns and fabrics; linens	15.7	15.1	14.5	13.9	12.5
Other yarns, fabrics and finished products	54.8	44.2	48.5	51.6	53.6
<u>Japan</u>					
Clothing	34.2	55.7	57.2	50.1	50.7
Cotton yarns and fabrics; linens	27.1	15.5	14.2	20.9	21.9
Other yarns, fabrics and finished products	38.3	28.1	27.7	28.2	26.4
<u>Sweden</u>					
Clothing	42.9	50.2	53.9	53.3	54.8
Cotton yarns and fabrics; linens	14.1	13.2	12.6	11.9	11.8
Other yarns, fabrics and finished products	41.1	33.9	31.2	32.4	31.3

Sources: GATT, Statistics on Textiles and Clothing, Part 3 (COM.TEX/W/78), Section II: and UN Trade data tapes.

69. The relative importance of clothing in total exports of textiles and clothing also varied greatly among the supplying developing members. In 1978, it accounted for 84 per cent of total exports in Hong Kong, 81 per cent in the Philippines, 64 per cent in Korea, 61 per cent in Israel, 53 per cent in Singapore, 49 per cent in Yugoslavia, 37 per cent in India and Thailand, 10 per cent in Egypt and 7 per cent in Pakistan. (See Table 17).

2. Volume

(i) Values at constant prices

70. Given the limited availability of data on prices, it has only been possible to make estimates of movements in the volume of aggregate trade (that is, aggregate trade valued at constant prices) for developed countries as a whole.¹ Trade in textiles and clothing has been characterized by strong year-to-year variations, which can be explained, inter alia, by (i) the cyclical variations in demand for end-uses, in demand for stocks and in production; (ii) the relatively minor importance of trade in relation to either consumption or production, so that changes in the latter lead to larger than proportional fluctuations in trade; and (iii) the timing and impact of the MFA on the actions of textile exporters and importers.

71. World trade of textiles and clothing together is estimated to have increased by 6 per cent per year on average between 1973 and 1976, largely due to the exceptionally strong rise in 1976 after the recession year 1975. Between 1976 and 1979, the volume of world trade is estimated to have risen on average by 5 per cent per year.

72. The volume of imports of textiles and clothing into the developed countries as a whole, after some increase in 1974 and a decline in the recession year 1975, recovered strongly in 1976. In 1977, the volume of imports levelled off, before increasing again in 1978 and 1979. Between 1973 and 1976 the volume of total imports into the developed countries rose by 8 per cent on average per year and, between 1976 and 1979, by an average of about 7 per cent. The volume growth of exports of textiles and clothing from the developed countries was slower than that of their imports, slowing down from a yearly average of 5 per cent between 1973 and 1976 to an average of 3 per cent per year between 1976 and 1979.

73. As regards the origin of developed countries' imports, developments were quite different in the two sub-periods. Between 1973 and 1976, the volume of imports of textiles and clothing (taken together) coming from the developing

¹Even at this level, the price data used for deflating the value of trade is less than satisfactory. (See the Explanatory Notes.) It should be noted that price increases for individual (homogeneous) textiles and clothing products have been due not only to domestic or dollar price inflation, but also to the transfer of quota profits from the importing to the exporting countries brought about by voluntary export restraints themselves. See Bergsten, C.F., 1975, "On the Non-Equivalence of Import Quotas and 'Voluntary' Export Restraints", Toward a New World Trade Policy, Lexington, Mass.

TABLE 17. - SHARE OF CLOTHING IN TOTAL EXPORTS OF TEXTILES AND CLOTHING,
SELECTED DEVELOPING MEMBERS, 1973-1979

(percentages)

	1973	1976	1977	1978	1979
Egypt	14.0	16.9	11.0	9.8	6.8
Hong Kong	74.5	81.8	83.2	84.3	82.8
India	23.4	42.9	36.4	...	...
Israel	55.0	62.5	62.7	61.2	...
Korea	66.4	70.3	67.3	63.5	61.3
Pakistan	2.5	8.4	8.8	6.6	7.9
Philippines	32.4	74.8	82.0	81.2	...
Singapore	47.8	51.1	52.8	53.3	51.4
Thailand	34.3	35.3	35.6	37.4	...
Turkey	9.3	16.6	19.6	14.9	14.9
Yugoslavia	48.1	47.0	47.9	48.8	45.1

Source: GATT, Statistics on Textiles and Clothing, Part I
(COM.TEX/W/76), Table 4.

member countries can be estimated to have risen by about 12 per cent on average per year, considerably faster than imports from other origins. Between 1976 and 1979, however, the growth in the volume of imports from the developing member countries slowed down to an average of roughly 6 per cent per year, which was slower than the growth of imports from other sources, as can be seen in Chart III. Comparing the first half of 1980 with the same period of the preceding year, the volume of developed countries' imports from developing member countries rose by about 6 per cent; this was again below the growth of imports from other sources.

74. It should be noted that the estimated growth in the volume of textiles and clothing imported by the developed countries appears to be greater than indicated by simply aggregating the physical quantities (tonnages, square yards). This can be explained by the upgrading of imports from lower- to higher-priced items, which an aggregate volume index should properly take account of.¹ It reflects an endeavour on the part of suppliers to meet shifts in demand towards higher quality products, as well as to maximize their gains from quantitative quotas.

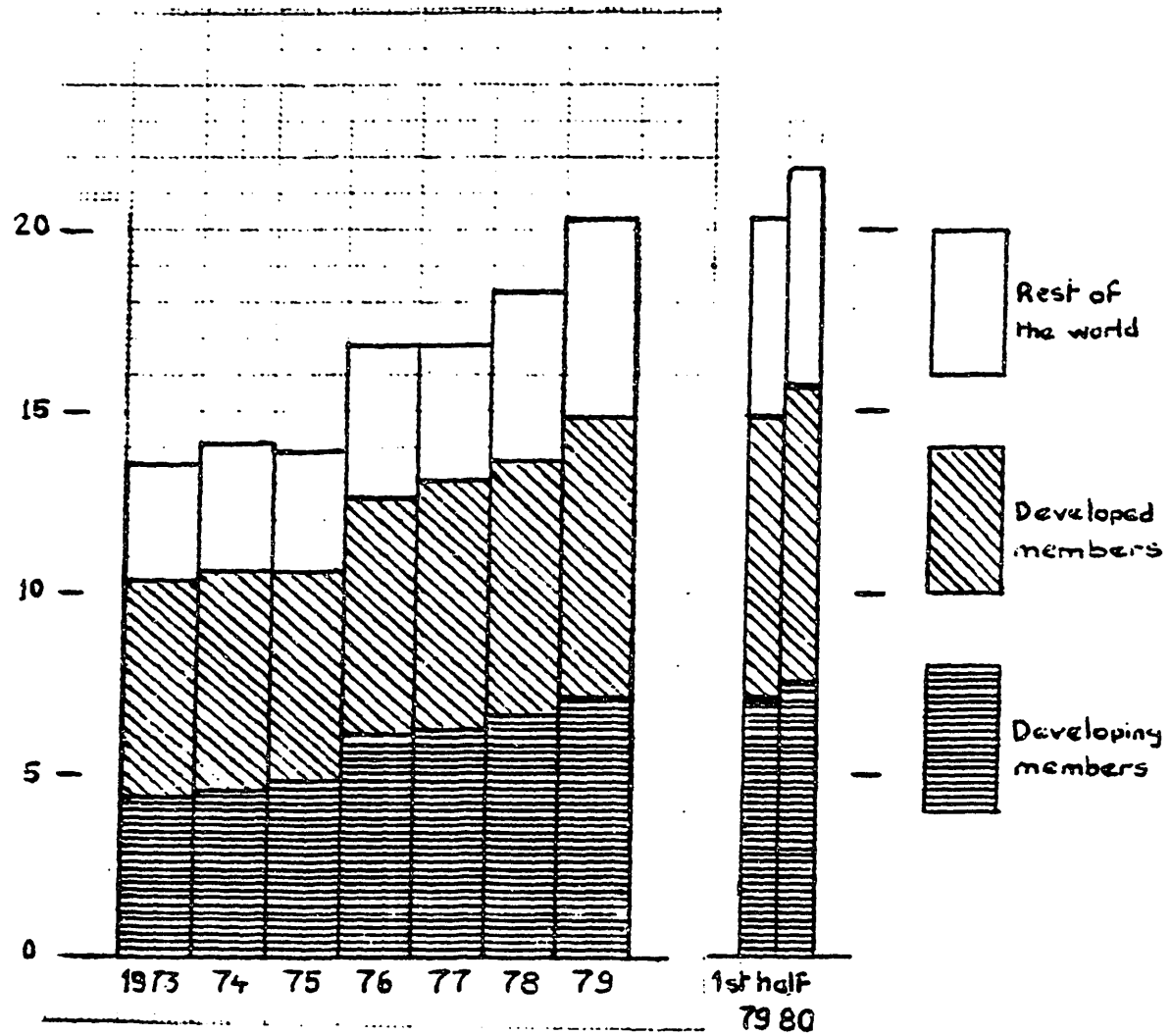
75. For developed countries as a whole, trade in volume generally increased faster than production for both textiles and clothing during the period under review. This was most pronounced in the case of clothing. The ratio of clothing imports to the gross value of production is estimated to have almost doubled between 1973 and 1979, when it approached one-fifth. At the same time, the ratio of clothing exports to production increased from 5 to 7 per cent. In the case of textiles, for which developed countries have remained net exporters throughout the period, the ratio of exports to production rose from 9 to 11 per cent and that of imports to production, from 7 to 9 per cent. These average ratios between trade and production for the textiles and clothing industries obviously² conceal wide discrepancies between individual products in each industry.

76. While methodological problems preclude a precise assessment, it appears that for developed countries as a whole, the largest part of the increase in consumption of textiles and clothing (taken together) between 1973 and 1977 as well as between 1977 and 1979, was covered by the increment in the area's net imports.

¹It should be clear that, unless there has been no variation whatsoever in the quality/product mix of imports, an unweighted index of physical quantities tells us very little about developments in real terms. This is not to say that the physical quantities have no meaning at a very disaggregated level.

²An attempt was made to relate production to trade for selected textile products (see COM.TEX/W/77). Comparability could not, however, be fully achieved.

CHART III.- IMPORTS OF TEXTILES AND CLOTHING INTO
DEVELOPED MEMBERS OF THE MFA BY MAIN ORIGINS
(Billion \$ at 1973 prices)



(ii) Tonnages

77. Quantity data for individual textile and clothing products are insufficient to enable a comprehensive analysis of imports of textiles and clothing into developed member countries as a whole in the period under review.¹ This subsection is thus confined to an examination of the individual countries and years for which data are available.

78. In the EC the physical volume of imports of cotton yarn and cotton fabrics grew substantially between 1973 or 1974 and 1976. In 1977, the volume of imports declined sharply, before recovering in 1978 and, at a more rapid pace, in 1979. The share of imports of these products coming from developing member countries increased somewhat between 1973/74 and 1976, but fell back by 1979 to 61 per cent for cotton yarn and 42¹/₂ per cent for cotton fabrics. Imports of other yarns and fabrics continued to increase in 1977, 1978 and 1979, with the exception of man-made fibre yarn, imports of which declined slightly in 1977. The share of imports coming from developing member countries had increased between 1973 (or 1974) and 1976 for all these products. Between 1976 and 1979 the share of developing member countries in EC imports continued to rise for man-made fabrics (to 28¹/₂ per cent in 1979) and wool fabrics (to 25¹/₂ per cent in 1979), but declined for man-made fibre yarn (to 12¹/₂ per cent in 1979), for wool yarn (to 13 per cent in 1979) and for knit fabrics (to 4¹/₂ per cent in 1979). Apart from knitted shirts (cotton and synthetic, men and boys), imports of which declined in 1979, imports of all other clothing items increased in 1979 at rates ranging between 9 and 24 per cent. The growth of imports from developing member countries in 1979 ranged between 1¹/₂ per cent and 21 per cent for the different clothing items. The share of these countries in total imports declined for nine clothing items, and increased for one, between 1978 and 1979.

79. In the United States, imports of cotton yarn and wool yarn increased only slightly between 1973 and 1976 and imports of man-made fibre yarn and knitted fabrics declined significantly. In 1977, 1978 and 1979, imports of these products generally declined, with the exception of imports of man-made fibre yarn and of wool yarn in 1977, and cotton yarn in 1978. The proportion of imports coming from developing member countries increased between 1973 and 1976 for all of these products except knitted fabrics. Between 1976 and 1979, the import share of the developing member countries continued to rise for man-made fibre yarn (to 16 per cent in 1979) and wool yarn (to 20¹/₂ per cent in 1979), but it declined for cotton yarn (to 91¹/₂ per cent in 1979). In the case of clothing, imports of four items increased in 1979 (at rates ranging between 4 and 13 per cent), while imports of six items declined (at rates ranging from 2 to 27¹/₂ per cent). Imports originating in developing member countries increased for three clothing items, (at rates varying between 3¹/₂ and 10¹/₂ per cent), but declined for seven items (at rates varying between 1 and 25 per cent). For seven clothing items, the share of developing member countries in total imports declined between 1978 and 1979, while for three items it increased.

¹As can be seen from COM.TEX/W/78, quantity data are not available for all products: for some products they are reported in different quantity units and, until the implementation of the SITC Rev.2 by countries reporting trade data to the UNSO, sufficiently disaggregated data on physical quantities of clothing products were not available. Changeover to the SITC Rev.2 began in 1976, but some of the bigger trading countries, for example, the EC and the US among others, were not able to complete this change until 1978.

80. In Canada, imports of yarns and fabrics increased between 1973 and 1976 (with the exception of imports of cotton fabrics, which stagnated, and of wool fabrics, which declined). In 1977, imports of all of these products, except man-made fibre fabrics and wool yarn, declined. In 1978 and 1979, import movements differed widely from one product to another, a stronger recovery being noticeable in imports of cotton yarn and of wool fabrics, whereas imports of wool yarn declined in both years. The share of imports coming from developing member countries rose for most products between 1973 and 1976; between 1976 and 1979, there was a further increase for cotton yarn and wool fabrics, but a decline for cotton fabrics and knitted fabrics.

81. In Japan, imports of all yarns and fabrics declined between 1973 and 1976. In 1977 they fell further, with the exception of imports of man-made fibre fabrics and of wool fabrics. In 1978 and 1979, imports of all yarns and fabrics rose markedly, the only exceptions being wool yarn in 1978 and man-made fibre fabrics in 1979. The share of imports coming from developing member countries increased between 1973 and 1976, with the exception of cotton yarn and cotton fabrics. Between 1976 and 1979, the share of developing member countries recovered for both cotton yarn and cotton fabrics; it rose further for man-made fibre fabrics and wool fabrics, but declined for man-made fibre yarn, wool yarn and knitted fabrics. Imports of clothing by Japan expanded in 1977, 1978 and 1979 at growth rates ranging between 8 and 60 per cent. Between 1976 and 1979, the share of developing member countries in total imports increased for two clothing items, but declined for eight items.

82. In Sweden, imports of cotton yarns, man-made fibre fabrics, wool yarn and knitted fabrics increased between 1973 and 1976, while those of cotton fabrics, man-made fibre yarn and wool fabrics declined. In 1977, imports of all these products declined and in 1978 only imports of cotton yarn and of man-made fibre yarn recovered. In 1979, there was an increase in the imports of each product. The share of imports from developing member countries (which exceeds 1-2 per cent only in the case of cotton yarn, cotton fabrics, man-made fibre yarn and man-made fibre fabrics) had been increasing between 1973 and 1976; between 1976 and 1979, it continued to rise for cotton yarn and man-made fibre fabrics, but declined for cotton fabrics and man-made fibre yarn. Whereas in 1977 and in 1978, imports of most clothing items declined or showed little increase, in 1979, imports of all clothing items rose markedly. Between 1976 and 1979, the share of imports coming from developing member countries increased for three clothing items, remained stable for one, and declined for six items.

V. PRODUCTION AND TRADE IN COTTON TEXTILES

1. Production of cotton fibre, of cotton yarn and cotton fabrics

83. This Section brings together some additional factual information, based on statistical data available, concerning production and trade in cotton textiles.¹

¹The principal statistical sources used were GATT, COM.TEX/W/76, 77 and 78 and various issues of International Cotton Advisory Committee, Cotton World Statistics. A number of relevant facts on cotton textiles have already been brought out earlier in this Report in the sub-section dealing with the product composition of trade (in value) and tonnages by individual products.

It should be noted from the outset that due to the increased mixing of fibres in the processing of textile semi-finished and finished products, it is difficult to distinguish between pure cotton and blended products.

84. If measured by weight, cotton fibres represented in 1973 slightly more than one-half of world production of all fibres, and man-made fibres, 46 per cent. The growth of production being more pronounced for man-made fibres than for cotton, in 1978 man-made fibres took the leading position in world production for the first time and this continued in 1979. The share of man-made fibres in world production of all fibres rose to 48-49 per cent in 1978-79, while that of cotton declined to 46-47 per cent.

85. There were some noteworthy shifts in the area distribution of world consumption of cotton fibre. Consumption in the developed areas declined steadily between 1972/73¹ and 1977/78 before recovering somewhat in 1978/79. The share of developed countries in world consumption fell from 28 per cent in 1972/73 to 22 per cent in 1977/78 and levelled off in 1978/79. In the developing countries, consumption expanded between 1972/73 and 1975/76, declined in the subsequent season and picked up again in 1977/78 and 1978/79. The share of developing countries in world consumption increased from 34 per cent in 1972/73 to 38 per cent in 1975/76, but remained stable thereafter. In the Eastern trading area, consumption of cotton had declined slightly between 1972/73 and 1975/76, but increased faster than that of other areas between 1975/76 and 1978/79. As a result, the share of the Eastern trading area in world consumption of cotton fibre, after having declined from 38 per cent in 1972/73 to 37 per cent in 1975/76, subsequently increased, reaching 40 per cent in both 1977/78 and 1978/79.

86. World production of cotton yarn is estimated to have increased from 10.6 million tons in 1973 to 11 million tons in 1976. After a decline in 1977, in 1978 world production recovered to a level only slightly above that of 1976. (See Appendix Table 16.)

87. In the developed countries production of cotton yarn declined during the period under review, from 3.1 million tons in 1973 to 2.6 million tons in 1976 and 2.5 million tons in 1978. As a result, the share of developed countries in world production of cotton yarn declined from 29 per cent in 1973 to 24 per cent in 1976 and 22 per cent in 1978.

88. In the developing countries, production of cotton yarn increased from 3.2 million tons in 1973 to 3.9 million tons in 1976. In 1977, production declined, and although recovering somewhat in 1978, remained, at 3.8 million tons, below its level of 1976. Consequently, the share of developing countries in world production of cotton yarn, after having risen from 30 per cent in 1973 to 35 per cent in 1976, declined to 34 per cent in 1978.

¹In this paragraph consumption refers to the crop years August-July.

89. The Eastern trading area remained the main producing area throughout the period, its share in world production of cotton yarn having even increased (from 41 per cent in 1973 and 1976 to 44 per cent in 1978).

90. World production of cotton fabrics is estimated to have risen from 6.6 million tons in 1973 to 7 million tons in 1976. The decline in 1977 was followed by a slight recovery, to 6.8 million tons, in 1978.

91. In the developed countries, production of cotton fabrics declined from 2.2 million tons in 1973 to 2 million tons in 1976 and 1.8 million tons in 1978. As a result, the share of developed countries in world production of cotton fabrics declined from one-third in 1973 to 29 per cent in 1976 and 26 per cent in 1978.

92. Production of cotton fabrics in the developing countries increased between 1973 and 1976, from 2 to 2.4 million tons. In 1977 it declined markedly, before recovering slightly, to 2.3 million tons in 1978, still below the level of 1976. The developing countries' share in world production, after having risen from 32 per cent in 1973 to 35 per cent in 1976, declined to 34 per cent in 1978.

93. As in the case of cotton yarn, the Eastern trading area reinforced its leading position in world production of cotton fabrics throughout the period, accounting for 40 per cent of the world total in 1978, compared with 35 per cent in 1973.

2. Trade in cotton textiles

94. This sub-section summarizes the main developments in the value of trade in cotton yarn and cotton fabrics of the members of the MFA for the whole period under review¹. It also gives some information on trade in cotton linens and cotton clothing, for which, however, data are generally only available for 1978 and 1979.²

95. In developed countries as a whole, imports of cotton yarn from all origins increased from \$472 million in 1973 to \$790 million in 1976 and \$1,447 million in 1979. (See Table 18). The share of cotton yarns in imports of all yarns increased from 29 per cent in 1973 to 40 per cent in 1976, declined somewhat in 1977 and rose again, but only slightly, in 1978 and 1979 to reach 42 per cent.

96. The share of cotton yarn in imports of all yarns varied greatly among the main markets. (See Appendix Table 17). In the EC, it increased from 47 per cent in 1973 to 53 per cent in 1976, before declining to 51 per cent in 1979. In the United States, where the share of cotton yarn is much smaller, it also increased between 1973 and 1976, from 7 to 15 per cent, but then declined slightly. In Japan, where the share of cotton yarn in imports of all yarns is larger than in the other countries, there was a further increase throughout the period, from 45 per cent in 1973 to 62 per cent in 1976 and 67 per cent in 1979.

¹Developments in trade in tonnages of cotton yarn and cotton fabrics have already been examined above in the sub-section dealing with tonnages.

²Statistics on trade in cotton yarns and cotton fabrics for all members of the MFA are given in both value and quantity in COM.TEX/W/76. Statistics on imports of cotton linens and cotton clothing for those developed member countries for which data were available are given in COM.TEX/W/78.

TABLE 18. - COTTON TEXTILE IMPORTS, DEVELOPED MEMBERS, 1973-1979
(million dollars and percentages)

	1973	1976	1977	1978	1979
Cotton yarn (as % of total MFA yarn)	472 (29)	790 (40)	821 (39)	1 043 (41)	1 447 (42)
Woven cotton fabrics (as % of total woven fabrics)	1 474 (50)	1 976 (54)	1 976 (51)	2 329 (49)	3 026 (51)
Cotton linens ^a (as % of total linens) ^a	... ...	... ...	... ...	437 (68)	596 (71)
Cotton clothing ^{a,b} (as % of total MFA clothing) ^{a,b}	... ...	... ...	... ...	4 697 (39)	6 192 (42)
Total cotton (as % of total of above MFA products)	... ...	... ...	... ...	8 506 (43)	11 261 (45)

^a excluding Austria and Switzerland.

^b excluding clothing accessories as breakdown by fibre not available.

Source: GATT, Statistics on Textiles and Clothing, Part 3 (COM.TEX/W/78).

97. Imports of cotton fabrics by developed countries as a whole, rose from \$1,474 million in 1973 to \$1,976 million in 1976 and \$3,026 million in 1979. Of developed countries' imports of all woven fabrics, cotton fabrics represented 50 per cent in 1973. This share rose to 54 per cent in 1976, but then declined to 49 per cent in 1978, before recovering to 51 per cent in 1979.

98. As regards the major markets, the share of cotton fabrics in imports of all woven fabrics by the EC increased from 53 per cent in 1973 to 65 per cent in 1976, but declined thereafter to 61 per cent in 1979. In the United States the share of cotton fabrics increased slightly between 1973 and 1976, from 56 to 57 per cent, but then declined to 45 per cent in 1979. In Japan, however, where the share of cotton fabrics in total imports of woven fabrics had declined, from 61 per cent in 1973 to 42 per cent in 1976, it recovered to nearly one-half in 1979.

99. Imports of cotton linen into developed countries as a whole amounted to \$437 million in 1978 and \$596 million in 1979, representing 68 and 71 per cent, respectively, of total imports of linen.

100. Imports of cotton clothing¹ into developed countries combined reached \$4,697 million in 1978 and \$6,192 million in 1979. As a share of all clothing imports, cotton clothing represented 39 per cent in 1978 and 42 per cent in 1979.

101. The imports of all cotton products for which data are available (cotton yarn, cotton fabrics, cotton linen and cotton clothing) into the developed countries as a group amounted to \$8,506 million in 1978 and \$11,261 million in 1979, representing 43 and 45 per cent, respectively, of imports of all yarn, woven fabrics, linen and clothing (of cotton, wool and man-made fibres). In 1979, these shares were 50 per cent in the EC, about 45 per cent in Japan and Sweden, 40 per cent in the United States and 25 per cent in Canada.

102. In the majority of developing countries, exports of cotton continue to represent the bulk of total exports of yarns and fabrics covered by the MFA. As can be seen in Appendix Table 18, among the main exporting developing member countries (Egypt, Pakistan and India) cotton accounted for between 90 and 99 per cent of exports of all yarns and fabrics. Although data on exports of cotton clothing are not available for these countries, it can be assumed that cotton accounts for the overwhelming share of all their exports of textiles and clothing covered by the MFA. In Brazil, the share of cotton in all MFA exports of yarns and fabrics increased rapidly between 1973 and 1976, reaching 79 per cent for yarn and 74 per cent for fabrics. In 1979, the share of cotton in Brazil's exports of all yarns remained unchanged compared with 1976, while in the case of fabrics the share of cotton declined to 71 per cent. In Hong Kong, the share of cotton in all exports of textile and clothing products covered by the MFA amounted to 45-46 per cent in 1978 and 1979. In Korea, the share of cotton in all MFA exports of textiles and clothing was only 13 per cent in 1976, but increased thereafter to reach 30 per cent in 1979.

¹Excluding clothing accessories (8 per cent of developed countries' total clothing imports in 1979) for which no breakdown by fibre is available.

VI. SUMMARY

103. Consumption of textiles and clothing expanded more slowly in real terms in the developed countries as a group than in the developing countries between 1973 and 1979. The main factor underlying this trend has been a growth of population in the developing countries of nearly 2¹/₂ per cent on average per year, three times faster than in the developed areas. In both developed and developing areas, consumption of textiles and clothing per head can be estimated to have risen only slowly, in line with the pronounced slowing down in income per head and total consumer expenditure.

104. The fastest growth in production of both textiles and clothing between 1973 and 1979 occurred in the Eastern trading area, followed by the developing countries. In the developed countries, production of textiles was in 1979 still slightly below its level of 1973, the declines in 1974, 1975, 1977 and 1978 being not entirely offset by the production increases in 1976 and 1979. Production of clothing in the developed countries was in 1979 somewhat above its level of 1973, the declines in 1974, 1975, and 1978 being more than offset by the increases in the other years. The developed countries remained the largest producing area throughout the period, but their share in world production (value added) declined between 1973 and 1979 from nearly 52 to 46 per cent for textiles, and from nearly 55 to 49 per cent for clothing. In both sectors, the largest gains were made by the Eastern trading area, which increased its share in world output from 26 to 30 per cent for textiles and from 31 to 35 per cent for clothing. The gains for developing countries were less marked, though their shares also increased throughout the period, representing in 1979 about one-quarter of world textile production and around 15 per cent of world production of clothing.

105. Employment in the textiles and clothing sectors declined in almost all developed countries between 1973 and 1979, both in absolute terms and in relation to the average for manufacturing. This decline in employment was steepest in the recession year 1975; employment stabilized in some countries thereafter and continued to decline at a slower rate in others. Concurrent with the declines in employment in textiles and clothing were large productivity gains in nearly all developed countries. Actual production was in most years well below the levels needed to offset the labour displacement effects of the increased labour productivity. The gains in productivity occurred at the same time as a decline in real fixed investment expenditure in most countries. However there is some evidence that the productiveness of the capital stock continued to increase, a larger proportion of the reduced investment being devoted to the upgrading of machinery and equipment. It is likely that gains in overall productivity were also achieved by the termination of some of the least efficient production activities.

106. Certain basic trends in the pattern of trade of the member countries of the MFA, apparent in the years to 1976, and if anything, reinforced in that year, were interrupted in 1977 and not resumed by mid-1980. Thus, the share of developing member countries in the value of the developed member countries' total imports of textiles and clothing, after having risen between 1973 and 1975, and even accelerating in 1976, declined in each of the three subsequent years and in the first half of 1980. Similarly, there was a break in 1977 in the hitherto rising trend of clothing imports as a proportion of total imports of textiles

and clothing by the developed member countries. The proportion of the incremental increase in the value of developed countries imports of textiles accounted for by developing member countries declined from 36 per cent in 1973-1976 to 24 per cent in 1976-1979, whereas that of developed countries rose from 43 to 50 per cent. With respect to clothing imports, the developing members countries' share of the increment fell from 62 per cent in 1973-1976 to 43 per cent in 1976-1979.

107. Developed countries had a surplus in their total trade in textiles, which increased between 1973 and 1977 before falling back to \$2¹/₂ billion in 1979. In their trade with developing member countries, the relatively small surplus in 1973 changed into a slight deficit in 1977, which increased thereafter to reach just over \$¹/₂ billion in 1979. The overall deficit of the developed countries in trade in clothing rose continuously throughout the period, reaching almost \$12 billion in 1979. The largest part of this deficit arose from trade with developing member countries. The proportion of the overall trade deficit accounted for by these countries declined, however, between 1977 and 1979, while that of developing non-member countries increased.

108. In the market of developed member countries as a whole, the share of the two major suppliers of textiles and clothing among developing member countries increased between 1973 and 1976, but fell back in the subsequent years. The combined share of the 15 smallest suppliers among the developing member countries remained at 1 per cent of total imports between 1973 and 1976, rising to 2 per cent by 1979.

109. In volume (i.e. values at constant prices) the developed member countries' imports of textiles and clothing, taken together, from the developing member countries, can be estimated to have risen by about 12 per cent on average per year, considerably faster than imports from other origins, between 1973 and 1976. Between 1976 and 1979, however, the growth in the volume of imports from the developing member countries slowed down to an average of roughly 6 per cent per year, which was slower than the growth of imports from other sources. In the first half of 1980 (as compared with the corresponding period of 1979) the volume of developed member countries' imports from developing member countries rose by about 6 per cent, which was again below the growth of imports from other sources.

110. Production of both cotton yarn and cotton fabrics declined in the developed countries between 1973 and 1978. The main gains in production throughout this period occurred in the Eastern trading area. In the developing countries, production of cotton yarn and cotton fabrics increased between 1973 and 1976, but then declined between 1976 and 1978. In 1979, for the developed countries as a whole, cotton accounted for about 45 per cent of imports of all yarns, woven fabrics, linens and clothing. Again for developed countries as a whole, the share of developing member countries in total imports of cotton yarn, cotton fabrics and linens (most of which consists of cotton) which had declined and then recovered again between 1973 and 1976, fell in 1977 and levelled off in the next two years. Cotton products continued throughout the period to represent the overwhelming proportion of the total exports of textiles and clothing of the majority of developing countries.

Explanatory Notes

Production indices are those published in national statistical publications or in the UN, Monthly Bulletin of Statistics and OECD, Indicators of Industrial Activity. Employment data are from members' responses to the textiles questionnaires issued under the Textiles Committee's statistical reporting scheme.

Trade data are from the United Nations trade data tapes. The product categories are defined as far as possible in terms of the Standard International Trade Classification Revised¹ (SITC Rev.1). The aggregates for textiles and clothing exclude in principle products other than those of cotton, wool and man-made fibres to the extent they can be identified in the SITC Revision 1. The definitions adopted here should in no case be considered as an expression of an opinion by the secretariat with regard to the products covered by the Arrangement.

Values are expressed in US dollars. Exports are valued f.o.b., imports are valued c.i.f. with the exception of Canada and the United States for which imports are valued f.o.b. Data for the European Communities exclude intra-community trade.

The trade values (in terms of US dollars) are the only relatively reliable and comparable statistics on exports and imports in textiles and clothing. Statistical data in this form are obviously insufficient for a thorough analysis of trade developments between different countries and groups of countries. This insufficiency is due to the inflation which proceeded throughout the 1970s at a very high rate in almost all trading countries and which caused export price variations which were highly differentiated not only between different product categories and sub-categories, but also between different exporting countries.

The statistical difficulties encountered in trying to progress from trade values to trade volumes can be described as follows:

First, the aggregation of quantities reported in national trade statistics appears unsatisfactory as soon as the composition of the category, or the quality of the products included therein varies in time. Since variations of this kind are frequent in trade in textiles, no comprehensive assessment can be established on the tonnage or surface basis alone.

Second, genuine quantum indices are generally not calculated in foreign trade. The available indices are usually derived from current values and price or unit value indices. The price indices are usually based on a sample of commodities. If the sample is representative for the trade flow, these series provide the best basis for the assessment of volume changes. In practice, however, only a small number of countries collect export and import prices and, moreover, none of those calculates price indices by destination or origin. For the assessment of the trade performance under the Arrangement an area breakdown is required.

¹United Nations, Statistical Papers, Series M, No. 34.

Third, the majority of the members of the Arrangement publishing indices compile unit value indices for total exports and total imports of textiles or clothing. Only a few of them calculate, in addition, the detail by areas of origin or destination. The absence of the area breakdown in the export or import indices represent a serious weakness since, for textiles and for clothing, the composition and the quality of products traded varies according to the origin (or the destination). It appears, for instance, that the quality of clothing articles traded among developed countries is in general higher than that originating in developing countries; also the recent price increases in the former trade flows appear to be on average higher than those in the latter flows.

Fourth, the method of calculation of the unit value indices usually applied by national statistical offices does not make it possible to clearly distinguish between changes in price, quality or product mix. Since both the composition and the quality of textiles and clothing articles entering international trade underwent considerable change during the period under review, the use of unit value data in the calculation of volume indices does no doubt introduce a bias in the results.

Country groupings are essentially those adopted in earlier studies and are as follows:

Developed countries

Canada, United States
European Communities - Belgium-Luxembourg, Denmark, France,
the Federal Republic of Germany, Ireland, Italy, the Netherlands,
the United Kingdom
Austria, Finland, Iceland, Norway, Sweden, Switzerland
Japan
Australia, New Zealand, South Africa.

Developing countries

Countries and territories in Latin America, South and East Asia,
the Middle East, Africa, Oceania and Southern Europe (including
Romania) not included in other areas.

Eastern trading area

Albania, Bulgaria, Czechoslovakia, the Democratic Republic of
Germany, Hungary, Poland, the Soviet Union, China, Mongolia,
North Korea and Viet-Nam.

The member countries of the Arrangement have been grouped as follows:

Developed members

EC, United States, Japan, Canada, Austria, Finland, Sweden,
Switzerland.

Developing members

Turkey, Yugoslavia, Romania
Egypt, Israel, Ghana
Bangladesh, India, Pakistan, Sri Lanka, Hong Kong, Korea, Macao,
Singapore, Malaysia, Thailand, Indonesia, Philippines
Argentina, Bolivia, Brazil, Colombia, Peru, Uruguay, Mexico,
Dominican Republic, El Salvador, Guatemala, Haiti, Jamaica,
Trinidad and Tobago.

Eastern trading area members

Czechoslovakia, Hungary, Poland.

The classification of countries into the above-mentioned groups and the designations employed do not imply the expression of an opinion of the secretariat concerning either the status of any country or territory or the delimitation of its frontiers.

More detailed explanatory notes to the data given are to be found in statistical appendices Parts 1 to 3 (COM.TEX/W/76, 77 and 78).

APPENDIX TABLE 1. - SHIPMENTS^a OF WEAVING (I) AND SPINNING (II) MACHINERY
IN THE COTTON INDUSTRY, DEVELOPED MEMBERS, 1974 to 1979

(number)

		1974	1975	1976	1977	1978	1979
EC	Ia	3 504	3 845	1 957	1 279	1 084	648
	b	4 126	4 625	6 239	5 585	5 310	7 000
	IIa	284 088	310 644	403 476	207 254	188 547	219 825
	b	24 496	47 996	73 944	16 700	22 414	27 150
United States	Ia	2 079	2 088	2 911	1 009	503	836
	b	3 480	3 671	3 161	3 590	4 242	3 530
	IIa	60 148	58 412	179 588	51 557	68 248	27 628
	b	39 600	25 948	35 640	10 612	10 960	16 273
Japan	Ia	14 623	4 218	3 703	653	708	4 063
	b	2 082	1 155	614	271	701	3 753
	IIa	68 680	52 400	13 600	59 192	56 400	289 408
	b	26 900	3 600	12 800	388	3 400	25 580
Canada	Ia	152	20	63	14	-	50
	b	231	280	32	80	81	89
	IIa	-	-	1 248	-	2 080	-
	b	672	1 752	100	800	436	1 410
Austria	Ia	61	45	36	43	25	8
	b	83	132	213	121	120	21
	IIa	14 508	23 920	17 392	4 536	1 936	9 616
	b	40	336	168	168	328	192
Finland	Ia	32	8	11	-	-	5
	b	34	3	53	3	35	53
	IIa	-	-	-	-	476	144
	b	2 800	240	-	-	-	-
Sweden	Ia	85	82	10	6	5	1
	b	171	211	53	58	18	58
	IIa	-	-	-	-	240	9 600
	b	1 008	744	744	-	1 512	-
Switzerland	Ia	65	83	145	97	46	54
	b	253	...	42	139	425	660
	IIa	24 732	16 800	14 432	16 884	34 788	11 364
	b	360	168	6 164	868	-	576

Ia: shuttle looms; Ib: shuttleless looms
IIa: spindles; IIb: O-E rotor

^aShipments of the leading textile machinery manufacturers, representing about 80 per cent of world shipments. These data are available only for the cotton industry.

Sources: ITMF, International Cotton Industry Statistics Supplement and International Textile Machinery Shipment Statistics.

APPENDIX TABLE 2. - EUROPEAN COMMUNITIES
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>2.63</u>	<u>4.06</u>	<u>4.60</u>	<u>5.59</u>	<u>7.58</u>	<u>2.21</u>	<u>4.46</u>	<u>5.00</u>	<u>5.96</u>	<u>8.08</u>
(percentage shares)										
Developed area	39	37	37	38	39	15	12	13	13	13
Developing area	54	55	56	55	54	74	79	78	78	78
Members	25	31	31	28	29	56	59	56	54	53
Non-members	28	24	25	27	25	18	20	22	24	25
Eastern trading area	8	7	7	7	7	11	9	9	9	8
<u>EXPORTS</u> (billion dollars)										
Total	<u>4.62</u>	<u>5.36</u>	<u>6.09</u>	<u>6.95</u>	<u>8.13</u>	<u>1.46</u>	<u>2.10</u>	<u>2.72</u>	<u>3.19</u>	<u>3.88</u>
(percentage shares)										
Developed area	52	45	44	46	48	69	68	66	68	69
Developing area	35	39	42	42	41	24	28	31	29	29
Members	13	11	11	12	12	7	6	6	6	6
Non-members	23	28	32	31	29	17	22	25	23	22
Eastern trading area	11	12	11	11	11	6	4	3	3	3
<u>NET TRADE</u> (billion dollars)										
Total	<u>1.99</u>	<u>1.30</u>	<u>1.49</u>	<u>1.36</u>	<u>0.55</u>	<u>-0.76</u>	<u>-2.36</u>	<u>-2.29</u>	<u>-2.78</u>	<u>-4.20</u>
Developed area	1.37	0.92	1.01	1.10	0.95	0.69	0.89	1.15	1.37	1.58
Developing area	0.23	-0.15	0.02	-0.12	-0.77	-1.29	-2.94	-3.07	-3.69	-5.15
Members	-0.08	-0.69	-0.76	-0.77	-1.20	-1.14	-2.52	-2.63	-2.99	-4.03
Non-members	0.31	0.53	0.78	0.65	0.42	-0.15	-0.41	-0.44	-0.70	-1.12
Eastern trading area	0.29	0.37	0.33	0.36	0.39	-0.15	-0.31	-0.37	-0.44	-0.58

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 3. - UNITED STATES
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>1.31</u>	<u>1.44</u>	<u>1.56</u>	<u>1.83</u>	<u>1.82</u>	<u>1.97</u>	<u>3.26</u>	<u>3.70</u>	<u>4.91</u>	<u>5.16</u>
(percentage shares)										
Developed area	67	54	57	57	52	27	16	16	15	12
Developing area	31	43	40	39	44	73	83	82	83	84
Members	25	34	32	31	35	53	63	62	63	64
Non-members	7	9	8	8	9	20	19	20	20	20
Eastern trading area	1	4	3	4	4	-	1	2	2	4
<u>EXPORTS</u> (billion dollars)										
Total	<u>1.23</u>	<u>1.92</u>	<u>1.90</u>	<u>2.15</u>	<u>3.07</u>	<u>0.25</u>	<u>0.46</u>	<u>0.55</u>	<u>0.56</u>	<u>0.79</u>
(percentage shares)										
Developed area	70	69	66	64	64	31	34	38	35	44
Developing area	29	30	33	35	34	68	65	62	61	55
Members	16	15	15	18	18	43	39	35	36	31
Non-members	13	15	17	17	16	25	27	28	29	24
Eastern trading area	1	1	1	-	2	-	-	-	1	-
<u>NET TRADE</u> (billion dollars)										
Total	<u>-0.08</u>	<u>0.48</u>	<u>0.34</u>	<u>0.32</u>	<u>1.24</u>	<u>-1.72</u>	<u>-2.80</u>	<u>-3.15</u>	<u>-4.35</u>	<u>-4.38</u>
Developed area	-0.02	0.55	0.37	0.35	1.03	-0.45	-0.37	-0.40	-0.54	-0.27
Developing area	-0.05	-0.04	-	0.04	0.23	-1.26	-2.39	-2.69	-3.70	-3.91
Members	-0.12	-0.20	-0.21	-0.19	-0.08	-0.93	-1.89	-2.11	-2.90	-3.06
Non-members	-0.07	0.16	0.21	0.22	0.32	-0.33	-0.51	-0.57	-0.80	-0.85
Eastern trading area	-0.01	-0.03	-0.03	-0.06	-0.02	-0.01	-0.04	-0.07	-0.11	-0.20

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 4. - CANADA
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.77</u>	<u>1.02</u>	<u>0.99</u>	<u>1.05</u>	<u>1.33</u>	<u>0.31</u>	<u>0.69</u>	<u>0.57</u>	<u>0.55</u>	<u>0.68</u>
(percentage shares)										
Developed area	84	83	84	82	82	44	31	34	30	28
Developing area	11	12	12	13	12	50	62	59	64	61
Members	9	9	9	9	9	33	46	42	43	42
Non-members	3	3	3	4	3	16	16	17	21	19
Eastern trading area	5	5	4	5	6	7	7	6	6	10
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.15</u>	<u>0.14</u>	<u>0.14</u>	<u>0.15</u>	<u>0.21</u>	<u>0.09</u>	<u>0.06</u>	<u>0.06</u>	<u>0.05</u>	<u>0.07</u>
(percentage shares)										
Developed area	82	79	78	78	79	95	89	90	91	89
Developing area	17	21	22	21	20	5	11	9	8	10
Members	9	10	10	10	8	1	2	3	1	2
Non-members	8	11	12	11	11	4	9	6	7	8
Eastern trading area	-	-	-	2	1	-	1	1	-	1
<u>NET TRADE</u> (billion dollars)										
Total	<u>-0.62</u>	<u>-0.88</u>	<u>-0.85</u>	<u>-0.90</u>	<u>-1.12</u>	<u>-0.22</u>	<u>-0.63</u>	<u>-0.51</u>	<u>-0.49</u>	<u>-0.61</u>
Developed area	-0.52	-0.73	-0.72	-0.74	-0.93	-0.05	-0.16	-0.15	-0.11	-0.13
Developing area	-0.06	-0.10	-0.09	-0.10	-0.12	-0.15	-0.42	-0.33	-0.35	-0.41
Members	-0.05	-0.08	-0.08	-0.08	-0.10	-0.10	-0.31	-0.24	-0.24	-0.28
Non-members	-0.01	-0.02	-0.01	-0.02	-0.02	-0.05	-0.11	-0.09	-0.11	-0.13
Eastern trading area	-0.04	-0.05	-0.04	-0.05	-0.07	-0.02	-0.05	-0.04	-0.04	-0.07

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 5. - JAPAN
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>1.05</u>	<u>0.57</u>	<u>0.58</u>	<u>1.06</u>	<u>1.50</u>	<u>0.55</u>	<u>0.71</u>	<u>0.77</u>	<u>1.06</u>	<u>1.54</u>
(percentage shares)										
Developed area	44	50	51	38	39	17	18	22	22	23
Developing area	47	39	39	50	48	74	76	71	70	66
Members	37	32	31	39	38	54	60	57	55	49
Non-members	9	7	8	10	10	21	16	14	15	17
Eastern trading area	9	11	11	12	14	8	6	7	8	11
<u>EXPORTS</u> (billion dollars)										
Total	<u>2.39</u>	<u>3.22</u>	<u>3.60</u>	<u>3.72</u>	<u>3.88</u>	<u>0.35</u>	<u>0.40</u>	<u>0.44</u>	<u>0.46</u>	<u>0.33</u>
(percentage shares)										
Developed area	29	27	26	27	24	80	70	68	73	67
Developing area	65	66	64	66	68	16	22	23	21	28
Members	40	32	32	36	38	4	6	6	7	9
Non-members	25	34	32	30	30	12	17	17	14	19
Eastern trading area	6	8	10	8	8	4	8	9	6	5
<u>NET TRADE</u> (billion dollars)										
Total	<u>1.34</u>	<u>2.65</u>	<u>3.02</u>	<u>2.66</u>	<u>2.38</u>	<u>-0.20</u>	<u>-0.32</u>	<u>-0.33</u>	<u>-0.60</u>	<u>-1.21</u>
Developed area	0.23	0.58	0.65	0.60	0.35	0.18	0.15	0.13	0.10	-0.14
Developing area	1.06	1.89	2.09	1.91	1.94	-0.35	-0.46	-0.44	-0.65	-0.93
Members	0.55	0.85	0.99	0.90	0.90	-0.28	-0.40	-0.41	-0.55	-0.73
Non-members	0.50	1.04	1.10	1.01	1.03	-0.07	-0.05	-0.03	-0.10	-0.19
Eastern trading area	0.05	0.18	0.29	0.15	0.09	-0.03	-0.01	-0.02	-0.05	-0.15

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 6. - AUSTRIA
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.47</u>	<u>0.61</u>	<u>0.70</u>	<u>0.80</u>	<u>1.00</u>	<u>0.18</u>	<u>0.37</u>	<u>0.48</u>	<u>0.57</u>	<u>0.73</u>
(percentage shares)										
Developed area	90	88	88	88	88	83	80	80	84	85
Developing area	7	9	9	9	9	16	19	19	15	14
Members	3	4	5	4	5	12	17	16	13	12
Non-members	4	5	5	4	4	4	2	2	2	3
Eastern trading area	3	3	3	3	3	1	1	2	1	1
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.44</u>	<u>0.56</u>	<u>0.65</u>	<u>0.77</u>	<u>0.91</u>	<u>0.15</u>	<u>0.24</u>	<u>0.28</u>	<u>0.37</u>	<u>0.48</u>
(percentage shares)										
Developed area	81	76	74	76	79	93	93	94	94	95
Developing area	14	18	18	17	16	4	4	4	3	3
Members	6	3	4	4	3	1	1	1	1	1
Non-members	8	15	14	13	12	2	3	3	2	2
Eastern trading area	5	6	8	7	6	3	3	2	2	3
<u>NET TRADE</u> (billion dollars)										
Total	<u>-0.03</u>	<u>-0.06</u>	<u>-0.05</u>	<u>-0.03</u>	<u>-0.09</u>	<u>-0.03</u>	<u>-0.14</u>	<u>-0.20</u>	<u>-0.20</u>	<u>-0.26</u>
Developed area	-0.07	-0.11	-0.14	-0.12	-0.16	-0.01	-0.08	-0.12	-0.12	-0.17
Developing area	0.03	0.05	0.05	0.06	0.05	-0.02	-0.06	-0.08	-0.07	-0.09
Members	0.01	-0.01	-0.01	-0.01	-0.02	-0.02	-0.06	-0.08	-0.07	-0.08
Non-members	0.02	0.05	0.06	0.07	0.07	-	-	-	-	-0.01
Eastern trading area	0.01	0.01	0.03	0.03	0.03	-	-	-	-	-

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 7. - FINLAND
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.26</u>	<u>0.33</u>	<u>0.34</u>	<u>0.37</u>	<u>0.53</u>	<u>0.05</u>	<u>0.08</u>	<u>0.09</u>	<u>0.09</u>	<u>0.15</u>
(percentage shares)										
Developed area	83	86	87	87	84	65	63	61	60	57
Developing area	12	9	8	8	10	33	33	33	31	31
Members	4	5	4	4	6	10	18	19	18	15
Non-members	8	4	4	3	5	23	15	14	13	16
Eastern trading area	5	5	6	5	6	2	4	6	9	12
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.07</u>	<u>0.09</u>	<u>0.11</u>	<u>0.11</u>	<u>0.15</u>	<u>0.19</u>	<u>0.32</u>	<u>0.35</u>	<u>0.40</u>	<u>0.52</u>
(percentage shares)										
Developed area	86	81	82	82	83	84	78	81	82	88
Developing area	6	3	5	5	6	-	-	-	-	-
Members	1	1	1	1	1	-	-	-	-	-
Non-members	4	2	4	4	4	-	-	-	-	-
Eastern trading area	9	16	14	13	12	16	22	19	18	12
<u>NET TRADE</u> (billion dollars)										
Total	<u>-0.19</u>	<u>-0.24</u>	<u>-0.23</u>	<u>-0.25</u>	<u>-0.38</u>	<u>0.14</u>	<u>0.24</u>	<u>0.26</u>	<u>0.31</u>	<u>0.37</u>
Developed area	-0.16	-0.21	-0.21	-0.23	-0.32	0.13	0.20	0.23	0.27	0.37
Developing area	-0.03	-0.03	-0.02	-0.02	-0.05	-0.02	-0.03	-0.03	-0.03	-0.05
Members	-0.01	-0.02	-0.01	-0.02	-0.03	-0.01	-0.01	-0.02	-0.02	-0.02
Non-members	-0.02	-0.01	-0.01	-0.01	-0.02	-0.01	-0.01	-0.01	-0.01	-0.02
Eastern trading area	-0.01	-	-0.01	-	-0.01	0.03	0.07	0.06	0.06	0.04

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 8. - SWEDEN
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.49</u>	<u>0.69</u>	<u>0.66</u>	<u>0.69</u>	<u>0.86</u>	<u>0.37</u>	<u>0.70</u>	<u>0.78</u>	<u>0.79</u>	<u>1.05</u>
(percentage shares)										
Developed area	79	78	78	79	78	62	59	60	64	64
Developing area	16	18	17	17	17	36	39	37	34	34
Members	6	8	8	8	9	25	29	29	26	25
Non-members	10	10	9	8	9	11	9	8	8	9
Eastern trading area	4	4	5	5	5	2	2	2	2	2
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.18</u>	<u>0.23</u>	<u>0.24</u>	<u>0.27</u>	<u>0.33</u>	<u>0.12</u>	<u>0.19</u>	<u>0.19</u>	<u>0.20</u>	<u>0.24</u>
(percentage shares)										
Developed area	90	89	87	87	88	98	98	99	99	99
Developing area	7	8	10	9	8	1	1	1	1	1
Members	3	4	5	5	4	-	-	-	-	-
Non-members	4	5	5	4	5	-	-	-	-	-
Eastern trading area	3	2	3	4	3	1	1	1	-	-
<u>NET TRADE</u> (billion dollars)										
Total	<u>-0.31</u>	<u>-0.46</u>	<u>-0.42</u>	<u>-0.42</u>	<u>-0.53</u>	<u>-0.25</u>	<u>-0.51</u>	<u>-0.59</u>	<u>-0.59</u>	<u>-0.81</u>
Developed area	-0.23	-0.33	-0.31	-0.31	-0.38	-0.11	-0.23	-0.29	-0.31	-0.44
Developing area	-0.07	-0.10	-0.09	-0.09	-0.12	-0.13	-0.27	-0.29	-0.26	-0.35
Members	-0.03	-0.05	-0.05	-0.04	-0.06	-0.09	-0.20	-0.23	-0.21	-0.26
Non-members	-0.04	-0.06	-0.05	-0.05	-0.06	-0.04	-0.06	-0.06	-0.06	-0.09
Eastern trading area	-0.02	-0.02	-0.03	-0.02	-0.03	-0.01	-0.01	-0.02	-0.02	-0.02

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 9. - SWITZERLAND
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.50</u>	<u>0.52</u>	<u>0.61</u>	<u>0.79</u>	<u>0.98</u>	<u>0.43</u>	<u>0.58</u>	<u>0.70</u>	<u>0.91</u>	<u>1.10</u>
(percentage shares)										
Developed area	84	85	86	86	86	84	76	77	79	81
Developing area	13	13	12	11	13	14	23	20	19	17
Members	4	6	6	5	6	9	18	16	15	13
Non-members	9	7	6	6	7	5	4	4	3	4
Eastern trading area	3	3	2	2	2	1	2	2	2	2
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.63</u>	<u>0.82</u>	<u>0.93</u>	<u>1.18</u>	<u>1.36</u>	<u>0.11</u>	<u>0.16</u>	<u>0.20</u>	<u>0.27</u>	<u>0.29</u>
(percentage shares)										
Developed area	83	79	80	82	83	90	92	92	93	95
Developing area	15	18	17	16	15	9	6	6	5	4
Members	4	4	4	4	5	2	2	2	2	1
Non-members	12	14	13	12	12	7	4		3	2
Eastern trading area	1	3	3	3	2	2	2	2	1	1
<u>NET TRADE</u> (billion dollars)										
Total	<u>0.13</u>	<u>0.30</u>	<u>0.32</u>	<u>0.39</u>	<u>0.39</u>	<u>-0.32</u>	<u>-0.42</u>	<u>-0.50</u>	<u>-0.65</u>	<u>-0.81</u>
Developed area	0.10	0.21	0.22	0.28	0.30	-0.26	-0.29	-0.36	-0.47	-0.62
Developing area	0.03	0.08	0.08	0.09	0.08	-0.05	-0.12	-0.13	-0.16	-0.18
Members	-	-	-	-	-0.02	-0.04	-0.10	-0.11	-0.14	-0.14
Non-members	0.03	0.07	0.08	0.09	1.00	-0.01	-0.02	-0.02	-0.02	-0.04
Eastern trading area	-0.01	0.01	0.01	0.01	0.01	-	-0.01	-0.01	-0.02	-0.02

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 15-17.

APPENDIX TABLE 10. - BRAZIL
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>EXPORTS</u>	(billion dollars)									
Total	<u>0.22</u>	<u>0.27</u>	<u>0.38</u>	<u>0.42</u>	<u>0.59</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.10</u>	<u>0.09</u>
	(percentage shares)									
Developed area	69	69	65	63	61	59	66	61	57	62
Developing area	22	21	24	30	31	41	33	38	42	37
Eastern trading area	9	10	11	7	7	-	1	2	1	1
<u>IMPORTS</u>	(billion dollars)									
Total	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>	<u>0.08</u>	<u>0.07</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
	(percentage shares)									
Developed area	84	81	81	83	72	62	83	89	81	87
Developing area	15	19	19	17	28	38	17	11	19	13
Eastern trading area	1	-	-	-	-	-	-	-	-	-
<u>NET TRADE</u>	(billion dollars)									
Total	<u>0.15</u>	<u>0.20</u>	<u>0.31</u>	<u>0.34</u>	<u>0.52</u>	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>	<u>0.09</u>	<u>0.08</u>
Developed area	0.09	0.13	0.19	0.20	0.31	0.04	0.04	0.04	0.05	0.05
Developing area	0.04	0.04	0.08	0.11	0.17	0.03	0.03	0.03	0.04	0.03
Eastern trading area	0.02	0.03	0.04	0.03	0.04	-	-	-	-	-

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76),
Tables 18-20.

APPENDIX TABLE 11. - HONG KONG
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>EXPORTS</u>	(billion dollars)									
Total	<u>0.45</u>	<u>0.61</u>	<u>0.56</u>	<u>0.58</u>	<u>0.77</u>	<u>1.33</u>	<u>2.73</u>	<u>2.78</u>	<u>3.13</u>	<u>3.70</u>
	(percentage shares)									
Developed area	69	68	58	59	55	92	90	89	90	91
Developing area	31	30	36	37	38	7	9	10	10	8
Eastern trading area	1	2	6	5	7	-	1	1	-	1
<u>IMPORTS</u>	(billion dollars)									
Total	<u>0.96</u>	<u>1.37</u>	<u>1.38</u>	<u>1.75</u>	<u>2.25</u>	<u>0.11</u>	<u>0.13</u>	<u>0.19</u>	<u>0.25</u>	<u>0.34</u>
	(percentage shares)									
Developed area	42	37	41	37	34	26	34	36	37	33
Developing area	36	45	40	41	42	13	18	15	17	15
Eastern trading area	21	18	19	22	24	61	47	50	46	53
<u>NET TRADE</u>	(billion dollars)									
Total	<u>-0.50</u>	<u>-0.76</u>	<u>-0.82</u>	<u>-1.17</u>	<u>-1.49</u>	<u>1.22</u>	<u>2.60</u>	<u>2.60</u>	<u>2.88</u>	<u>3.36</u>
Developed area	-0.10	-0.10	-0.24	-0.31	-0.35	1.20	2.42	2.42	2.72	3.25
Developing area	-0.20	-0.43	-0.36	-0.50	-0.65	0.08	0.23	0.26	0.26	0.25
Eastern trading area	-0.20	-0.23	-0.22	-0.36	-0.49	-0.06	-0.05	-0.08	-0.10	-0.15

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 18-20.

APPENDIX TABLE 12. - KOREA
AREA DISTRIBUTION OF TRADE, 1973-1979

	<u>TEXTILES</u>					<u>CLOTHING</u>				
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>EXPORTS</u> (billion dollars)										
Total	<u>0.36</u>	<u>0.69</u>	<u>0.85</u>	<u>1.25</u>	<u>1.51</u>	<u>0.71</u>	<u>1.63</u>	<u>1.76</u>	<u>2.17</u>	<u>2.40</u>
(percentage shares)										
Developed area	63	43	42	45	47	96	94	91	91	91
Developing area	36	56	57	55	52	4	6	9	8	8
Eastern trading area	-	1	1	-	-	-	-	-	-	-
<u>IMPORTS</u> (billion dollars)										
Total	<u>0.29</u>	<u>0.32</u>	<u>0.34</u>	<u>0.39</u>	<u>0.43</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>
(percentage shares)										
Developed area	92	92	93	90	87	99	99	98	99	97
Developing area	8	7	7	10	12	1	1	2	1	2
Eastern trading area	-	-	-	-	1	-	-	-	-	-
<u>NET TRADE</u> (billion dollars)										
Total	<u>0.07</u>	<u>0.37</u>	<u>0.51</u>	<u>0.86</u>	<u>1.09</u>	<u>0.70</u>	<u>1.62</u>	<u>1.75</u>	<u>2.15</u>	<u>2.38</u>
Developed area	-0.04	-	0.04	0.21	0.34	0.68	1.52	1.60	1.97	2.18
Developing area	0.11	0.36	0.47	0.64	0.74	0.03	0.10	0.15	0.18	0.20
Eastern trading area	-	0.01	0.01	-	-	-	-	-	-	-

Source: GATT, Statistics on Textiles and Clothing, Part 1 (COM.TEX/W/76), Tables 18-20.

APPENDIX TABLE 13. - SHARE OF INDIVIDUAL DEVELOPING MEMBERS IN TOTAL IMPORTS OF
TEXTILES AND CLOTHING, SELECTED DEVELOPED MEMBERS, 1973-1979
(Percentages)

	TEXTILES AND CLOTHING					CLOTHING					
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979	
EUROPEAN COMMUNITIES											
All developing members	39.5	45.8	43.8	41.3	41.1	All developing members	56.5	59.3	55.9	53.6	52.9
Hong Kong	15.7	15.2	12.2	12.2	11.6	Hong Kong	29.9	26.2	21.2	21.3	20.3
Korea Rep.	2.7	5.1	5.9	5.5	5.1	Korea Rep.	4.6	7.7	8.9	8.5	8.0
Yugoslavia	5.8	4.5	4.0	3.7	3.3	Yugoslavia	10.3	7.4	6.9	6.4	5.5
India	3.0	4.1	4.6	4.1	4.4	India	1.7	3.7	4.1	3.8	4.0
Turkey	1.5	2.8	2.4	2.4	2.3	Romania	3.6	3.6	2.8	3.3	3.5
Romania	2.3	2.5	2.0	2.3	2.2	Macao	2.1	3.0	2.9	2.3	2.3
Brazil	2.0	1.9	2.0	1.6	1.7	Singapore	1.2	1.8	2.0	1.5	1.7
Macao	1.1	1.7	1.6	1.2	1.3	Israel	1.4	1.4	1.7	1.7	1.8
Pakistan	1.6	1.6	1.5	1.6	1.6	Turkey	0.3	0.9	1.0	0.8	0.8
Israel	0.9	1.1	1.3	1.3	1.5	Philippines	0.0	0.8	1.4	1.2	1.7
Singapore	0.7	1.1	1.4	1.0	1.0	Brazil	0.5	0.7	0.6	0.4	0.5
Thailand	0.1	0.9	1.0	0.9	1.0	Malaysia	0.3	0.7	0.9	0.8	0.9
Malaysia	0.2	0.7	0.9	0.8	0.8	Thailand	0.1	0.6	0.7	0.7	0.8
Colombia	0.4	0.5	0.4	0.3	0.3						
Mexico	0.3	0.5	0.4	0.2	0.2						
Philippines	0.0	0.5	0.7	0.6	0.9						
15 other members, each with share less than 0.5%.	1.1	1.1	1.6	1.7	1.9	18 other members, each with share less than 0.5%.	0.6	0.8	1.0	0.9	1.1
UNITED STATES											
All developing members	41.7	54.3	53.4	54.5	56.5	All developing members	52.9	63.3	62.3	63.0	64.1
Hong Kong	15.3	21.3	22.1	21.0	21.6	Hong Kong	21.2	26.9	28.1	26.7	27.2
Korea Rep.	7.6	12.6	11.3	11.1	11.1	Korea Rep.	11.7	16.8	14.9	14.2	14.0
Mexico	4.4	4.3	3.9	3.6	3.6	Mexico	4.4	4.4	3.9	3.5	3.6
India	2.2	3.7	3.1	3.4	3.6	Philippines	2.5	2.7	3.1	3.4	3.4
Philippines	1.7	2.2	2.4	2.7	2.7	India	0.8	2.7	2.0	3.0	3.1
Singapore	2.7	1.4	1.1	1.9	2.0	Singapore	4.2	1.8	1.4	2.4	2.4
Thailand	0.9	1.1	0.8	1.1	1.1	Thailand	1.3	1.0	0.7	1.1	1.2
Pakistan	0.7	1.1	0.7	0.9	1.3	Haiti	0.6	0.9	0.9	0.9	1.0
Brazil	1.3	1.0	1.2	1.1	1.2	Romania	0.3	0.8	1.1	1.1	0.8
Colombia	0.8	0.9	0.7	0.8	0.8	Colombia	0.7	0.8	0.6	0.6	0.6
Haiti	0.5	0.7	0.7	0.7	0.8	Macao	0.9	0.6	1.1	1.1	1.4
Romania	0.2	0.7	1.0	1.0	0.8	El Salvador	0.3	0.6	0.7	0.7	0.7
El Salvador	0.2	0.5	0.5	0.6	0.6	Dominican Rep.	0.1	0.6	0.9	0.9	1.4
						Yugoslavia	0.5	0.5	0.6	0.4	0.3
						Israel	1.3	0.5	0.5	0.5	0.4
18 other members, each with share less than 0.5%.	3.4	2.6	4.1	4.6	5.5	16 other members, each with share less than 0.5%.	2.1	1.6	1.9	2.5	2.7

Note: Ranked in descending order of importance in 1976.

Source: GATT, *Statistics on Textiles and Clothing*, Part I (COM.TEX/W/76),
Tables 6 and 9.

APPENDIX TABLE 14. - SHARE OF INDIVIDUAL DEVELOPING MEMBERS IN TOTAL IMPORTS OF
TEXTILES AND CLOTHING, SELECTED DEVELOPED MEMBERS, 1973-1979
(Percentages)

	TEXTILES AND CLOTHING					CLOTHING					
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979	
CANADA											
All developing members	15.7	23.9	21.4	20.9	20.1	All developing members	33.4	45.8	42.4	43.2	42.1
Hong Kong	4.6	9.0	7.8	7.5	6.7	Hong Kong	13.9	19.8	19.1	19.9	17.8
Korea Rep.	4.5	8.3	7.8	7.5	6.6	Korea Rep.	12.9	18.5	18.3	18.2	16.0
Mexico	1.0	1.2	1.0	0.6	0.6	India	0.5	1.5	0.9	1.5	2.0
India	0.8	1.2	0.9	1.2	1.2	Mexico	0.7	1.5	0.5	0.5	0.5
Brazil	1.3	1.0	1.0	1.0	0.8	Israel	1.0	1.0	0.8	0.6	0.4
Romania	0.8	0.6	0.5	0.4	0.6	Philippines	0.2	0.9	0.7	0.7	1.3
Colombia	0.6	0.5	0.3	0.4	0.4	Romania	1.7	0.8	0.8	0.6	1.3
Israel	0.6	0.5	0.4	0.3	0.3	Brazil	1.1	0.7	0.4	0.3	0.4
Pakistan	0.5	0.5	0.2	0.4	0.4						
Philippines	0.1	0.5	0.3	0.3	0.5						
21 other members, each with share less than 0.5%.	1.1	1.0	1.1	1.4	2.1	23 other members, each with share less than 0.5%.	1.6	1.3	0.9	0.9	2.4
JAPAN											
All developing members	43.1	47.5	45.7	47.2	43.8	All developing members	53.6	59.6	56.8	55.0	49.5
Korea Rep.	23.6	34.5	35.7	37.9	33.0	Korea Rep.	40.8	47.4	46.7	46.2	39.4
Hong Kong	5.6	5.3	4.4	3.0	3.2	Hong Kong	10.5	9.1	7.4	5.7	5.8
Pakistan	5.1	2.5	1.0	1.8	2.0	Philippines	0.4	1.3	0.6	0.6	1.2
Thailand	1.6	1.0	0.8	0.8	1.0	India	0.2	0.6	1.0	1.5	1.9
Malaysia	0.2	0.9	1.3	1.0	0.8	Thailand	0.2	0.5	0.3	0.3	0.3
Philippines	0.5	0.8	0.4	0.3	0.7						
India	1.5	0.6	0.9	1.1	1.4						
Singapore	0.6	0.5	0.2	0.3	0.4						
Argentina	0.9	0.5	0.2	0.2	0.2						
22 other members, each with share less than 0.5%.	3.5	1.0	0.8	0.8	1.2	26 other members, each with share less than 0.5%.	1.5	0.7	0.8	0.8	1.0
SWEDEN											
All developing members	14.4	18.9	19.6	17.9	17.5	All developing members	25.1	29.4	29.2	26.2	24.9
Hong Kong	6.3	8.3	7.9	6.5	7.0	Hong Kong	13.2	15.6	13.9	11.7	12.4
Korea Rep.	1.9	3.0	3.3	3.0	2.5	Korea Rep.	3.7	4.4	4.9	4.7	3.6
India	2.0	1.4	1.7	1.8	1.7	Yugoslavia	1.8	2.2	2.5	2.2	1.9
Yugoslavia	1.1	1.3	1.6	1.4	1.3	India	2.9	1.3	1.5	1.7	1.5
Thailand	0.1	0.7	0.6	0.6	0.7	Thailand	0.1	1.2	1.0	1.0	1.1
Pakistan	0.3	0.6	0.4	0.5	0.5	Singapore	0.8	1.0	1.5	1.3	1.1
Malaysia	0.4	0.5	0.8	0.7	0.6	Macao	1.1	0.8	1.1	0.8	0.6
Singapore	0.4	0.5	0.9	0.7	0.7	Malaysia	0.8	0.6	0.8	0.8	0.6
23 other members, each with share less than 0.5%.	2.0	2.6	2.5	2.8	2.6	23 other members, each with share less than 0.5%.	0.8	2.2	1.9	2.1	2.1

Note: Ranked in descending order of importance in 1976.

Source: GATT, Statistics on Textiles and Clothing, Part I (COM.TEX/W/76),
Tables 6 and 9.

APPENDIX TABLE 15. - IMPORTS OF TEXTILES AND CLOTHING INTO DEVELOPED MEMBERS
BY BROAD PRODUCT GROUPS AND MAIN AREAS, 1973-1979

(Percentages)

	Clothing				Cotton yarns and fabrics; linens				Other yarns, fabrics and finished textiles						
	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979	1973	1976	1977	1978	1979
<u>Developed Member Countries</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	30.6	24.0	25.4	24.8	24.5	32.9	34.8	36.4	35.8	35.5	78.7	76.3	74.6	73.3	72.5
Developing members	46.9	53.8	51.4	50.8	49.5	41.8	41.1	38.6	37.9	38.2	9.9	11.4	13.1	13.2	13.5
Developing non-members	16.9	17.0	17.8	18.8	19.4	14.0	14.7	15.9	16.0	16.0	8.6	7.0	9.0	10.1	10.2
Eastern trading area	5.6	5.2	5.4	5.5	6.4	11.2	9.4	9.0	10.2	10.4	2.7	3.2	3.3	3.4	3.8
<u>European Communities</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	14.6	12.1	12.9	13.3	13.5	22.6	27.3	27.3	29.7	30.2	62.1	57.8	55.8	55.9	57.0
Developing members	56.5	59.3	55.9	53.6	53.0	45.8	44.6	42.5	38.6	39.4	12.2	17.3	19.5	18.3	17.6
Developing non-members	17.8	19.7	22.3	24.0	24.6	21.6	20.5	22.3	23.6	22.3	19.3	18.2	18.0	19.3	18.5
Eastern trading area	11.1	8.9	8.9	8.8	8.3	10.0	7.6	7.8	7.6	7.6	6.3	6.5	6.2	5.5	5.3
<u>United States</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	26.8	16.1	16.3	15.0	11.9	35.0	20.4	24.8	24.2	22.7	84.5	76.3	75.5	77.2	71.4
Developing members	52.9	63.3	62.3	63.0	64.0	55.2	64.3	62.0	58.6	62.1	10.7	16.0	17.4	16.4	21.0
Developing non-members	19.9	19.3	19.6	19.6	20.0	6.5	7.6	7.4	8.3	7.4	4.4	7.0	6.1	5.4	6.3
Eastern trading area	0.4	1.3	1.8	2.4	4.0	3.1	7.8	5.5	8.7	7.6	0.6	1.4	1.7	1.0	1.6
<u>Canada</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	43.5	31.3	34.3	29.5	28.1	60.0	58.4	61.5	58.8	58.2	90.6	91.4	90.6	88.6	87.4
Developing members	33.5	45.8	42.4	43.3	42.2	18.8	23.0	21.2	21.7	19.5	5.7	4.2	5.8	6.1	6.4
Developing non-members	16.3	16.3	17.0	20.7	19.4	2.4	3.9	3.1	2.7	2.0	2.7	3.1	2.5	3.8	3.8
Eastern trading area	7.0	6.7	6.2	6.4	10.5	18.8	14.8	13.7	16.3	19.9	1.3	1.5	1.3	1.7	2.3
<u>Japan</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	17.4	17.6	21.9	22.0	23.3	18.9	24.1	28.8	17.2	19.4	62.7	64.7	63.4	54.2	56.2
Developing members	53.6	59.5	56.8	54.9	49.5	53.7	44.7	37.2	53.5	51.4	26.1	26.7	28.0	29.9	27.6
Developing non-members	20.7	16.4	13.8	15.4	16.7	9.4	7.5	11.0	6.3	6.3	9.3	6.9	5.6	13.2	12.7
Eastern trading area	8.4	6.3	7.4	7.6	10.5	17.7	23.6	23.6	23.8	23.0	2.0	2.5	2.4	2.3	3.5
<u>Sweden</u>	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Developed countries	61.9	59.5	60.5	64.0	64.4	48.4	55.2	54.4	55.1	53.1	91.5	91.1	91.1	91.4	89.8
Developing members	25.1	29.5	29.2	26.2	24.8	18.0	19.7	18.7	18.8	18.6	2.5	3.8	3.6	3.6	3.8
Developing non-members	11.1	9.2	8.2	7.6	8.6	22.1	16.9	15.4	15.3	17.3	4.5	3.4	3.6	3.6	4.7
Eastern trading area	1.9	2.0	2.2	2.0	2.1	10.7	8.7	11.0	10.2	10.6	2.3	1.7	2.0	1.9	2.2

Sources: GATT, Statistics on Textiles and Clothing, Part 3 (COM.TEX/W/78), Section II;
UN trade data tapes.

APPENDIX TABLE 16. - PRODUCTION OF COTTON YARN AND COTTON FABRICS
BY AREAS AND COUNTRIES, 1973-1979
(thousand metric tons)

	1973	1976	1977	1978	1979
<u>COTTON YARN</u>					
World	(10 600)	11 020	10 660	(11 060)	...
Developed area	3 115	2 620	2 480	(2 450)	...
EC	795	789	703	680	...
United States	1 507	1 122	1 145	1 130	...
Japan	555	498	441	448	508
Developing area	3 190	3 860	3 585	(3 790)	...
Brazil	147	385	390	430	...
Egypt	180	190	206	209	216
India	998	1 006	846	912	952
Pakistan	391	312	285	315	...
Hong Kong	134	196	169	170	...
Eastern trading area	(4 300)	4 540	4 595	4 820	...
China	...	...	2 200	2 380	...
<u>COTTON FABRICS</u>					
World	(6 550)	6 960	6 670	(6 780)	...
Developed area	(2 190)	1 990	1 860	(1 770)	...
EC	710	669	612	592	...
United States	(1 050)	938	855	787	...
Japan	316	297	301	308	...
Developing area	2 065	2 445	2 210	(2 280)	...
Brazil	...	...	...	...	...
Egypt	118	...	...	...	...
India ^a	903	924	803	852	876
Pakistan	81	63	53	50	...
Hong Kong	79	198	89	86	...
Eastern trading area	(2 300)	2 525	2 600	2 730	...
China	...	1 080	1 230	1 340	...

^aIncludes production in the decentralized sector.

Sources: International Cotton Advisory Committee, Cotton World Statistics;
GATT, Statistics on Textiles and Clothing, Part 2 (COM.TEX/W/77).

APPENDIX TABLE 17. - COTTON TEXTILE IMPORTS INTO SELECTED MARKETS, 1973-1979

(Million dollars and percentages)

	1973	1976	1977	1978	1979
<u>European Communities</u>					
Cotton yarn	279	541	584	625	903
(as % of total MFA yarn)	(47)	(53)	(53)	(50)	(51)
Woven cotton fabrics	540	1 039	1 088	1 230	1 748
(as % of total woven MFA fabrics)	(53)	(65)	(62)	(60)	(61)
Cotton linens	...	...	...	264	365
(as % of total linens) ^a	...	...	...	(76)	(75)
Cotton clothing ^a	...	...	...	2 237	3 208
(as % of total MFA clothing) ^a	...	...	...	(42)	(44)
Total	...	...	...	4 356	6 224
(as % of above total MFA products)	...	...	...	(49)	(50)
<u>United States</u>					
Cotton yarn	18	27	17	34	19
(as % of total MFA yarn)	(7)	(15)	(8)	(16)	(14)
Woven cotton fabrics	310	394	353	426	380
(as % of total woven MFA fabrics)	(56)	(57)	(51)	(47)	(45)
Cotton linens	...	...	...	66	76
(as % of total linens) ^a	...	...	...	(57)	(60)
Cotton clothing ^a	...	...	...	1 769	1 975
(as % of total MFA clothing) ^a	...	...	...	(37)	(40)
Total	...	...	...	2 295	2 450
(as % of above total MFA products)	...	...	...	(38)	(40)
<u>Japan</u>					
Cotton yarn	85	77	62	211	296
(as % of total MFA yarn)	(45)	(62)	(60)	(67)	(67)
Woven cotton fabrics	304	88	90	177	282
(as % of total woven MFA fabrics)	(61)	(42)	(38)	(42)	(49)
Cotton linens	...	29	33	46	75
(as % of total linens) ^a	...	(86)	(85)	(85)	(85)
Cotton clothing ^a	...	131	153	235	416
(as % of total MFA clothing) ^a	...	(23)	(26)	(28)	(34)
Total	...	325	338	669	1 069
(as % of above total MFA products)	...	(35)	(35)	(41)	(46)

APPENDIX TABLE 17. - COTTON TEXTILE IMPORTS INTO SELECTED MARKETS,
1973-1979 (cont'd)

	1973	1976	1977	1978	1979
<u>Canada</u>					
Cotton yarn	19	25	25	29	39
(as % of total MFA yarn)	(13)	(16)	(15)	(17)	(16)
Woven cotton fabrics	103	150	129	124	141
(as % of total woven MFA fabrics)	(36)	(37)	(33)	(28)	(25)
Cotton linens	...	...	...	24	28
(as % of total ^a linens)	...	...	...	(35)	(39)
Cotton clothing ^a	...	...	...	96	109
(as % of total MFA clothing) ^a	...	...	...	(31)	(29)
Total	...	...	...	273	317
(as % of above total MFA products)	...	...	...	(28)	(25)
<u>Sweden</u>					
Cotton yarn	20	36	37	41	51
(as % of total MFA yarn)	(13)	(16)	(15)	(17)	(16)
Woven cotton fabrics	77	103	91	87	110
(as % of total woven MFA fabrics)	(42)	(44)	(43)	(41)	(42)
Cotton linens	...	30	39	33	45
(as % of total linens)	...	(68)	(72)	(69)	(69)
Cotton clothing ^a	...	290	330	325	425
(as % of total MFA clothing) ^a	...	(46)	(47)	(46)	(45)
Total	...	459	497	486	631
(as % of above total MFA products)	...	(44)	(45)	(44)	(43)
<u>Hong Kong</u>					
Cotton yarn	126	211	166	189	252
(as % of total MFA yarn)	(40)	(49)	(39)	(40)	(41)
Woven cotton fabrics	173	276	272	395	480
(as % of total woven MFA fabrics)	(39)	(42)	(40)	(42)	(40)
Cotton linens	...	...	...	107	135
(as % of total linens)	...	...	...	(94)	(92)
Cotton clothing ^a	...	...	...	84	124
(as % of total MFA clothing) ^a	...	...	...	(46)	(48)
Total	...	...	...	775	991
(as % of above total MFA products)	...	...	...	(45)	(45)

^aExcluding clothing accessories as breakdown by fibre not available.

Sources: GATT, Statistics on Textiles and Clothing, Part 3 (COM.TEX/W/78):

UN trade data tapes.

APPENDIX TABLE 18. - COTTON TEXTILE EXPORTS BY SELECTED COUNTRIES, 1973-1979

(million dollars and percentages)

	1973	1976	1977	1978	1979
<u>Hong Kong</u>					
Cotton yarn	18	18	32	14	11
(as % of total MFA yarn)	(8)	(27)	(36)	(20)	(13)
Woven cotton fabrics	229	362	300	324	428
(as % of total woven MFA fabrics)	(78)	(85)	(85)	(84)	(83)
Cotton linens	...	...	...	26	33
(as % of total linens)	...	...	...	(76)	(73)
Cotton clothing ^a	...	...	...	1 096	1 344
(as % of total clothing) ^a	...	...	...	(39)	(41)
Total	...	...	...	1 460	1 816
(as % of above total MFA products)	...	...	...	(45)	(46)
<u>Korea</u>					
Cotton yarn	25	89	109	193	246
(as % of total MFA yarn)	(33)	(37)	(51)	(63)	(61)
Woven cotton fabrics	56	39	95	105	127
(as % of total woven MFA fabrics)	(31)	(14)	(24)	(16)	(16)
Cotton linens	...	11	8	7	6
(as % of total linens)	...	(73)	(62)	(52)	(47)
Cotton clothing ^a	...	99	256	335	564
(as % of total MFA clothing) ^a	...	(8)	(18)	(19)	(29)
Total	...	238	468	640	943
(as % of above total MFA products)	...	(13)	(23)	(23)	(30)
<u>India</u>					
Cotton yarn	22	30	43	...	...
(as % of total MFA yarn)	(81)	(94)	(91)	...	...
Woven cotton fabrics	219	275	301	...	...
(as % of total woven MFA fabrics)	(89)	(90)	(90)	...	...
<u>Pakistan</u>					
Cotton yarn	229	142	96	177	208
(as % of total MFA yarn)	(100)	(99)	(100)	(99)	(99)
Woven cotton fabrics	148	140	182	186	233
(as % of total woven MFA fabrics)	(95)	(99)	(93)	(96)	(97)
<u>Egypt</u>					
Cotton yarn	112	147	175	229	186
(as % of total MFA yarn)	(100)	(99)	(99)	(99)	(100)
Woven cotton fabrics	42	44	63	70	59
(as % of total woven MFA fabrics)	(100)	(98)	(100)	(100)	(100)
Total	154	191	238	299	245
(as % of total textile and clothing exports)	(100)	(99)	(99)	(99)	(100)
<u>Brazil</u>					
Cotton yarn	45	81	120	117	155
(as % of total MFA yarn)	(56)	(79)	(75)	(75)	(79)
Woven cotton fabrics	54	43	70	69	114
(as % of total woven MFA fabrics)	(64)	(74)	(77)	(71)	(71)

^aExcluding clothing accessories as breakdown by fibre not available.Sources: GATT, Statistics on Textiles and Clothing, Part I (COM.TEX/W/76)
Tables 21-26: UN Trade data tapes.