

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Textiles Committee  
Sub-Committee on Adjustment

DRAFT REPORT OF THE SUB-COMMITTEE ON ADJUSTMENT

1. The Sub-Committee on Adjustment established under paragraph 15 of the 1981 Protocol extending the Arrangement Regarding International Trade in Textiles, held its second meeting on 28 November 1983<sup>1</sup>.
2. The Sub-Committee recalled that the work of collection of factual information and analysis would be a continuing process leading in particular to as complete and comprehensive a report as possible to the Textiles Committee for the Major Review required under Article 10:4 of the MFA. The Sub-Committee also recalled that its Technical Sub-Group would report to it as necessary, in order in the first instance, to enable it to examine a report which would in the autumn of 1983 be forwarded for consideration by the Textiles Committee.
3. The Sub-Committee noted that two questionnaires, GATT/AIR/UNNUMBERED A and B, were sent by its Technical Sub-Group to participants of the Arrangement in January 1983, to seek up-to-date information relating to production and trade in textiles as required under Article 10:2 as well as adjustment measures taken, or policies adopted, relevant to Article 1:4. The Sub-Committee also noted that in response to these questionnaires, twenty-six participating countries had submitted information to the secretariat. These original submissions were contained in COM.TEX/32<sup>2</sup>, Addenda 1-26 and Supplements 1 to Addenda 2, 4-10, 15, and 17, and Supplement 2 to Addenda 4.
4. Based on the original submission and additional information received from delegations, as well as information on production and trade which is available from the secretariat, a summary has been prepared by the secretariat. This is contained in document COM.TEX/33<sup>3</sup> and Add.1.
5. The Sub-Committee noted that as of 18 November 1983, a number of participants had still not provided any information. These were Bangladesh, Czechoslovakia, El Salvador, Guatemala, Jamaica, Mexico, Philippines, Singapore, Sri Lanka and Yugoslavia.

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<sup>1</sup>The report of the first meeting of the Sub-Committee is contained in document COM.TEX/29.

<sup>2</sup>Further submissions by participants will be issued as addenda or supplements to this document.

<sup>3</sup>A revision of this document, incorporating new submissions and additional information furnished by participants, will be issued in the spring of 1984.

6. The Sub-Committee was of the view that in order to report adequately to the Textiles Committee on developments in autonomous adjustment processes and in policies and measures to facilitate adjustment, as well as in production and trade in textiles, in accordance with its terms of reference, it was necessary to fill certain gaps in the available information and to provide a fuller picture of developments under the relevant headings of the two questionnaires. In particular, more detailed information would be needed from a number of countries on trends in and levels of production, value added, employment, productivity, capacity utilization, and investment. In order to permit an assessment of the impact of policies and measures of adjustment, additional information would also be required with respect to such matters as the amount and distribution of expenditure among various measures of assistance, the number of employees affected by adjustment processes, the movement into alternative lines of production or other sectors of activity etc.

7. The Sub-Committee, along with its Technical Sub-Group, intends to continue its efforts with the objective of securing and analysing such information in time for a complete and comprehensive report to be presented to the Textiles Committee in 1984, for the purpose of the Major Review of the Arrangement.

8. The Sub-Committee therefore recommends that the Textiles Committee should urge all participating countries to co-operate fully in submitting the information required in order to enable the Sub-Committee to fulfil the task entrusted to it.