

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COT/W/13

2 December 1963

Special Distribution

COTTON TEXTILES COMMITTEE

Study on Cost Comparison in the Textile Industry

Note by the Secretariat

1. At the seventeenth session, the CONTRACTING PARTIES approved a proposal by the Committee on Market Disruption that a study be started in co-operation with the International Labour Office on the economic, social and commercial factors underlying the problem of market disruption, which would in the first place deal with the textile and clothing industries only. In December 1960, a questionnaire dealing with the structure and level of costs of production in the textile and clothing industries (Questionnaire No. 1 - Spec(60)40) was sent to contracting parties in order to secure necessary information for what was regarded as perhaps the most important part of such a study. (For an outline of the original study, see BISD, 9th Supplement, pages 108-110.)
2. Most governments, however, experienced difficulties in answering the questionnaire and, despite numerous consultations during the past three years, the major part of the answers still do not lend themselves to an exact comparison of the cost structures among a large number of countries. An analysis of the information received was circulated in document L/1900.
3. During the twentieth session, the Chairman of the Committee on Market Disruption called the attention of contracting parties to document L/1900, urging governments to take steps to supply the necessary information (see SR.20/11, page 182). Reference to this study was also made by the ILO Textiles Committee, seventh session, which in a resolution concerning the social aspects of international trade in textiles, invited the Governing Body of the ILO to urge all governments concerned to supply information required to complete and bring up to date the joint GATT/ILO Study (see ILO document G.R.157/I.C./D.1/5).
4. Although some additional information has been received during the past year, the situation is still basically the same as it was at the twentieth session. The question arises as to whether the Cotton Textiles Committee would be interested in the secretariat making an attempt at the cost comparison study for those sectors - cotton, spinning and weaving - for which the information received is most complete. This would include only a few countries and utilize the limited material now available. If such an attempt were presented to the Committee, the Committee could then assess the quality and the usefulness of such an investigation and decide whether additional efforts should be made in order to bring it up to date and to fill in the gaps in the information and whether the group of countries should be extended to make it more representative.

./.