

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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COMMITTEE ON MARKET DISRUPTION

Study on Textile Industries

Note by the Secretariat

1. At the seventeenth session, the CONTRACTING PARTIES approved a proposal by the Committee on Market Disruption requesting 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)403) was sent to contracting parties in order to secure necessary information for such a study.
2. Several governments informed the secretariat that difficulties would arise in providing all the information asked for in the questionnaire, and after the United States Government had expressed serious doubts as to whether that country could supply the data, the Committee had to conclude at its meeting in May 1961 that the study could not proceed much further for the time being and that governments should not be asked to undertake new work (see document L/1500). The secretariat should in the meantime analyse the replies received and consult with governments as to how to improve them.
3. In November 1961, the United States delegation to the Statistical Subcommittee on Cotton Textiles informed the secretariat that, as a result of a careful investigation of the material available in governmental agencies or obtainable from the industry, it now considered that the necessary information could be supplied.
4. The replies from a number of countries were then discussed with representatives of the respective governments in order to examine to what extent the gaps in the replies to the questionnaire could be filled, if necessary by estimates. It was in particular endeavoured to obtain full replies from important producers and exporters of textiles such as Japan, Hong Kong, Italy, the Federal Republic of Germany and France. While this has led to a substantial improvement in the information concerning several countries, the data in hand are still incomplete, as can be seen from the appended analysis of information received.

5. As regards the United States and Canada, several European countries, and India, the information so far collected is fairly complete. Data from producing and exporting countries in Asia, other than India, are however not complete enough to enable these countries to be included in an international comparison of production costs. In the absence of sufficient data from countries which play a major rôle in international textile trade, it might be worthwhile to consider the usefulness of embarking upon detailed and laborious calculations of comparative production costs for only a limited number of countries.

Analysis of Information Received in Reply to
Questionnaire No. 1

The secretariat has so far received answers to the questionnaire from nineteen countries. Since the information available with regard to knitted goods and wearing apparel is very limited for a number of countries, it has been decided, in consultation with delegates, to concentrate for the time being on spinning and weaving activities. Moreover, since artificial and synthetic fibres and silk, as well as jute and sisal, are of lesser importance for certain countries, the following remarks on the data received refer in most cases only to spinning and weaving of cotton and wool.¹ Information received on the general structure of the industries concerned, such as indications on depreciation allowances or size distribution of establishments, is not analysed in this note which concentrates on the replies relating to data on output and input.

The replies received are here grouped in four categories. Those in the first category are complete enough to serve as a basis for cost comparisons. Those in the second category provide the necessary basic information but require completion as regards certain items (e.g. details on qualities, separating out finishing activities). Replies classed in the third category do not give certain basic information such as production data free of duplication or an analysis of labour costs and employment by sector. The fourth category consists of replies giving only general data on the textile industries or giving data relating to only a small number of enterprises.

¹In the questionnaire, information regarding input and output was requested for seven different sectors, i.e. cotton spinning and weaving; woollen and worsted; artificial and synthetic fibres and silk; textile finishing; knitting, including hosiery; wearing apparel, excluding leather, furs and footwear; and jute manufactures.

1. Replies containing information detailed enough to be used for comparisons of costs of production

Only the replies from two countries can be classified in this group, namely those of the United Kingdom and the United States.

2. Replies which require little additional information

Belgium - The information given is almost complete except for details on quality of yarn and fabrics.

Canada - Since finishing is usually integrated, estimates should be made of the share of finishing activities in the value of output. Details on qualities are lacking (average count for cotton yarns, conversion of linear yards to square yards for fabrics).

India - The information given in the Census of Indian Manufactures answers almost all the questions but it is difficult to isolate finishing activities. Some details on the quality of fabrics are also lacking (conversion of linear yards to square yards).

Italy - For the wool sector, information on quality and quantity of output is not detailed enough. Value data for production and important input elements are lacking.

3. Replies which require considerably more information

Australia - The values given both for output and input are not detailed enough. No indications are given on qualities of yarns and fabrics produced.

Austria - Labour costs and the number of persons employed are not analysed for each sector. Finishing activities are not isolated and details on qualities are lacking for yarns and fabrics.

France - It is difficult to estimate the output without duplication for each sector. Information on qualities of yarns and fabrics is lacking.

Germany - Number of employed is not analysed exactly according to the set of sectors used for the production data and no data are given on labour costs for separate sectors. Finishing activities are not isolated and details on qualities of yarns are lacking.

Japan - Labour costs and the number of persons employed refer only to large enterprises. The value of output and input of each sector is not given; details on qualities of yarns and fabrics are lacking; finishing activities are not isolated.

Netherlands - It is difficult to estimate the output without duplication for each sector. Information on the quantity of fabrics and on the qualities of yarns and fabrics is not given.

Pakistan -- No indication on quality and the other information on output is not detailed enough.

4. Replies which in their present form cannot be used as a basis for further compilation

Hong Kong - The data received refer only to a small number of enterprises.

Turkey - Global figures are given for the various sectors, but with reference only to Government enterprises which represent about one third of the whole industry.

Greece, Peru, Poland and South Africa - The answers to the questionnaire received from these countries contain only very general data on the textile industries.