

RESTRICTED

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Textiles Committee
Sub-Committee on Adjustment

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IN RESPONSE TO GATT/AIR/UNNUMBERED A AND B

ARGENTINA

Additional Information

There are at present approximately 950 textile establishments in the country, with 10,200 shuttle-looms for cotton, 18,500 cotton-spinning rotors, 1,130,000 installed cotton-spinning bobbins, 5,700 wool looms, 540 wool-combing heads and 346,000 installed wool-spinning looms.

Between the latter months of 1979 and mid-1982, the general situation in the textile industry was extremely grave; some gradual improvement followed, which later slackened in pace. By October 1983, the situation was at a level close to normal despite difficulties resulting from the heavy incidence of financing costs on total costs. The industry expects the situation to continue to develop as in October last, within limits considered normal for manufacturers.

From June 1979 to May 1982, demand was very sluggish with peaks in February 1980, June 1981 and May 1982. Thereafter a favourable trend developed with some interruptions: the levels reached in September and October 1982 dropped back and then began to rise again in the second quarter of 1983. In July of that year, some encouraging signs became apparent in demand, for the first time in the past four years. In October 1983, demand was continuing within levels that manufacturers consider normal.

The level of stocks was much higher than desirable from November 1979 to July 1982, with some fluctuations. Thereafter stocks stabilized at levels than can be considered normal for manufacturers, because of the policy of high interest rates applied during that period rather than because of any strong increase in demand.