

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/40/Add.3

23 May 1986

Special Distribution

Textiles Committee
Sub-Committee on Adjustment

Original: English

INFORMATION RECEIVED BY THE TECHNICAL SUB-GROUP IN RESPONSE TO GATT/AIR/UNNUMBERED A AND B

Addendum

EGYPT

Situation of the Textiles and Clothing Industries

In the framework of the State Economic Policy to increase productivity, and diversify exports, the Egyptian Textiles Industry has been urged to improve its industrial structure for its spinning, weaving and finishing capacity, in order to cope with both domestic consumer requirements and the international environment in textile trade.

Since our last report of 1983, much has been achieved in the field of restructuring, modernization and replacement in Egypt's textile industry.

Together with the Cotton Textile Consolidation Fund, which was established in 1953 to promote cotton textile exports by raising the technical and managerial standards of this industry, the Textile Industries Corporation was set up at the end of 1983 as a holding company of all public sector textile companies.

Foreign and World Bank loans served in the rehabilitation and expansion schemes in some public sector companies. A recent development is the emergence of new private sector companies, joint venture companies, and some projects in the Free Zone.

The Textiles Industries Corporation announced it plans as follows:

1. Replacement of old spinning mills in existing buildings from 1986 onwards, thereby increasing production of blended yarns by ten thousand tons per year. More spindles running at higher speeds and efficiency will be installed in some mills, using less labour and producing higher qualities.
2. Expansion of waste spinning using open-end modern technology.
3. Doubling the capacity of existing polyester fibre plant to fifty-two thousand tons per year before 1987. Start another plant to produce another fifty thousand tons per year by 1991.
4. Replacing existing linen spinning mill in the same buildings.
5. Modernize by replacement and expansion of jute spinning in the same buildings.

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6. Replace old looms with modern high speed shuttleless looms but with no increase in total production.
7. Higher quality blended fabrics for the modern garment industry will be produced using less labour.
8. Replace old textile finishing plants to produce high quality blended fabrics for the garment industry.
9. Ambitious expansion in knitting and confection industries. Foreign know-how and technical assistance are being actively sought for all new knitting and confection factories.
10. Worsted and woollen industries will get replacements with no expansion.
11. The expansion of manufacturing of accessories for textile and apparel industries.

The figure for public sector enterprises show that:

	1983	1984	
<u>Installed capacities</u>			
- Cotton spindles ('000)	2,750	2,776	
- Looms	28,000	27,340	
<u>Production</u>			
- Cotton and blended yarns	238,924	242,827	(tons)
- Cotton and blended fabrics	598,683	598,351	('000 metre)
- Terry towels	12,201	2,280	(tons)
- Knitted underwear	46,770	52,363	('000 pc)
- Knitted outerwear	11,055	11,130	('000 pc)
<u>Exports</u>			
- Cotton and blended yarns	55,345	62,484	(tons)
- Cotton and blended fabrics	68,537	87,237	('000 metre)
- Knitted products	6,622	8,230	('000 pc)
- Ready-made garments	1,562	1,518	('000 pc)
- Terry towels	951	1,488	(tons)
<u>Employment</u>	287,214	274,517	(workers)