

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/W/191  
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Special Distribution

Textiles Committee

SUPPORTING PAPER TO THE STATEMENT OF THE REPRESENTATIVE  
OF INDONESIA TO THE TEXTILES COMMITTEE  
ON BEHALF OF DEVELOPING COUNTRIES EXPORTERS OF  
TEXTILES AND CLOTHING

Comments on the Documentation on Agenda Item A (ii)

1. Developing Countries Exporters of Textiles and Clothing would like to present the following comments on the useful documentation prepared by the GATT Secretariat for Agenda Item A (ii) in COM.TEX/W/186 and COM.TEX/W/187.

I. DEMAND

2. The renewed strength of consumer expenditure on clothing in the main markets in 1986 is not sufficiently brought out in COM.TEX/W/186. The only reference can be found in paragraph 11, showing the growth in the United States in the first half of 1986. However, to demonstrate the further growth in consumer expenditure on clothing, it would have been useful, to show in Table 1 (COM.TEX/W/186), the growth of consumer expenditure in January - June 1986. Even if such data are not yet available for the EC as a whole, they do exist for certain individual member countries

3. Furthermore, it would have been useful to note in the text that in 1985 and in the first half of 1986 consumer expenditure on clothing in both the United States and the EEC has grown at the same rate, or faster than, consumer expenditure on all goods and services (in volume, i.e. when adjusted for inflation).

II PRODUCTION

4. As in the case of consumer expenditure, it would have been useful to show percentage changes which occurred in January - July 1986 (as compared with

the corresponding period of 1985) in Table 2 of COM.TEX/W/186. Although These percentage changes can obviously be derived from the indices given in Appendix Table 1, their inclusion in Table 2, and mention in the text, would have brought out more clearly the marked recovery of production of textiles and clothing in the main markets during the first half of 1986.

### III. EMPLOYMENT

5. The data on employment are fragmentary, as recognized by the GATT Secretariat in paragraph 20 of COM.TEX/W/186. The latest year of data shown for the EEC is for 1984; however, more recent data on employment are available for most member states of the EEC. For other main markets data are only given for the first quarter of 1986. Thus, developments in employment in the main importing countries during the first half of 1986, when these countries experienced a marked improvement in consumer expenditure and production and a further rise in productivity, cannot be gauged from the documentation presented in COM.TEX/W/186 and COM.TEX/W/187.

### IV. FOREIGN TRADE

#### Value data in US dollars

6. The analytical usefulness of the value data in US dollar terms as regards both the percentage rates of change and the shares of individual countries, or group of countries, shown in the Tables on Foreign Trade in COM.TEX/W/186 and COM.TEX/W/187 are significantly impaired by the wide fluctuations in exchange rates. This results clearly from paragraph 21, Tables 4,6 and 7 and appendix Tables 3, 5 to 16 and 18 of COM.TEX/W/186, which show the extremely wide differences which have occurred every year between data expressed in US dollar terms and in national currencies.

#### Non inclusion of intra EEC trade

7. The non inclusion of intra-EEC trade in all trade data contained in COM.TEX/W/186 and COM/TEX/W/187<sup>1/</sup> gives a distorted picture of the amount and

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1. The only brief reference to this trade flow is made in footnote 2, page 13, of COM.TEX/W/186.

area distribution of world trade (Table 5 of COM.TEX/W/187) of trade of the developed member countries (Tables 2,3,24 and 25 of COM.TEX/W/187) and of trade of the European Communities (Appendix Table 3 of COM.TEX/W/186 and Tables 4,5 26 and 27 of COM.TEX/W/187). It should be recalled in this connection that in 1985 intra EC trade in textiles and clothing<sup>1/</sup> combined exceeded US \$ 21 billion, representing 56 per cent of total EC imports, 28 per cent of imports into industrial countries and 20 per cent of world trade.<sup>2/</sup>

Non availability of recent data on exports from the EC

8. Considering that (i) the EC is the main world exporter of textiles and clothing, and (ii) exports represent a significant proportion of production in several EC member states, data in Tables 4 and Appendix Table 3 of COM.TEX/W/186 for January-June 1986 showing only imports but not exports can be misleading. It should, also, be noted that export data for the first half of 1986 are available for several member countries of the EEC.

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1. SITC divisions 65 and 84

2. Based on data given in Appendix Tables A 9 and A 12, GATT International Trade 85-86.