

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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INTERNATIONAL TRADE IN TEXTILES

Note by the Secretariat

Revision

As the Director-General pointed out at the Council meeting on 29 May, he has for some time been of the opinion that, because of the unsatisfactory situation existing in international trade in textiles, consideration might be given, at the right moment, to the establishment in GATT of a Working Party on Textiles.

For the reasons which the Director-General gave at the meeting of the Council, he believes that the moment is now right for consideration to be given to this question.

In the light of the exchange of views at the Council meeting on 29 May, and after consultation with interested governments, the Director-General would suggest the following draft terms of reference for a Working Party, open to all interested countries, which the Council might wish to consider at its next meeting:

Draft Terms of Reference
for a Working Party on Trade in Textiles

Recognizing the great importance to many of the contracting parties of trade in textiles and textile goods of cotton, wool, and man-made fibres, and the unsatisfactory situation that exists in international trade in these products,

Recognizing the particular importance of the trade in these products, including cotton products, for the economic and social development of developing countries, and for their export earnings,

Recognizing that solutions to problems in textile trade should be sought against the background of the principles and objectives of the General Agreement,

the Council decides to set up a working party with the following terms of reference:

1. The Working Party shall make a study of fact regarding the economic, technical, social and commercial elements which influence world trade in textiles, distinguishing the various textile sectors, both according to the fibres used and according to the degree of processing.
2. The Working Party shall present its report for consideration by the Council by the end of 1972.

These broad terms of reference would provide a framework within which the Working Party could elaborate a detailed work programme and the contents of its study, taking account of any views that might have been expressed by contracting parties in the Council.

Among the elements that could be included in the study are (a) the evolution of production, consumption and international trade in textiles in the past decade, with particular reference to the relative positions held by different fibres; (b) changes in the structure of the textile industry; (c) technological developments and changes in consumer taste and demand; (d) current commercial policy measures affecting trade and factors behind their adoption; (e) national adjustment policies with respect to textile industries.

Such a study should permit a better understanding of the current situation thus assisting governments in their consideration of the question in the GATT.