Attached is a note received from the delegation of the European Communities concerning adjustment measures in the field of textiles. In particular, this note concerns expenditures by the European Regional Development Fund, European Investment Bank and European Social Fund, as well as other expenditures at Community level in this area.

This information is submitted in reply to the letter addressed by the Chairman of the Working Group, on 23 July 1980, inviting participating countries to provide the information requested by the Committee at its meeting in July in order for the Working Group to continue its work on adjustment measures.

The information should be considered as additional to the paragraph contained in the Community's reply to point 2(B) of GATT/AIR/1611, relating to "accessory measures" (see page 99 of COM.TEX/16).
In this connexion, UA451.4 million were granted by the European Regional Development Fund (ERDF) between 1975 and 1979 for regions where textile employment plays an important rôle, distributed as follows:

Belgium: UA2.55 million
Germany, F.R.: UA35.61 million
France: UA96.42 million
Netherlands: UA30.51 million
United Kingdom: UA132.07 million
Ireland: UA151.57 million
Italy: UA2.67 million

Similarly, UA100.1 million were granted by the European Investment Bank (EIB) as individual loans, and UA34.7 million in credits were earmarked for global loans between 1977 and 1979 for the benefit of investment projects in regions particularly hit by the textile crisis.

These interventions by the Regional Fund and the European Investment Bank (EIB) are intended almost exclusively for projects in sectors other than the textile/clothing sector in order to promote diversification of industrial activity in those regions.

With respect to the European Social Fund, the Community has established a special budget for workers in the textile/clothing sector.

First priority has been given to applications relating to operations in favour of persons:

- who are leaving the textile/clothing sector to take up an activity in another economic sector;

- or who, following the implementation of adjustment measures, are being retrained within the textile/clothing sector in a branch offering, in the long term, prospects of viability at the Community level.

Thus in 1979, UA4.6 million were granted for vocational retraining of workers in the sector.
The proportion of applications from persons leaving the textile sector is clearly on the increase, and rose from 15 per cent in 1973 to 44 per cent in 1979.

In the context of activities to encourage industrial restructuring and reconversion, Community intervention in the synthetic fibre sector reached a value of ECU 13,982,785 in 1979.

The major part of that amount - 57.5 per cent - was allocated to reconversion projects outside the textile sector; the remainder was used to contribute to restoring a sound economic situation in the synthetic fibre sector and to diversification toward regenerated fibres:

- by helping to create new jobs in the new economic activities, where restructuring in that sector would bring redundancies;

- by helping synthetic fibre producers to switch their activities toward products for which sounder development is likely;

- by helping certain restructuring operations designed to secure financial equilibrium for the firms undertaking them.

In summary, within the framework of the means at its disposal, the Community has pursued an active policy designed to encourage reconversion of workers affected by import pressure, as well as to promote diversification in regions where the textile industry predominates and which are faced by serious social and economic problems for those same reasons.