General Agreement on Tariffs and Trade

Textiles Committee
Sub-Committee on Adjustment

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

Addendum

SINGAPORE

(A) Autonomous adjustment

The textiles and clothing industry continues to play a useful role in the Singapore economy. The industry has responded positively to the government's call for basic change, in line of the overall economic restructuring policy.

Statistics on the development of the industry for 1980, 1981 and 1982 (preliminary figure) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th></th>
<th>1981</th>
<th></th>
<th>1982 (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Textiles</td>
<td>Clothing</td>
<td>Textiles</td>
<td>Clothing</td>
<td>Textiles</td>
</tr>
<tr>
<td>No. of establishments</td>
<td>99 (3%)</td>
<td>374 (11%)</td>
<td>94 (3%)</td>
<td>374 (11%)</td>
<td>91 (3%)</td>
</tr>
<tr>
<td>Employment</td>
<td>9,710 (3%)</td>
<td>27,188 (9%)</td>
<td>7,906 (3%)</td>
<td>27,870 (10%)</td>
<td>6,586 (2.4%)</td>
</tr>
<tr>
<td>Output (S$m)</td>
<td>488.8 (1.5%)</td>
<td>848.4 (2.5%)</td>
<td>422.1 (1.1%)</td>
<td>924.7 (2.5%)</td>
<td>335.5 (1%)</td>
</tr>
<tr>
<td>Value-added (S$m)</td>
<td>157.6 (1.8%)</td>
<td>266.4 (3%)</td>
<td>134.9 (1.4%)</td>
<td>308.3 (3.1%)</td>
<td>105.4 (1.5%)</td>
</tr>
<tr>
<td>Domestic exports (S$m)</td>
<td>312 (1.2%)</td>
<td>757 (2.8%)</td>
<td>254 (0.8%)</td>
<td>800 (2.6%)</td>
<td>207 (0.6%)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets denote the percentage share of total manufacturing industries and total value of domestic exports.

83-2824
The key efforts by the textiles and clothing industry in the restructuring can be summarized in the following areas:

(i) Re-equipment

In order to remain competitive in the international market, the industry has invested heavily in the new machinery and technology. Of the S$86 million investments made in this sector during 1980 to 1982, it is estimated that S$69 million or about 80 per cent represents re-equipment of existing facilities.

(ii) Training

Recognising the need to match up-to-date production facilities with a skilled and flexible workforce, the industry through its association, the Singapore Textiles and Garment Manufacturers' Association (STGMA) has established the Textile and Garment Training Centre in June 1982. Tailored to the specified needs of the industry, the Training Centre can train up to 800 workers a year.

(iii) Move up-market

The clothing industry in particular has gradually moved up-market in response to the growing demand for high quality clothing in the most advanced industrialized countries.

The industry has published its first trade magazine in September 1983 to "soft-sell" Singapore fashionwear. This magazine will be an annual publication in its initial years. In addition, the industry also mounted promotional programmes for export markets.

(B) Government measures

Singapore pursues a free-trade policy. There is no restriction on imports of textiles and clothing. There is also no specific government plans/programmes for the reorganization or modernization of the textiles and clothing industry.

However, the Singapore Government through its three-year wage correction policy (1979 to 1981) has speeded up the pace of restructuring of the manufacturing/services industries in Singapore. Companies are encouraged to rationalize, automate and re-equip, wherever feasible, to increase productivity by using better equipment. Manpower training aimed at improving the skills of both existing and new recruits is also encouraged.

The textiles and clothing industry is one of the industries that has made significant efforts to increase productivity and steadily move towards the production of high quality and higher-priced products.