Reply of the Government of Denmark

By communication dated 31 October 1969, the following reply to the questionnaire on adjustments in the cotton textile sector, COT/W/110, has been received from the Permanent Mission of Denmark for circulation to the Cotton Textiles Committee. In this communication they stated that the reply should be read in conjunction with the information on Denmark contained in document COT/105, which is still valid.

I. Measures for Facilitating Adjustments in the Cotton Textile Sector

1. No special measures have been taken in favour of the cotton textile industry. This industry is, however, eligible for assistance of the type described below in accordance with general legislation aimed at facilitating adjustments in industry.

(a) No such arrangements exist.

(b) Government loans are granted for the modernization and rationalization of handicraft and smaller industrial enterprises. In addition finance facilities are provided as part of regional development measures.

(c) Financial assistance in the form of State guarantees for loans may be granted for the purpose of assisting enterprises which need reconditioning due to changed market conditions or to make possible the establishment of desirable production which is of a particularly risky character.

Guarantees may furthermore be granted as part of regional development measures.

(d) The textile industry is subject to the general rules of depreciation.

(e) None.

(f) Separate figures are not available for the cotton industry. Employment and unemployment statistics cover the textile industry as a whole. From the annexed Tables 1 and 2 it will be seen that the membership of the textile industry's unemployment insurance fund declined from 1960 to 1967, but unemployment was low.
and caused no problems. In 1968 there was a steep rise in unemployment which remained at a fairly high level in the first months of 1969; at the same time, however, the membership of the textile industry's unemployment insurance fund showed a certain increase. The rising unemployment figures relate to certain enterprises, especially cotton spinning mills, which are experiencing special difficulties at the present time.

These difficulties, which are felt also outside cotton spinning, gave rise to an intensification of the activities of placement services and their facilities.

No special measures of this kind have been taken in respect of the cotton industry.

(g) Denmark has a special retraining system for unskilled workers instituted by legislation. In pursuance of an Act of 17 May 1960 on Vocational Training of Unskilled Workers, sector committees have been set up in most sectors of industry, including the textile industry. These committees, which consist of representatives of employers' and workers' organizations, shall inter alia examine the individual sectors' needs for training and prepare sector plans for courses as well as programmes for individual courses. Plans and programmes are subject to approval by a Central Training Council set up under the Ministry of Labour, again with representation from employers' and workers' federations plus experts from government departments.

Training programmes must be constantly revised in the light of technological progress and labour market needs.

Plans and programmes have been approved and implemented in most sectors. Courses (normally of three weeks' duration, but generally with provision for continuation courses in successive stages) are open to all unskilled workers over eighteen years of age who have or seek employment in the sector concerned. Most of the courses are held at special schools for semi-skilled workers, established and run with government support. Course attendants will receive compensation for loss of earnings during course periods.

Programmes have been approved for the textile sector where courses can be held on the manufacturing of fabrics, etc. and the processing of textile goods.

In 1967/68 and 1968/69 one or several textile sector courses were attended by respectively 330 and 250 workers.

Plans have been approved for a total of more than 100 courses covering twenty-two sectors of industry. As these courses are open to all workers having or seeking employment in a sector, textile workers who want to leave the textile industry because of scarce employment opportunities or for
other reasons may attend courses organized for other sectors. In one recent instance where a firm in the textile sector reduced the scope of its activities, special efforts were made to find alternative employment in other sectors in co-operation with local authorities, placement services, the Central Training Council and schools for unskilled workers in the area.

(h) The State takes only a minor part in such activities, and the textile industry holds no preferential position.

2. No.
3. See reply to Question I, 1.
4. The textile industry as such takes no centrally guided adjustment measures. Individual enterprises have to take their own decisions on these matters; no information is available about any such decisions.
5. See reply to Question I, 1(f) - Such special measures could be taken only if there was a special need for them.

II. Changes in the Cotton Textile Industry and Trade Over the Period 1960 to 1968

1. Not available.
2. Such information is not available, but it may be said that Danish spinning mills have experienced a crisis, but the decline seen in the production capacity of spinning mills after 1960 may also be due to other circumstances.
3-8. Not available.
9. Precise information is not available, but there is a concentration of textile mills in central Jutland.
10. See replies to Question I, 1 (f and g).
11-12. Not available.
13-17. Not available – see, however, replies to Questions II, 18 and 19, below.
18. Reference is made to COT/STAT.

(Per cont)
III. General Observations

All textile articles have been liberalized. Restrictions exist only vis-à-vis a couple of countries with particular low-price problems, but in these cases, too, a liberal licensing practice is followed.

Denmark's consumption of imported cotton goods is therefore very big. It is estimated at US$11.87 per capita in 1967, of which imports from developing countries accounted for US$3.02.
### Table 1

**ANNUAL AVERAGE MEMBERSHIP OF THE TEXTILE WORKERS' UNEMPLOYMENT INSURANCE FUND, EMPLOYED WORKERS, UNEMPLOYED WORKERS, UNEMPLOYMENT PERCENTAGE OF INSURED TEXTILE WORKERS AND OF ALL UNEMPLOYED WORKERS**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>17,975</td>
<td>17,558</td>
<td>17,520</td>
<td>17,237</td>
<td>16,970</td>
<td>16,407</td>
<td>15,410</td>
<td>14,866</td>
<td>14,901</td>
</tr>
<tr>
<td>Unemployed</td>
<td>550</td>
<td>409</td>
<td>280</td>
<td>341</td>
<td>254</td>
<td>174</td>
<td>227</td>
<td>258</td>
<td>616</td>
</tr>
<tr>
<td>Employed</td>
<td>17,425</td>
<td>17,149</td>
<td>17,240</td>
<td>16,896</td>
<td>16,716</td>
<td>16,233</td>
<td>15,183</td>
<td>14,608</td>
<td>14,285</td>
</tr>
<tr>
<td>Percentage of unemployment of insured workers</td>
<td>3.1</td>
<td>2.3</td>
<td>1.6</td>
<td>2.0</td>
<td>1.5</td>
<td>1.1</td>
<td>1.5</td>
<td>1.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Percentage of unemployment of all workers</td>
<td>4.6</td>
<td>3.6</td>
<td>3.2</td>
<td>4.4</td>
<td>2.7</td>
<td>2.1</td>
<td>2.5</td>
<td>2.9</td>
<td>4.9</td>
</tr>
</tbody>
</table>

### Table 2

**MEMBERSHIP OF THE TEXTILE WORKERS' UNEMPLOYMENT INSURANCE FUND, EMPLOYED AND UNEMPLOYED WORKERS, PERCENTAGE OF UNEMPLOYMENT OF INSURED TEXTILE WORKERS, JANUARY, FEBRUARY AND MARCH, 1968 AND 1969**

<table>
<thead>
<tr>
<th></th>
<th>1968</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January</td>
<td>February</td>
</tr>
<tr>
<td>Membership</td>
<td>14,750</td>
<td>14,796</td>
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<tr>
<td>Unemployed</td>
<td>622</td>
<td>559</td>
</tr>
<tr>
<td>Employed</td>
<td>14,128</td>
<td>14,237</td>
</tr>
<tr>
<td>Percentage of unemployment</td>
<td>4.2</td>
<td>3.8</td>
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</tbody>
</table>