INTERNATIONAL TRADE IN COTTON TEXTILE PRODUCTS

Report of the Statistical Group on Textiles

A statistical working group met in Geneva at the Palais des Nations on July 12th and 13th. This group was convened to make available to the meeting of representatives of countries substantially interested in the importation and exportation of textile products, which will start on July 17th, preliminary statistical data on trade and production of cotton textile articles for the main importing and exporting countries.

The group reviewed the statistical tables assembled by the secretariat and by the Commission of the European Economic Community, and made the necessary arrangements for completing these tables wherever the data were not available in the GATT secretariat. The data relating to trade have been compiled from national statistics and no attempt has been made to reconcile import and export figures or to analyse causes of discrepancy.

The group recognized that to a large extent this information is fragmentary and lacks in comparability. The meeting on textiles may well consider what further statistical work should be conducted in order to assemble the detailed statistical material which would be required for its purposes.

The group came to the conclusion that the data assembled with respect to yarns and fabrics (including a number of made-up articles) were reasonably comparable and would give to the members of the meeting valuable indications on the trends in imports and the effects of such imports, on domestic markets. On the other hand it noted that the situation was far more difficult with respect to garments. So far as trade figures are concerned, it has not been possible in a number of cases to segregate cotton garments from those made of other fibres. The comparison between the trade statistics of the various importing countries would therefore have to be limited to imports of garments made of fibres "other than wool". So far as production figures are concerned, data would not have been available immediately and international comparisons would have been of doubtful value.

1 Figures provided by the Commission have not been submitted to the Governments of the member countries and should therefore be considered as provisional.
since these data would generally relate to the entire garment field, and not
to cotton garments only and would be limited to industrial production the
coverage of which varies very substantially from country to country.

After reviewing the various methods which could be contemplated¹, the
working group came to the conclusion that the secretariat should confine
itself to submitting to the meeting a table containing the imports per capita
of clothing in the importing countries in 1959. These data do not relate
exclusively to cotton garments, and the values of imports and expenditure
on clothing are not strictly comparable, since imports represent landed
values and expenditure data are expressed in retail prices; moreover,
the level of prices for imports is generally lower than that of the domestic
market. This table would, however, at least give a rough estimate of the
share of the market which is accounted for by the imports from less-developed
countries and territories and Japan.² Additional data on total imports,
exports and expenditure on clothing have been added to throw some light on
the structure of the garment industry and trade in the importing countries.

As regards the methods adopted for the establishment of the preliminary
tables to be submitted to the meeting, the following points have been agreed.

A. **General:**

1. The statistical tables relating to trade and production will give
data for the years 1958, 1959, 1960. At a later stage it will be
attempted to assemble data for 1961.

2. The preliminary tables should state which type of imports is shown
(e.g. total imports or retained imports), and whether articles
re-exported after processing are or are not included in the
figures shown. The working group felt that it was highly
desirable to obtain for all importing countries separate figures
for fabrics cleared for domestic consumption. Where the data
are not readily available an estimate of the magnitude of cloth
imported for re-exportation as such or after such improvement
processes as bleaching, dyeing, printing or finishing would
considerably improve the comparability of the data.

¹ A note by the secretariat giving a brief analysis of these methods
is appended to the report.

² In the preliminary data submitted to the meeting only figures relating
to Hong Kong and Japan have been assembled although it is recognized that
certain other countries may have a significant export trade in cotton
garments.
3. The tables will distinguish between:

   (i) Cotton yarns.

   (ii) Cotton grey fabrics.

   (iii) Other cotton fabrics and made-up articles (if possible, made-up articles will be shown separately).

   (iv) Clothing articles.

B. Fabrics:

1. It was noted that "cotton fabrics" include not only pure cotton fabrics, but also fabrics where cotton is the predominant fibre (i.e. more than 50 per cent by weight in the case of the trade statistics of Australia and countries applying the Brussels Tariff Nomenclature; more than 50 per cent by value in the case of imports into the United States). In terms of the Brussels Tariff Nomenclature cotton fabrics include the following items: 55.07; 55.08; 55.09; 58.04.

2. "Made-up articles of cotton" will include the following items of the BTN: 61.05 (Handkerchiefs) and 62.02 (Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles), in so far as the articles are made of cotton (as defined in paragraph B.1).

   As far as possible, additional data will be given by the countries concerned on such other made-up articles as cotton carpets, fishing nets, ribbons and braids.

3. Imports or exports of fabrics will be expressed in metric tons.

4. Production of fabrics would be given at the "loom stage", but the countries concerned have been asked to provide the secretariat with additional figures relating to the production of made-up articles.

C. Clothing:

1. Trade statistics should relate to "articles of all fibres other than wool" and, if possible, give a breakdown of these figures into

   a) cotton (as defined in paragraph B.1);

   b) artificial and synthetic fibres;

   c) silk.

   In the case of Canada trade statistics include only pure cotton fabrics.
2. The following items should be shown separately

   (i) men's and boys' outer garments (HTN 61.01);

   (ii) women's, girls' and infants' outer garments (HTN 61.02);

   (iii) men's and boys' under garments (including shirts made of
          woven fabrics) (HTN 61.03);

   (iv) women's, girls' and infants' under garments (HTN 61.04);

   (v) knitted and crocheted goods (excluding fabrics) (HTN 60.02,
       60.03, 60.04, 60.05);

   (vi) other wearing apparel (HTN 61.06, 61.07, 61.08, 61.09,
        61.10, 61.11).

Wherever feasible, separate figures should be given for the
following sub items: blouses, shirts, trousers and slacks, corsets
and brassières.

3. The data should indicate values as well as quantities (if possible,
   the quantities will be converted into square yards or square metres).
Note by the Secretariat on Methods of Measuring the Share of Imports in the Home Market.

Although it is relatively easy to compare the levels of importation attained in the various countries, it would appear necessary to compare also the absorption capacity of the national markets in order to calculate, at least approximately, the share of the imports in the home consumption of each one of the countries under consideration.

As regards fabrics and made-up articles the quantities produced and imported are as a general rule available, and weight is the usual unit of quantity employed. As regards these articles, it would, therefore, appear natural to make international comparisons on the basis of tonnage; although these comparisons take differences of quality into account only to a limited extent, they nevertheless allow the orders of magnitude to be determined.

As regards clothing, the units of quantity used in the statistics vary (number, surface area, weight); moreover, the differences of quality may be very wide. In order to convert production and importation to a common unit, various methods may be considered:

(i) The tonnage (or surface area or yardage) of the articles of apparel produced and imported may be calculated. Calculations of this kind have been made in the United States and in Canada;

(ii) Comparisons may be restricted to the value of the imports per person; the secretariat of OEEC has produced figures of this nature;

(iii) On the basis of national accounts which now exist in a number of countries, the volumes of household consumption of clothing can be compared;

(iv) Finally, comparisons may be based on estimates of the value of the articles of clothing produced in the various countries.

The purpose of this Note is to provide a summary description of some of the methods which may be used to deal with these difficulties.

1. Comparisons based on the conversion of production and import data into tonnage or yardage

(1) United States

The method followed in order to determine the "content in raw cotton" of articles imported into the United States is described briefly in "The Cotton Situation", Department of Agriculture, Washington, May 1960. Calculations are made first of all in order to estimate the weight of the different categories of articles considered; these weights are then corrected in order to obtain an estimate of the weight of raw cotton necessary to produce these articles.
The difficulties of calculation are mainly due to the fact that trade statistics frequently give the quantities of clothing in units other than weight (yardage, surface, number of units, etc.). Moreover, for certain groups of articles the value alone is recorded. When the weight is not known directly, it is estimated by means of conversion factors (when a unit of quantity other than weight is given in the statistics) or by means of a price index (when only the values are available).

(ii) **Canada**

Similar calculations have been carried out in Canada, with the object of estimating the yardage contained in imported clothing and made-up articles, and of comparing it with the yardage of domestically produced fabrics.

(iii) **Other countries**

It does not appear that calculations for the purpose of measuring the quantities of cotton contained in the imported articles of apparel - or their surface area - have been made systematically in other countries importing cotton articles.

2. **Comparisons based on the value of imports per person**

The calculation of the value of imports per caput of clothing is very simple. The import per caput as such cannot give an indication of the impact of imports on the domestic market nor can they be compared from one country to another since per caput expenditure on clothing depends clearly on the level of income in each country. The question then arises which data should be selected to estimate production or consumption.

3. **Comparisons based on the value of the consumption of clothing**

The indications given in the preceding paragraph show that the comparisons between countries would be improved if accurate figures were available both for the value of the consumption of clothing in the various countries under consideration and for the relative level of prices obtained in those countries. Figures of household expenditure for all clothing are available for a number of countries from periodically established national accounts. Moreover, thanks to the work carried out by the secretariat of the OEEC it is possible, as regards the United States and the Western European countries, to make fairly accurate comparisons with respect to the volume of clothing consumption.

It would obviously not be possible to use this method for establishing a precise measure of the consumption of specified articles of clothing, e.g. of cotton clothing; the method would nevertheless yield orders of magnitude sufficiently accurate for the purposes of the present conference.
4. **Comparisons based on the value of the production of articles of clothing**

It would not appear that current industrial statistics or even industrial censuses could be used as a basis for precise international comparisons of the total production of clothing. A considerable portion of these articles is usually manufactured in small establishments, the activities of which are not covered by these statistical enquiries and the coverage of such enquiries appears to vary substantially from one country to another. It would, therefore, appear that meaningful comparisons could only be made if special enquiries are carried out in every country with a view to estimating the value of the production (industrial and other) of the different categories of articles of clothing made of cotton and other fabrics.