Attached is the provisional draft of part of the chapter on commodities to be included in the Annual Report. The section distributed herewith deal with Textiles and Clothing.

The text is still subject to considerable editorial, and possibly presentational changes, apart from any minor factual amendments which may be necessary in the light of information which the secretariat may receive at a later date.

Contracting parties wishing to make suggestions are asked to forward them to the secretariat before 9 October 1964.
TEXTILES AND CLOTHING

In keeping with the general trend of trade in all manufactured goods, international trade in textiles and clothing (SITC 65 and 84) continued to expand in 1963. Total world exports, estimated at $8,600 million (of which clothing amounted to $1,700 million) in 1963, were 8 per cent higher than in the previous year. While exports of yarns and fabrics increased by about 6 per cent, exports of clothing went up by almost 17 per cent.

The increase in exports of textile yarns and fabrics was shared by all the major exporting areas, except Japan whose sales suffered a decline in 1963. The EEC and the EFTA countries exported 7 per cent more, as against North America whose exports were only a shade higher than in the previous year. Substantial gains, on the other hand, were shown by India, Hong Kong and Pakistan which exported considerably more than in 1962.

The expansion in the exports of clothing during 1963 was even more notable. The EEC countries showed an increase of 20 per cent in the value of their sales, as compared with the EFTA group which registered an expansion of 15 per cent. Shipments from the major Asian exporting countries were also higher in 1963; Hong Kong in particular, showing a net gain of 20 per cent over the previous year due to increased shipments to Western Europe. On the whole, however, the major part of the expansion in trade in the clothing sector was accounted for by an increased intra-European trade.

Cotton textiles

The predominantly declining activity in the cotton textile sector, apparent since 1961, continued during much of 1963, only to change its course upwards towards the close of the year; as a result, this sector did not participate in the expansion which took place in textiles as a whole. Besides depletion of stocks, the downward tendency can be attributed mainly to increased competition from man-made fibre textiles.

The output of cotton yarn in those countries for which regular figures are available was about 1 per cent less than in 1962 and about 2½ per cent less than in 1961. The United States, Western Europe and Japan registered losses, as against sizeable gains by India, Hong Kong and Pakistan. The production of cotton fabrics in 1963 was similarly below the mark of the previous year. Among the important producing countries, the United States, the United Kingdom, and Japan showed significant declines, while marginal improvement was recorded again by India, Hong Kong, Pakistan and numerous other smaller exporters.

In keeping with the production trends, international trade in cotton yarn and piece-goods in 1963 was smaller than in the previous year, partly as a result of increased self-sufficiency in many less-developed countries.
Exports of cotton yarn from countries for which figures are available showed divergent trends. While substantial gains were shown by India and Pakistan, shipments from many of the other major exporting countries were below the 1962 level. On the import side, Western European countries showed somewhat more buoyant market conditions than the United States and Canada, in both of which deliveries were smaller than in 1962.

Trade in cotton piece-goods from the major supplying areas in 1963, both in value and quantity, was about 4 per cent less than in 1962. Much the greatest fall was suffered by Japan, which exported considerably less to virtually all its main markets except for New Zealand, South Africa, and the Middle East. The reasons offered for this poor performance included increased domestic production in various African and Asian countries, keener competition from other Asian countries for which big Japanese wage increases are partly held responsible and an apparent shortage of foreign currency in some importing countries.

India, Hong Kong, and Pakistan on the other hand, seem to have made major gains in terms of quantity of cotton fabrics by exporting respectively, 6 per cent, 12 per cent, and 100 per cent more than in 1962. The major outlets for Indian cotton piece-goods were the United Kingdom, the United States, British East Africa and Ceylon, all of whom showed significantly higher imports in 1963 than in 1962. Exports from India to Australia, the Sudan and Indonesia, on the other hand, tended to decline in 1963. While Hong Kong's exports of cotton piece-goods to the United Kingdom fell sharply, the decline was more than offset by an increase in exports to the United States, Indonesia, South Africa, New Zealand and the Federal Republic of Germany. Shipments from Pakistan in 1963 were about two and a half times more than in the previous year. Of the major importers, the United Kingdom and the United States respectively took 23 per cent and 128 per cent more than in 1962.

Western Europe as a whole showed an increase of 2 per cent in the quantity of exports, although there was an overall decline in value from $570 million in 1962 to $558 million in 1963. In terms of value both EEC and EFTA registered declines. Exports of cotton fabrics from the United Kingdom in 1963 fell further by almost 8 per cent to a value of $87 million; the losses suffered in sales were chiefly in the markets of non-industrial countries. Compared to the exports value of $126 million in 1960, the fall in 1963 exports of cotton fabrics was almost 30 per cent. Imports into the United Kingdom which declined temporarily in 1962 increased again in 1963, although not regaining the 1961 level. Portugal and Spain were the two main exceptions, where substantial quantitative increases in exports were recorded, particularly to the markets of the United Kingdom and the United States, respectively. The Federal Republic of Germany also showed some increase in deliveries to the EEC and the United States markets.
On the import side, the Western European countries, on the whole, took more in 1963 than in the previous year. The EEC countries imported as much as one third more than in 1962. The less-developed countries accounted for more than 50 per cent of this increase thus improving their share of total EEC imports (including intra-Community trade) of cotton fabrics from one fourth in 1962 to one third in 1963. Deliveries of cotton fabrics into EFTA were, however, slightly below the level of 1962 in spite of substantial gains made by India and Pakistan within the United Kingdom market.

Imports into the United States also fell from the important suppliers like Hong Kong, Japan and Portugal, but there was a considerable increase in imports from India, Pakistan, Spain and the United Arab Republic. Exports of cotton piece-goods from the United States declined quite sharply again in 1963 to reach their lowest level since 1940. This reflected the long-term trend of falling exports to practically all destinations as new sources of supply emerged. Canadian exports were also below the level of 1962, due mainly to a fall in sales to the United States market.

The developments of international trade in cotton textiles (including cotton clothing) continued in 1963 to be a source of considerable concern both for importing and exporting countries. The trade in this sector is regulated by the Long-Term Arrangement Regarding International Trade in Cotton Textiles, negotiated under the auspices of the GATT and in force from 1 October 1962, for a period of five years, and is at present adhered to by twenty-seven countries.

The Long-Term Arrangement was during 1963 mainly invoked by the United States, which claimed a situation of market disruption in a large number of categories of cotton textiles caused by imports from nearly all important foreign suppliers. During the year, however, bilateral agreements with major exporters began to take the place of various short-term restraint measures in specific categories. These bilateral agreements cover usually a great number of categories for a period of several years and make possible a certain flexibility with respect to the level of imports of the various categories. Most of these agreements provide also for a certain element of growth over the coming years.

The Long-Term Arrangement aims to deal with the problems that arise in international trade in cotton textiles in such a way as to provide growing opportunities for exports of these products, provided that the development of this trade proceeds in a reasonable and orderly manner so as to avoid disruptive effects in individual markets and on individual lines of production in both importing and exporting countries. An essential element of the Arrangement is the recognition that the industries of the less-developed countries and Japan should have a fair chance to expand and to compete in foreign markets.
In spite of a rather extensive use of the Long-Term Arrangement and of some decline in yarns and fabrics, cotton textiles imported into the United States remained at a high level during 1963, even appearing to have kept their share of total domestic consumption. The legislation passed in April 1964, introducing the same price system for sales of raw cotton irrespective of whether it is for domestic consumption or for exports, is expected to strengthen the competitive position of the American cotton industry as far as yarn and coarser fabrics are concerned. The anticipation of this legislation may even have hampered imports prior to its adoption.

Restraint measures under the Long-Term Arrangement were in a few cases also imposed by Canada and the Federal Republic of Germany. The United Kingdom continued its system outside the Arrangement of special agreements with its major suppliers on import ceilings. Several countries of continental Western Europe maintained quantitative import restrictions on various kinds of cotton textiles, but some liberalization took place during the year in accordance with the commitments undertaken by these countries when adhering to the Long-Term Arrangement.

The first full calendar year of the Long-Term Arrangement does not provide sufficient material to judge to what extent the Arrangement will influence the structure of trade and production in cotton textiles and help in achieving a better balance in the world markets. However, since a main objective of the Arrangement is an expansion of trade in cotton textiles, the exporting countries in particular, attach great importance to the strict conformity with the provisions on market disruption. Certain conclusions on this as well as on other questions about the interpretation and implementation of the Arrangement were adopted by the Cotton Textiles Committee in December, 1963, in order to remove some of the misgivings among exporting countries caused by the operation of the Arrangement in the first year of its existence.

**Man-made fibre textiles**

In contrast to the trends in cotton textiles, world production and trade in man-made fibre textiles continued to increase during 1963. The total production of man-made fibres at 4.4 million tons was 11 per cent greater than in 1962. Expansion was greatest in the world production of non-cellulosics or synthetics which at 1.3 million tons, were almost one quarter higher than in the previous year. The major increases in synthetics took place in the United States, Japan, Italy, United Kingdom, France, and the Federal Republic of Germany. The same countries also experienced growth in the output of cellulosics (especially in staple) although not at the same rate as in synthetics.

The share of man-made fibres in the total fibre consumption further increased from 20 per cent in 1958 to 28 per cent in 1963. This increase has taken place mainly at the expense of cotton whose share has receded from 70 to 62 per cent during the same period.

1The countries party to the Long-Term Arrangement make up the membership of the Cotton Textiles Committee.
Despite the increase in the production of man-made fibre textiles, (including staple) the rate of expansion of international trade in 1963 was somewhat lower than in the previous few years. Total world trade in cellulosics and synthetics added up to about 1 million tons.\(^1\) Yarn and staple accounted for 700,000 tons in 1963 as against 650,000 tons in the preceding year. While the exports of rayon yarn dropped by about 7 per cent, exports of synthetic filament yarn went up by 15 per cent. Sales from Japan of synthetic filament yarn increased by nearly 60 per cent and those from Western European countries by over one fourth. On the other hand, shipments from the United States tapered off considerably during the year. Exports of synthetic staple fibre by the main producing countries showed an increase of 20 per cent in 1963. A large proportion of world exports of rayon and fibres continued to be sold to the Eastern trading area which also showed considerable expansion in the production of such fibres.

International trade in man-made fibre fabrics increased in 1963 in accordance with the trends which were observed over the past few years. There was an expansion in world trade in fabrics made from cellulosic filament yarn. As against this, the trade in fabrics made from cellulosic staple fibre fell nearly by the same percentage. The trade in fabrics made from synthetic yarns and fibres increased by almost one fifth during the year. Most Western European countries and Japan seem to have accounted for the greater part of this expansion.

**Wool textiles**

World output of woollen and worsted yarns and wool fabrics in 1963 is estimated to have been fractionally above the 1962 level. Increases in production were recorded by the United Kingdom, Japan, and France, which, however, were to a large extent, offset by lower activity in Italy, Belgium and the United States. The six Common Market countries taken together, maintained the same level of activity as the year before, while production was stimulated in a number of other countries, including Austria, Norway and Yugoslavia.

Exports of wool tops\(^2\) in 1963 at 119,000 tons were some 10 per cent higher than in the preceding year. The United Kingdom, the leading exporter, shipped some 20 per cent more than in 1962, the bulk of these exports going to India, Japan and mainland China. Exports from the Common Market countries rose by about 4 per cent while those from Japan declined by one third. The primary producing countries in particular, Argentina and Uruguay showed substantial gains in the exports of wool tops during 1963.

\(^{1}\)Not including trade between countries belonging to the Eastern trading area but including deliveries to these countries.

\(^{2}\)It was considered desirable to describe trade in wool tops under the heading of wool textiles, although wool tops are not included in the definition of textiles used in this report (SITC 65).
Trade in wool yarns (woollen and worsted) showed an improvement of a little more than 4 per cent over 1962. The increase applied to most of the major exporting countries, with the exception of France. The Common Market countries together showed only a marginal improvement over the year. Exports of woollen yarn which in the last few years had fallen in volume due to a shift in demand in favour of worsted yarns showed a marked improvement in 1963. The Common Market exported about 2 per cent more, but the United Kingdom increased its exports by one tenth and Japan by almost four-fold. Shipments of worsted yarn from the nine leading exporters (France, Belgium, the United Kingdom, the Netherlands, Japan, Italy, the Federal Republic of Germany, Austria and Switzerland), came to approximately the same level as the year before. While exports from France fell by 15 per cent, those from other countries, especially from the Netherlands, Italy and Belgium, showed a substantial improvement.

The leading exporters of wool fabrics are Italy, the United Kingdom, Japan, France, the Netherlands, the Federal Republic of Germany and Belgium. Between them, these seven countries accounted for almost 95 per cent of total trade in wool fabrics, outside the Eastern trading area. In 1963, exports from these countries at 121,000 tons, were 3 per cent below the level of the preceding year. With the exception of the Federal Republic of Germany which exported 5 per cent more than in the previous year, all the other Common Market countries showed a decline in exports. On the other hand, exports from the United Kingdom and Japan rose by 2 per cent and 12 per cent respectively, although the levels attained were still below those of 1960.

The single largest importer of wool fabrics in 1963 was the Federal Republic of Germany, followed by the United Kingdom, the United States, the Netherlands, Canada and France. Whereas imports into the Federal Republic of Germany during 1963 showed a net decline of 4 per cent, those into the Netherlands and France were respectively 2 per cent and 10 per cent higher. Imports into the United Kingdom were slightly lower than in 1962.

Shipments of woven woollen cloth to the United States, which totalled 65 million square yards in 1963, were only fractionally above the level of 1962, but were far below the level of 1960. Japan was the single most important supplier, exporting more than 27 million square yards, or almost 42 per cent of the total imports from all sources. A sudden jump of 34 per cent in Japan's exports to the United States in 1963 over the previous year was partly at the expense of exports from the United Kingdom and Italy, which respectively showed declines of 5 per cent and 22 per cent in the same year. Imports of woollen cloth into the United States during 1963 constituted about 8 per cent (measured in weight) of apparent domestic consumption as compared for instance, with a ratio of almost 10 per cent in the United Kingdom and 28 per cent in the Federal Republic of Germany.
Jute manufactures

Due to a diversification in the uses of jute, the world consumption of jute products has increased by about 50 per cent during the last ten years.

In keeping with the expansion in consumption, world trade in jute manufactures showed an increase in 1963; exports from the six major exporting countries (India, Pakistan, the United Kingdom, Belgium, France and the Federal Republic of Germany) were more than 1.2 million tons in 1963, i.e. about 3 per cent higher than in the previous year. India and Pakistan, which were by far the two largest exporters of jute products, together accounted for 80 per cent of the total world trade in 1963.

The value of India’s exports of jute goods went up slightly, totalling $343 million in 1963-64. Exports in quantum terms of cloth (including canvas), which accounted for more than half of total Indian jute manufactures exports, rose by a further 5 per cent to 500,000 tons, but those of bags and sacks fell slightly. The United States continued to be the largest single importer of Indian jute items taking 312,000 tons, or 4 per cent more, than in the previous season, followed by the USSR which more than doubled its imports between the two seasons to over 70,000 tons. Indian exports to the Common Market countries also showed an overall increase, but exports to Australia, the United Arab Republic, Ghana, Indonesia and Thailand were below the levels of 1962.

Pakistan’s exports of jute manufactures in 1963 amounted to 230,000 tons, showing an increase of about 2 per cent over the quantity exported the previous year. In value terms at $64 million in 1963, however, exports were almost 2 per cent lower than in the previous season. Shipments of sacking, which constituted roughly two thirds of total exports of jute manufactures, dropped by 14 per cent, but exports of hessian and other manufactures showed an increase of 9 per cent and 81 per cent respectively during 1963. Exports to South Africa, which was hitherto the largest importer of Pakistan jute goods, declined by 15 per cent between the two years, but this was offset by a marked increase in shipments to Australia and the United States.

Exports of jute manufactures from the other main producing countries were also higher in 1963 than in the previous year, with the exception of the Federal Republic of Germany which showed a slight decline in the quantity exported.

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1 April 1963 - March 1964.
Clothing

With an increase of 17 per cent over 1962, world trade in clothing in 1963 showed a further improvement upon the previous year's expansion of 14 per cent. The high level of trade in clothing was in line with the favourable economic conditions which provided an impetus to the demand for consumer goods in general.

Total exports of clothing from North America in 1963 were 10 per cent higher than in the previous year. North American intra-trade showed a decline of 25 per cent due partly to a 40 per cent fall in the United States exports to Canada. Exports to the EEC and EFTA were, however, respectively one third and one fifth more than in the preceding year. The Western European countries showed more buoyant export performance, as their sales to each other and the rest of the world rose by almost 20 per cent to a value of $1,240 million in 1963. The EEC countries recorded the largest gains by exporting nearly 30 per cent more to each other and to North America. Gains made in trade with the EFTA group were small due mainly to reduced imports in the United Kingdom. EFTA's intra-trade expanded by about 30 per cent as against a 16 per cent increase in exports to the EEC. EFTA sales to North America, however, remained static at the previous year's level of $48 million, while exports to the non-industrial areas increased only fractionally during 1963.

Exports of clothing from Hong Kong in 1963 at $242 million were 20 per cent more than in 1962, mainly due to substantial gains recorded in exports to the industrial areas. Diversification of production and a further improvement in the quality of export products have enabled Hong Kong to increase its sales to Western Europe. The EEC countries imported about 50 per cent more than in 1962; there was in particular a sharp increase in exports to Germany. Sales to EFTA countries were also up by 36 per cent to $87 million, the United Kingdom alone importing almost $22 million more than in 1962. Hong Kong's exports to the United States amounted to $62 million in 1963, recording a further rise of about 3 per cent over the previous year. Exports to the non-industrial areas showed a relatively smaller increase, much of which was accounted for by increased exports to the middle Eastern countries.

In contrast to Hong Kong, Japanese exports of clothing showed only a slight improvement over the previous year. In absolute value at $211 million in 1963, they were still below the record level of $220 million attained in 1960. Exports of clothing from Japan to the United States fell from a total value of $103 million in 1962 to $98 million in 1963, showing a drop of almost 6 per cent over the year. This was, however, to some extent compensated for by increased exports to Western European countries which as a whole took about one fifth more, to a value of $19 million; deliveries to the EEC countries were 18 per cent greater while those to EFTA were 20 per cent more in 1963. Exports from Japan to non-industrial areas amounted to $81 million in 1963, which also showed an improvement of 17 per cent over the previous year's total.
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**Table Notes:**
- EFTA - AEEC = Association of Free Trade in Western Europe = Association of European Economic Cooperation = Association of Free Trade in the Americas
- EFTA - AEEC = Europe du Nord = America du Nord
- EFTA = Asie = Amerique latine
- South-East Asia = Asie du Sud-Est
- Other Non-Industrial = autres pays non-industriels
- Total Non-Industrial = total régions non-industrielles
- Eastern Trading Area = Total mondial

**Exportations de Textiles et Vêtements des Principaux Pays et Régions d'Exportation, 1958-1963**

(Millions de dollars)
### Note


B = Clothing (SITC 64). - Vetements (CTCI 64).

**Sources:** OECD Statistical Bulletins, Foreign Trade, Series B and C; United Nations Commodity Trade Statistics; national trade returns.

**Bulletins statistiques de l'OCDE, Commerces extérieur, Sérès B et C; Commodity Trade Statistics des Nations Unies; statistiques nationales du commerce extérieur.**