STRUCTURE AND COVERAGE OF THE FACTUAL STUDY ON TEXTILES

Note by the Secretariat

The Working Party has been appointed to "make a study of fact regarding the economic, technical, social and commercial elements which influence world trade in textiles, distinguishing the various textiles sectors, both according to the fibres used and according to the degree of processing". Its first task is to elaborate, within this framework and in the light of the discussion in the Council, a detailed work programme and the contents of its study (C/W/78).

On the basis of the Director-General's suggestions set forth in C/W/202/Rev.1, and taking into account the comments and specific proposals made by contracting parties at the Council meetings, the secretariat has drawn up the following draft scheme for the study, which the Working Party may wish to use as a basis for discussion.

A. STRUCTURE OF THE STUDY

I. Evolution of production and consumption in textiles

The chapter will review changes in the past decade in the production and consumption of yarn, fabrics and clothing of different fibre contents, so as to show the relative positions held by cotton, wool and man-made fibres at present as compared to those in the early 1960's. Data should be given both of world aggregates and trends in different countries.

II. International trade in textiles

Exports and imports in textile goods at the three main stages of production in different countries during the past decade will be analyzed in terms of fibre composition. One of the aims is to evaluate the position held by cotton textiles in the exports of certain countries, as well as the growing importance of products of other fibres in the exports of other countries. Against these magnitudes will be shown the total export earnings of these textile exporting
countries. On the import side, net imports in the major importing countries will be compared with apparent consumption, so as to show changes in the proportion of imports in total consumption. Changes in the pattern of trade in the past decade will be analyzed in detail with particular reference to movements of imports into selected countries from the present major supplying countries.

III. Changes in the structure of the industry

It is to be hoped that data will be available for an analysis of changes in the past decade in the size of different sectors of the textile industry in major exporting and importing countries, of the factors behind these changes (demand, availability of factors of production, capital and labour supply) and of the effects of the expansion in relation to overall economic planning. Changes in the structure of the industry will be studied in terms of machinery installed, investments made, workers employed, changes in the size of firms, organizational realignment, etc.

IV. Technological developments and consumer taste

To the extent that this was a factor affecting the shares held by different products and different fibres in total production, a brief description will be given of the technological developments which are of economic significance, and which may continue to affect future patterns of production and trade. The effects of these technological developments on relative prices of different fibres and products will be a point of major interest. On the consumption side, changes in consumer taste and demand for different types of articles may be surveyed, in relation to total demand and consumption for textiles. These may, in turn, be evaluated in relation to total personal disposable income. While some conclusions might thus emerge as to the likely magnitude of the demand for textiles in major markets, the principal aim should be to arrive at some indication on the relative importance of the major textile sectors (cotton, wool, pure synthetic, cotton blends, wool blends) in future.

V. Adjustment policies and measures

Mainly by reference to the existing data relating to, but not necessarily confined to, the cotton textiles industry, a review can be made of present governmental policies and measures employed to assist industrial adjustment in the textile sector in the major importing countries. Of particular interest to governments in the present context will be the main motivations of these policies and measures and the industrial objectives they aim at achieving. The results so far achieved and their effects on international trade may be evaluated.
VI. Commercial policy measures and other impediments to trade

Beginning with a tabulation of the tariff and non-tariff trade barriers affecting trade in this sector (import duties and other levies, prohibitions, quotas, licensing controls, minimum price regulations, export restraints) the study may proceed with an evaluation of their effects on trade.

VII. Safeguards and the criteria used

To the extent that many of the governmental measures are stated to be motivated by considerations relating to market disruption, an outline may be given of the present procedures and criteria used by importing countries in assessing the need for protection.

B. COVERAGE OF THE STUDY

I. Fibre coverage

Throughout the study a distinction will be drawn between products of different fibre contents. Whilst the industry is by and large divided into the two sectors of cotton and wool, production and trade will be analyzed in terms of cotton, wool, man-made fibre (artificial and synthetic fibre) products, on the basis of conventional classification of textiles according to fibre contents.

II. Products division

The main divisions will be:

<table>
<thead>
<tr>
<th>Yarn</th>
<th>Fabrics</th>
<th>Clothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spun</td>
<td>Woven</td>
<td>Woven fabric</td>
</tr>
<tr>
<td>filament</td>
<td>Knitted</td>
<td>Knitted fabric</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hosiery</td>
</tr>
</tbody>
</table>

III. Country coverage

The study will be confined to data relating to selected countries and territories representative of export and import interests. By this criterion, and for statistical convenience, it is proposed that it will be based on data for the following countries and territories:

Canada, United States, EEC, Denmark, Norway, Finland, Sweden, United Kingdom, Japan, Republic of Korea, Taiwan, Hong Kong, Malaysia, Singapore, India, Pakistan, Egypt, Poland, Yugoslavia, Israel, Mexico, Brazil.

Data concerning any other countries, if made available by the countries concerned, will be incorporated or appended to the study, as appropriate.
IV. Period to be covered

The study will aim at showing the present or latest known situation of the industry, trade, government policy etc. As far as statistics are concerned, it should be sufficient to make use of data no later than for 1970. In demonstrating the changes in production, trade, industrial structure, etc. comparisons will generally be made between the magnitudes in 1960 and 1970 or, where it is relevant to show a trend or the rate of change, tabulations will be made of the annual data for 1960 and 1965-1970.