

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Textiles Committee
Working Group on Adjustment Assistance Measures
Technical Sub-Group

INFORMATION ON PRODUCTION, TRADE AND ADJUSTMENTS IN THE TEXTILES SECTOR

Replies Received from Delegations to Airgrams GATT/AIR/1611 and 1612

Addendum

Attached is the reply received to the above-mentioned airgrams from Indonesia.

In response to your circular GATT/AIR/1612 of 13 March 1980, I forward herewith the following information:

A. Development programme of the textile industry as part of the "Five Year Plans" is given in the following figures:

Production of Textiles

Description	Unit	1979 (End of second "Five Year Plan")	1984 (Target of third "Five Year Plan")
Synthetic fibre) Filament)	ton	68,075	157,500
Cotton yarn) Blended yarn)	bales	837,212	1,540,000
Textile (gross)	million metres	1,576,300	2,500
Garment	million dozen	14,400	23
Export	million metres	37,500	280

Direct Employment in the textile industry is estimated at about 350,000 people in the machine/mechanical sector and about 350,000 people in hand-operated sector (including batik).

B. In the third Five Year Plan (1980-1984) the textiles industry is directed towards integration of existing units and spreading of location to the outer islands (as now the industry being concentrated on the island of Java).

Also development of "bonded area" or export processing zones is envisaged, to facilitate export of textiles and garments in the framework of diversification of the country's export.

Incentives for investment are formulated in the so-called "Priority Scale List" of investment, with variable tax incentives and credit facilities.

C. Becoming a member of the M.F.A. (1978), entering into negotiations with importing (developed) countries, are part of the expansion programme of the textile trade.

D. Because of the low wages, prices of Indonesian textiles are competitive, and Indonesia feels that as a new entrant in the international textile trade it is entitled to favourable considerations by (developed) importing countries (M.F.A. Art.6).

The general policy in the development of Indonesia is more equitable distribution of gains of economic growth, spreading of location, and employments as to benefit the people at large.