

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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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 Korea.

ADJUSTMENT ASSISTANCE MEASURES

1. The textile industry in Korea has far greater weight in the economy in regard to manufacturing, export and employment than in the industrialized countries. It is likely that under present circumstances textile industry will remain a leading sector of the Korean economy for the time being. The following shows the importance of the textile industry in the three major fields:

(1) Manufacturing

In the year 1970, textile industry output stood at \$300 million as against \$1.9 billion of total industrial production. In 1975 it increased to \$890 million and further to \$1,260 million in 1978.

(2) Export

Exports of textile products in 1970 of \$390 million (total manufactured exports \$1 billion) increased to \$3,980 million in 1978 (total exports \$12.7 billion).

(3) Employment

In the year 1978, the number employed in textile industry stood at 725 thousand which accounted for 23.9 per cent of total employment of 3,029 thousand.

2. Government measures to assist adjustment in textile industry.

(1) In the year 1967, the Government enacted a law (the Provisional Law for the Adjustment of Textile Facilities) concerning adjustments of the facilities of the textile industry to help achieve balanced development and international competitiveness by orderly adjustment and the replacement of outworn equipment in the textile industry.

(2) In 1979 a law (the Law for Promoting Modernization of the Textile Industry) was enacted to promote the modernization of the textile industry by way of (1) providing a special fund for the textile industry, (2) establishing an industrial complex for the purpose of specialization and the formation of interrelationships among textile industries, and (3) development of new technologies and training of manpower.

(3) In relation to structural adjustments, the emphasis will be put on improvements in quality of textile products rather than quantitative expansion.

(4) No special favour or consideration is being given to the textile industry with respect to tax and finance.