

# 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

Supplement

Attached is additional information received to the above-mentioned airgrams from the United States.

INCREASED ACCESS TO UNITED STATES MARKETS  
GATT/AIR/1611-2(c); 1612-1(c)

General

The United States Government has operated on two parallel fronts in providing increased access to its textile and apparel markets for imports from developing countries. On the one hand, the United States has allowed imports of apparel to increase substantially within the network of quotas negotiated with, or, in rare instances, imposed on exporting countries. On the other hand, the United States has progressively reduced the number of quotas in effect in the textiles area to the point where actual restrictions on imports are virtually non-existent. The measures taken in both areas have been consistent with the provisions of Article I(2) as well as Article I(4).

Textile access

Prior to the beginning of the MFA, the United States had comprehensive bilateral agreements with thirty-one countries. All of these agreements set quotas on non-apparel textile products. In 1980, only ten of the current twenty-one United States bilaterals set ceilings on the non-apparel group of textile product categories. The United States has no unilateral import restraints on non-apparel products.

Nine agreements set no ceiling for non-apparel products but provide consultation mechanisms in case of market problems. The United States has not invoked any consultation mechanisms for non-apparel in the past two years. In the case of two agreements non-apparel products are excluded from the MFA bilaterals.

Those agreements with non-apparel group ceilings set ceilings substantially above levels of trade. Total non-apparel group ceilings in the 1979 Agreement years were filled by only 46 per cent. In only one agreement was the non-apparel group ceiling substantially filled and in only two others did trade fill more than 70 per cent of the ceiling.

Apparel access

The United States actions under the MFA have clearly permitted the exporting nations to benefit from market growth of cotton, wool and man-made fibre apparel items. Data on the domestic production and imports of the outerwear apparel items since the first year of the MFA clearly point up this increased access. These data follow:

United States Production, Imports and Import/Production Ratios of  
Outerwear Apparel Items

(Million dozens)			
Year	Production	Imports	Ratio %
1974	228.0	66.5	29.2
1975	231.3	74.6	32.3
1976	251.2	93.3	37.1
1977	261.5	91.8	35.1
1978	263.3	110.2	41.9
1979	-	102.7	-
Increase 1974-1978	15.5%	65.7%	
Compounded annual growth rate 1974-1978	3.7%	13.4%	
1974-1979	-	9.1%	

Note: Apparel items not included are gloves, handkerchiefs, body support garments, underwear, robes and nightwear. These apparel items, with the exception of man-made fibre hosiery, all had increased import to production ratios during the 1974-1978 period.

The above trends are substantiated by trade in the major specific cotton, wool and man-made fibre apparel items.

Men's and boys' shirts; 26.5% of 1978 outerwear apparel production

Million dozens			
<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Ratio</u>
1974	59.6	13.4	22.5
1978	69.8	25.3	36.2
% Increase	17.1	88.8	

Compounded annual growth rates:

Production 4.0%  
Imports 17.2%

Women's, girls' and infants' blouses; 20.2 per cent of 1978 outerwear apparel production

Million dozens			
<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Ratio</u>
1974	36.9	22.7	61.5
1978	53.3	36.5	68.5
% Increase	44.4	60.8	

Compounded annual growth rates:

Production 9.6%  
Imports 12.6%

Men's and boys' trousers, etc.; 17.3 per cent of 1978 outerwear apparel production

Million dozens			
<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Ratio</u>
1974	44.3	3.3	7.4
1978	45.6	8.4	18.4
% Increase	2.9	154.5	

Compounded annual growth rates:

Production 0.7%  
Imports 26.3%

Women's, girls' and infants' trousers; 10.8 per cent of 1978 outerwear apparel production

Million dozens			
<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Ratio</u>
1974	29.2	9.1	31.2
1978	28.5	14.6	51.2
% Increase	-2.4	60.4	

Compounded annual growth rates:

Production Negative  
Imports 12.6%

The above specific items accounted for three quarters of the total outerwear apparel items produced in the United States during 1978. The United States provided increased access to its markets for the non-outerwear apparel as is indicated below:

<u>Item</u>	<u>Import/Production Ratio. (%)</u>	
	<u>1974</u>	<u>1978</u>
Cotton gloves	16.1	36.3
Man-made fibre gloves	109.8	148.7
Brassieres	30.3	53.0
Cotton dressing gowns and robes	12.9	55.2
Cotton nightwear	13.5	34.9

The United States restraints have been on a quantity basis rather than on a value basis. This has resulted in the exporting countries shifting from lower to higher valued apparel items. The value of apparel imports increased from \$2.1 billion in 1974 to \$5.0 billion in 1979, an increase of 139.3 per cent, a compounded annual growth rate of 19.1 per cent, more than double the quantity growth rate of apparel imports. Only part of this increase is attributable to inflation. The apparel wholesale prices advanced only 5.5 per cent annually on a compounded basis during the period; thus the major portion of the value growth was due to upgrading of products, etc.