

COMMISSION OF THE EUROPEAN COMMUNITIES

This document cancels and
replaces document COM (80) 438 final
of 17th July 1980

APPLIES TO THE ENGLISH VERSION ONLY

COM (80) 438 final/2

Brussels, 3rd October 1980

REPORT ON TWO YEARS' OPERATION OF THE MULTIFIBRE
ARRANGEMENT BY REFERENCE TO THE TEXTILE POLICY
OBJECTIVES ESTABLISHED BY THE COMMUNITY IN 1977

(Communication by the Commission to the Council)

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With reference to the figures in Annexes III, IV, V and VI, it should be pointed out that the assessment of quantities in volume terms - necessitated inter alia by the limitations of the mechanism for compiling statistics - has only an indicative value as regards economic impact, since products of different value are lumped together on the basis of weight.

INTRODUCTION

The Arrangement regarding International Trade in Textiles (MFA), which was extended for four years by the Protocol of 14 December 1977, expires on 31 December 1981. According to Article 10(5) of the Arrangement, the Textiles Committee set up under GATT will meet not later than one year before the expiry of the MFA in order to consider whether the Arrangement should be extended, modified or discontinued.

With a view to preparing the Community position in discussions on future arrangements governing international trade in textiles, the Commission considered that the time was ripe for drawing up an initial report on trends in the textile trade and the textile industry, on the basis of the textile policy objectives established by the Community in 1977.

In late 1977, at the end of the period covered by the first MFA, the Community was facing a serious situation in which its textile markets were being disrupted against a background of economic crisis. Consumption of textile products rose annually by 1% from 1973 to 1976 but in the same period production slumped, while imports into the Community of MFA products rose by 80% between 1973 and 1976, the annual growth rate for some products being in excess of 22%. In conditions of sluggish consumption, aggravated by general economic recession, this increase in pressure from imports hit the Community textile industry hard. This showed up in substantial job losses - 572,000 from 1973 to 1976 - and the closure of a great many factories, the effects of which were concentrated in certain regions of the Community. In these circumstances the Community was forced to implement a new textile policy both at the industrial level - with a view to adjustment - and in the trade context, as a means of dealing with the persistent crisis.

In so far as they concern commercial policy, these objectives were laid down for five years covering the period to 1982. This report on the extent to which the objectives have been attained only covers a period of just over two years. This fact should be borne in mind when the results are being assessed.

1. Objectives of the policy on trade in textiles

In the period covered by the first MFA, the Community negotiated bilateral agreements on a case-by-case basis as imports from low-cost supplier countries which were participants in the MFA continued to rise, the success of its efforts depending on its ability to convince the countries in question that there was a danger of market disturbance.

In contrast, the priority objective laid down for the Community by the Council in its decision of 21 June 1977 was defined in the following terms:

"In the case of imports of those textile products which have a particularly high level of penetration in Community markets (including regional markets) the major objective, shared by the Commission and all Member States, consists of effecting a stabilization, throughout the life of a renewed MFA, of import penetration rates of the aggregate of disruptive imports, by reference to their 1976 penetration rates, so that the Community producers can expect a reasonable share of the market".²

¹See page 14.

²Decision taken by the Council at its 459th meeting on 21 June 1977; see documents R/2635/77; 747/77 add; S/1008/77 COMER 195 Annex I.

Within the framework of the coherent approach established by the institutions and based on the MFA and the protocol extending it, the Community negotiated bilateral agreements covering all textile products, broken down into five groups and 114 categories (MFA products). Under the new agreements there are two different types of arrangements, one dealing with products restricted from the outset and the other covering products subject to the consultation procedure known as the "basket extractor" mechanism¹.

The basis on which the Council set the target levels for stabilizing penetration rates for individual products was the "sensitivity" of the products concerned. It set annual growth rates for imports, which varied from 0.5% to 4.1% for the products in Group I and from 4% upwards for products in the other groups². In the case of the Group I products, internal global ceilings were set covering all low-cost imports.

The Council specified the countries to be covered by the new arrangements as those which were causing disturbance on the Community market in 1976, i.e. the countries from which products were being imported into the Community market at very low prices. On the basis of an examination of market penetration rates for imports from the various sources, the Council drew up at its 474th meeting on 18 October 1977 (see Annex I) a list of the supplier countries with which a bilateral agreement or arrangement was to be sought.

The Council was aware of the constraints imposed by the various contractual arrangements linking the Community and certain supplier countries, such as the preferential countries of the Mediterranean and the ACP States. The arrangements with these countries provide for free access for industrial products to the Community market, subject only to a safeguard clause³. At its 474th meeting (18 October 1977) the Council recommended the following approach with regard to these countries:

¹ See page 11.

² S/1509/77 COMER 296.

³ The Association Agreement with Greece does not contain a clause of this kind.

"There are problems in connection with the implementation of any rigid long-term restriction arrangements as regards the major preferential suppliers of these products.

Nonetheless, compliance with the internal overall ceilings will have to be guaranteed by arrangements or any other suitable means. The outcome of such dealing will have to be known in good time to be taken into account in the general balance of the negotiations.

It has been agreed at this stage that if import monitoring indicates that the ceilings are likely to be exceeded, the preferential country concerned will immediately be advised that the Community will be constrained to apply restriction measures. The Commission and the Council will forthwith examine the resulting situation with a view to putting in hand the safeguard measures laid down in the various preferential agreements. Similarly, by using the appropriate legal means, autonomous restriction measures will be applied in the event of the danger of exceeding the ceilings being caused by another low-salary country - whether signatory to the MFA or not - with which no bilateral agreement had been concluded"¹.

The Council confirmed this approach at its 494th meeting on 20 December 1977.

¹s/1509/77 COMER 296.

2. Trend of trade in MFA textile products¹

A. Imports

(a) Overall trend of imports from the countries covered by the EEC textile policy²

From 1976 to 1979 imports of MFA textile products from the countries covered by the textile policy adopted by the Community in 1977 showed an average annual increase of 4% by volume.

This rate of growth represents a sharp slowing-down by comparison with the annual increase of around 25% in the preceding period (1973-76).

Unit: tonnes

EEC imports	1976 ³ (reference year)	1977	1978	1979
Extra-EEC	1 448 925	1 332 784	1 425 722	1 697 247
Countries covered by the textile policy	1 092 817	1 001 437	1 072 246	1 224 923

¹ All textile and clothing products of cotton, wool or man-made fibres, comprising 114 categories classified in five groups (accounting for 84% of total imports of all textiles).

² Countries listed in Annex I, plus the Lomé Convention countries, state-trading countries and the developing countries which have not concluded a bilateral agreement with the Community.

³ This year (1976) was adopted as the reference year for the bilateral agreements negotiated in late 1977 within the framework of the Multifibre Arrangement.

(b) Trend of imports by groups of products (Annex III)

(i) Products subject to global ceilings

In the case of Group I products (eight categories of highly sensitive products), which account for 56% of imports of MFA products¹, the volume of imports rose by an annual average of 1.9%, from 645 511 tonnes in 1976 to 684 746 tonnes in 1979.

In 1977 the Council established Community global ceilings for imports of products in Group I from the countries covered by its decisions (see Annex I). Furthermore, in order to ensure a balanced distribution of the burden among the Member States, the Council established within the Community global ceilings seven regional quota shares for the Benelux countries, Denmark, France, Germany, Ireland, Italy and the United Kingdom respectively. In 1978 and 1979 it adjusted the global ceilings when arrangements with the preferential countries² and the agreement with China³ were negotiated.

As the table in Annex IV shows, in 1978 and 1979 imports remained within the limits of the global ceilings. Use of these ceilings varied according to the product. In 1979 the least-used ceiling (73.1%) was that for category 4 (tee-shirts), while the one with the highest level of use (94.8%) was that for category 1 (cotton yarn). In the few cases where regional shares were exceeded, the cause can be traced either to the application of the flexibility clause in the agreements or to imports from countries with which the Community is linked by preferential agreements.

(ii) Products not subject to global ceilings

For the other groups of products, the average annual growth in the volume of imports from the same countries was as follows:

Group II	Sensitive products	+ 4.2%
Group III	Other textile products	+11.8%
Group IV	Other items of clothing	+ 1.3%
Group V	Other textile articles (of a kind commonly used in machinery or plant)	+ 5.0%

¹ See footnote 1 on page 4.

² Documents 4487/79 and 1436/78 add 1.

³ Document 10079/79 RD 69.

The average annual growth in the value of imports, at current prices, by group of products originating in the same countries was as follows:

Group I	Highly sensitive products	+10.7%
Group II	Sensitive products	+11.7%
Group III	Other textile products	+18.6%
Group IV	Other items of clothing	+ 3.0%
Group V	Other textile articles (of a kind commonly used in machinery or plant)	+18.8%
Total		+11.6%
(Groups I to V)		

As the value is expressed in current prices, an unspecified part of these percentage increases can be attributed to the effect of inflation.

(c) Trend of imports by main source areas in volume terms (Annexes III and V)

(i) From 1976 to 1979 the average annual rate of growth of imports from the countries which have concluded bilateral agreements with the EEC was 2.3% for all products and 0.8% for Group I products.

Of these countries, the four principal suppliers - Hong Kong, South Korea, India and Brazil - which in 1976 accounted for over 50% of imports into the EEC, recorded an average annual growth rate of 1.2%, as against the increase of 3.4% achieved by the other suppliers. Hong Kong continued to be the biggest supplier of clothing products. Its exports have declined slightly in volume terms but are higher in terms of the quality and value of the products exported (trading-up). Exports from South Korea to the Community rose initially in 1977 but subsequently levelled off. Imports from Taiwan have increased by 2.4% a year since 1976. Imports of certain textile products from this country are subject to unilateral arrangements established by the Community.

(ii) Imports from the Mediterranean countries¹ rose in the same period at an annual rate of 7.4% for all products and 4.4% for Group I products: in the case of the three applicants for accession to the Community, growth was slightly higher at 9.7% for all products, though not for Group I (3.5%).

(iii) Imports from the Lomé Convention countries rose at an average annual rate of 8.2% for all products and 4.5% for Group I; however, their share of total imports remained very low (1.6%).

(iv) Imports from the industrialized countries² - with which, according to the Council decision, there was no need to seek an agreement - were stable from 1976 to 1978; in 1979 such imports showed a sharp increase over 1978, mainly due to exports from the United States to the Community market, which went up from 128 145 tonnes to 211 548 tonnes. This increase in respect of the United States related mainly to mass-produced goods (Annex VII): denim, woven pile and synthetic fabrics, tufted carpets and continuous synthetic filament yarn, and cotton fabrics, which had dropped sharply in 1978. Among the reasons which may be cited for this development are the boosting of export promotion, currency fluctuations and the difference in the cost of raw material supplies and energy, all of which were additional to the advantage of large-scale production.

B. Trend of the textile trade balance (MFA products)

Although the Community is still the world's biggest exporter of textile and clothing products, its trade balance has been deteriorating for a number of years.

The total deficit (all sources) rose from 1 500 million EUA in 1976 to over 3 000 million EUA in 1979 at current prices.

This trend is the result of the faster growth of imports (+44.2%) over exports (+31%).

¹ Greece, Spain, Turkey, Portugal, Malta, Yugoslavia, Morocco, Tunisia, Egypt, Cyprus.

² See Annex VI.

The trade deficit with the countries covered by the textile policy rose from 3 000 million EJA in 1976 to 4 500 million EJA in 1979.

With the industrialized countries there is still a substantial surplus; in 1979, however, the trade balance with the United States, which had been in surplus for the past decade - except in 1976 - showed a deficit of 300 million EJA, or 390 million EJA if man-made fibres are included. This development reflects not only an increase in imports from the United States but also a drop in exports from the Community to that country.

C. International situation

The factors making for disturbance of world trade in textiles have persisted since 1977. In a good many countries outside the Community, notably the most advanced developing countries and the industrialized countries, tariff barriers have been kept up or have been lowered only very slightly and in consequence are still appreciably higher than the Community customs tariff. Some non-member countries have to a large extent succeeded in protecting their textile industry behind very high tariff walls. Tough non-tariff and administrative barriers have been put up virtually everywhere. On top of these obstacles hampering access to markets, there are measures which increase the pressure on world markets, such as state aids for production and the direct or indirect export subsidies granted by many textile-exporting countries. Lastly, the new quantitative limits introduced under the MFA II arrangements have had the effect of increasing the pressure on markets.

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D. Conclusion

It may be concluded from this review of the trend of trade in textiles that, as a result of the Community's textile policy the rates of growth of imports from the countries covered by the policy have been reduced and a stable trend established, while the Community global ceilings have been observed.

3. Functioning of the bilateral agreements and arrangements

A. Bilateral agreements

(a) Management

Generally speaking, the supplier countries have complied with the quantitative limits on exports laid down in the agreements and have managed the quotas correctly under the double-checking system. The Community has been informed in advance in cases of recourse to the provisions permitting flexibility in the use of quotas (carryover, carryforward and transfers between categories) and the provisions in question have been applied in conformity with the bilateral agreements.

Arrangements have been introduced in the Community for the systematic gathering of statistics for the purpose of monitoring closely the trend of imports. In addition, the exchange of statistical information with non-member countries provided for in the bilateral agreements has provided a means of comparing export and import data as well as giving a clearer picture of the trend of trade, while the system used in the agreements for classifying products in categories has been successively improved with a view to making it more transparent and effective. It has become clear, however, that improvements must continue to be made so that the system can do more to prevent or to resolve more speedily the problems raised by qualitative changes affecting various textile articles (notably garments in Group I). Lastly, lists of cottage industry and folklore products have been drawn up by mutual agreement with certain exporting countries.

The Community has provided itself with the internal legal instruments needed for managing the agreements and the appropriate administrative measures have been taken by the Commission (see Annex II). The legal basis for implementing the bilateral agreements at the internal Community level is supplied by Council Regulation (EEC No 3059/78)¹. This regulation established a Textile Committee, with a Commission representative in the chair, which meets once a week and constitutes the framework for the regular examination with experts from the Member States of the various problems arising from management of the bilateral agreements. The Commission is also in constant contact with the supplier countries and has arranged many formal and informal consultations with the countries concerned.

¹ No L 365, 27.12.1978.

(b) Introduction of new limits - "basket extractor" mechanism

Under the bilateral agreements, as soon as imports from a supplier country exceed a given threshold the Community can ask the country in question to suspend its exports. The Community then has to hold consultations with the supplier country for the purpose of negotiating a limit. This limit must be adopted by mutual agreement. In the event of failure to agree, the Community can take unilateral action.

This kind of limit applies to categories of products which were not exported in large quantities by the supplier countries when the bilateral agreements were negotiated but which have subsequently been exported on an increasing scale.

As the table in Annex VIII shows, the basket extractor mechanism provided the Community with the means of negotiating eight new Community limits and fifty-three regional limits (including ten covering more than one region of the Community) in the period from 1 January 1978 to 30 June 1980. In only two cases did the Community have to set limits without the agreement of the supplier country concerned.

The new limits reflect the sensitivity of the market in certain regions of the Community. They do not concern only the products in Group I - there were twice as many new limits introduced in respect of Group II as for Group I. The levels of some of the limits agreed may seem high if compared only with the basket extractor thresholds. It must be remembered that other factors also have to be taken into account in securing the supplier country's agreement. Moreover, some thresholds are very low (for Group I products, for example 0.2% of extra-EEC imports in the preceding year).

(c) Specific problems

Generally speaking, under the bilateral agreements the Community negotiated Community quotas. In order to ensure a balanced sharing-out of the burden - and also for reasons of management - it divided up the Community limits among the Member States. The supplier countries were given details of the allocation and, under the agreements, they can request transfers between the Member States' quota shares. However, the Community has been able to agree to only some of the many requests made for transfers. A number of supplier countries have expressed concern in this connection, pointing out that the allocation of Community limits among the Member States prevented them from using the whole of the quantity established for the Community in the agreements. In addition to this concern on the part of the supplier countries, the danger of a new fragmentation of the Community market cannot be ignored.

Although the agreement makes specific provision for checks on origin - which in general have proved effective - it has been impossible to stamp out fraud in respect of the origin of goods exported and it is now giving cause for concern. To combat this phenomenon the Community has adopted measures to strengthen internal customs cooperation between the Member States.

In so far as action outside the Community is concerned, agreement was reached as a result of contacts with Hong Kong and South Korea, for example, on arrangements for setting off against their quotas quantities originating in those two countries and fraudulently imported into the Community via the ASEAN countries. In addition, the Community reached agreement with the ASEAN countries on extending the double-checking system to certain categories of unrestricted products with a view to forestalling fraudulent operations.

Difficulties have been encountered in the communication of statistics by the Member States and their processing by the Computer Centre in Luxembourg. These difficulties have hampered the effectiveness of the surveillance system and have led to complaints from certain supplier countries. Difficulties are still being encountered despite the steps which have been taken to correct the situation.

Lastly, some non-member countries have complained about the failure on the part of the Community to supply information on goods imported into the Member States and subsequently re-exported. Under the terms of the agreements the Community is obliged to supply such information.

B. Arrangements with the preferential countries

As mentioned on page 3, the scope of the decisions taken by the Council in 1977 extends to the preferential countries. Consequently, the Community has endeavoured to conclude informal voluntary restraint arrangements with these countries. Most of them, in a spirit of cooperation and as a temporary measure, have agreed to such arrangements, which are based on an administrative procedure involving double-checking and an undertaking on the part of the countries concerned to maintain their exports within target limits for the most sensitive textile products.

The Community had to be flexible in its approach, as what was involved was the acceptance by the preferential countries of a derogation from their agreements, which seemed preferable to falling back on the safeguard clause. Nevertheless the flexibility shown has not resulted in a breach of the Community ceilings.

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C. Conclusion

The bilateral agreements and arrangements have helped to stabilize the growth of imports while ensuring observance of Community global ceilings. Despite some difficulties the management of the agreements and arrangements has, generally speaking, been satisfactory.

4. SITUATION OF THE COMMUNITY TEXTILE AND CLOTHING INDUSTRY

The striking feature of the Community textile and clothing industry¹ is its great diversity, which makes it difficult to describe overall, considering the differences between its various sub-sectors and even between the situation of individual Member States, regions or firms within a particular branch of the industry. An additional difficulty lies in the absence of complete, harmonized statistical data for individual sectors of the industry.

Operating within a market economy, firms have been forced to modernize and rationalize and to transfer product ranges where appropriate; the majority have succeeded in doing so despite adverse economic circumstances; this has been responsible for some considerable upheaval, which in turn has brought the necessity for various back-up and support measures; jobs and geographical factors are two of the reasons why this traditional industry has found itself in this position.

The measures taken by most of the Member States as part of their policy of help for industries in difficulty have been aimed primarily at helping the textile and clothing industry to adjust to new market and technological requirements. The aid granted to both the textile and clothing sectors of the industry has taken various forms - sectoral, regional or general aid - depending on the Member State in question. The legal basis, the amount and the terms applicable vary according to whether the aid is being granted to help promote research, eliminate overcapacity or improve industrial and commercial structures.

On account of the reorganizational problems of the textile industry and the role of aid in helping it to achieve higher levels of productivity and technology, the Commission has, since 1970, drawn up jointly with the Member States guidelines for aid to the textile and clothing industry which were included in the outline recommendations sent to the Member States on 22 July 1971 and 4 February 1977. The purpose of those recommendations was to help determine a coherent approach to the problems facing the industry, by forestalling an escalation of aid and support measures which could result in an increase in the existing surplus production capacity.

Furthermore, in connection with those branches of the industry in particular danger, such as synthetic fibres, the Commission adopted specific measures in 1977, extended for two years in 1979, designed to prohibit the granting in Member States of aid which could help to increase production or keep non-viable firms afloat.

¹The data for textiles include, for practical statistical reasons, hosiery and knitwear.

Substantial decline in employment

The visible result of this action has been staff redundancies and factory closures. In the Community as a whole, between 1973 and 1978¹ around 700 000 jobs disappeared: 422 000 in the textile industry and 278 000 in the clothing industry; likewise, during this period 4 200 firms went out of business;² this represents a net staff reduction of 22% in the textile industry and over 20% in the clothing industry. The same pattern occurred in all the Member States and certain areas were particularly seriously hit, notably those possessing no other industries and with very limited alternative employment opportunities for a predominantly female workforce.

The number of jobs lost, both in the textile and clothing industries, was particularly high in the Netherlands, Belgium and Denmark (over 40% of jobs lost between 1973 and 1978), whereas in the United Kingdom and Italy the overall loss over the same period was around 15%.

The number of jobs in the textile and clothing industry continues to shrink, even though the rate of job loss in most of the Member States has slowed down. Unemployment and recourse to short- and part-time working are still a problem, particularly in areas where other traditional industries are in decline, which makes it still harder to provide new employment for those made redundant.

Moreover, despite the continuous loss of jobs, the Community textile and clothing industry still accounts for roughly 8% of manufacturing industry's contribution to the Community gross national product, 9.5% of jobs in manufacturing industry and 30% of women's jobs and is, in addition, concentrated in a small number of areas of the Community.

¹ These figures are not inclusive of all jobs, because jobs in firms with less than 20 employees are not subject to a regular census within the Community; the total number of such jobs is not inconsiderable, in view of the large number of small firms in the garment-making and knitwear (hosiery) industry, particularly in Italy.

² See Annexes IX and X.

Production trends

Since 1973¹ the production index for textiles and clothing has followed a steady downward trend and, despite some recovery in 1979 in both the textile and clothing sectors, has not managed to return to the 1973 position; on the other hand, industrial production overall has been steadily expanding since 1973, except in 1975. The overall volume of textile production in the Community fell by over 9% between 1976 and 1978. This decline has also made itself felt within the various sub-sectors of the textile industry, principally spinning and weaving, though in varying degrees depending on the product (production of synthetic spun yarns continues unaltered and in the case of woven pile fabrics has increased considerably; nor have all the Member States been affected in the same way, since the Netherlands has experienced a sharper drop in production than the United Kingdom or Italy.

The situation has been better for the clothing industry. Here, despite the effect of imports, Community production has hardly fallen since 1976, though the trend has varied from one Member State to the next: production has fallen more sharply since 1976 in Italy (despite a marked recovery in 1979) and in the Netherlands, but has expanded steadily in the United Kingdom; likewise, the production trend has varied according to the product: for instance, there has been a general fall in the production of shirts. The estimated EEC production index for 1979 shows a definite upturn in the industry with production levels almost up to the standard of 1973, which was considered a particularly good year.

Stagnant consumption

Examination of the trend in consumption of textile products in the EEC in the past decade shows it occupying a steadily diminishing share of the household budget. Judging by the situation in countries with a high standard of living, this trend may be expected to continue for the next few years. If final household consumption increases over the next few

¹ See Annex XI.

years by 2% to 3%, consumption of textile and clothing products will increase by 1% to 2%. The annual increase in consumption of textile and clothing products in the immediate future is currently estimated at 1%, at constant prices, whereas between 1970 and 1973 it was 5%.

In the case of the clothing industry, it is difficult to make a precise comparison of consumption trends in the Member States since it is related to final household consumption. However, past experience has shown that in higher-income countries consumers spend a declining proportion of their budget on clothing. It would appear that the share of expenditure on clothing in final household consumption has recently fallen in Germany and France but continues to be steady in Italy and the United Kingdom.

Impact of trade trends

The trend of trade in MFA products has been described in Chapter 2. Taking the industry as a whole, although the trade trend for all textile products has shown a greatly expanding deficit since 1976, the trend is markedly different according to whether the sector examined is textiles or clothing. In the clothing sector, the trade trend has shown a substantial deficit, whilst the textiles sector has been in surplus since 1973, though the amount of the surplus fell steadily between 1977 and 1979. However, despite the deterioration of the trade situation, the textile and clothing industry is still the world's foremost export industry, which is proof of its efforts to export to foreign markets certain high added-value products, particularly top-of-the-range products.

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Study of the present situation of the industry also indicates that it has a number of considerable strengths that can be brought into play in the future.

Productivity trends

Productivity¹ in the textile and clothing industry, (calculated as the gross value added at factor cost in constant prices per person employed) has increased considerably at Community level. For the textile sector, this increase was of the order of 21.3 % between 1973 and 1979, an average of 3.6 % per year. The increase in 1979 over 1978 is estimated at 9 %.

For the clothing sector, the productivity increase was around 31.5 % between 1973 and 1979 an annual average of 5.3 %. The increase in 1979 over 1978 is estimated at 7.2 %.

These productivity increases should be judged with caution, particularly in view of the very clear differentiation between Member States, and because, in the case of certain Member States they are based on estimates from extrapolation (especially for 1979 over 1978).

Recovery of investment

There has been a slight overall recovery in investment since 1975, notably in the clothing industry.

INVESTMENT AT CONSTANT PRICES

(Value at 1970 prices and exchange rates)

Unit : m EUA

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u> (estimated)
EEC	257.2	216.1	186.5	211.8	213.4	224.9

It should be noted that, except in the United Kingdom, investment in 1978 did not reach the level attained in 1973, which was considered a good year. However, because of the smaller number of jobs, the level of investment per person employed was up appreciably.

¹ Absolute values. Sources : EEC : Eurostat set of indicators for textiles (NACE 43).
United States : "Industrial survey of manufacturers".
Indicative trend for the EEC based on SOEC short-term economic indicators :
"Industrial short-term trends".

INVESTMENT AT CONSTANT PRICES PER PERSON EMPLOYED

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
EEC	192.6	170.3	157	185.5	193.3	212.9

Expressed in terms of current prices¹, investment per person employed in the textile industry in the Community increased between 1973 and 1979 from 833 EUA to 1 115 EUA; the increase was particularly marked in France (where investment expenditure rose by 32%² in 1979 compared with 1978, a trend which would appear to have been maintained in 1980).

Over the same period, in the case of the Community clothing industry, investment per person employed increased from 240 EUA to 417 EUA at current prices, with particularly marked increases occurring in the United Kingdom and France. It has to be remembered, however, that labour plays a large role in the clothing industry; this is why the per capita investment is lower, though it should be pointed out that the rate of increase in investment is faster.

Improved profitability

Reorganization measures taken by textile and clothing firms from 1976 onwards had, by 1978, still not produced results in terms of improved profitability, which accounts for the very small profit on invested capital, particularly in the case of the textile industry, and this in turn substantially cut down its reinvestment capacity. In 1979, however, Community firms would appear to have begun to regain a minimum level of profitability sufficient to support subsequent development. The reason for the time-lag is that the majority of firms used the period between 1976 and 1978 in order to improve, as a first priority, the organization of their finances, by seeking to increase cover on invested capital and improve their repayment capacity.

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¹These figures must of course be assessed in the light of inflation rates.

²Source: Union des Industries Textiles: Basic data on the French textile industry.

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In brief, the textile and clothing industry is currently undergoing a process of continuous adjustment. The various branches of the industries will clearly continue to function, but probably with a contraction of some product ranges. The fact that the textile and clothing industry has passed through a period of upheaval greater than in any other industry justifies the support measures provided (via the European Social Fund, etc.) in order to ease the process of readjustment initiated several years ago.

5. SUMMARY

At present it is difficult to draw reliable and final conclusions concerning the operation of the MFA and the bilateral agreements and arrangements, or regarding the industry's future position and trading prospects in the Community. In the light of the general economic situation, it can be predicted at this stage that when the present MFA expires at the end of 1981 it will not be possible to return to trade arrangements governed by the GATT general provisions. This matter will be brought before the Council as part of the preparations for the deliberations due, under the terms of MFA II (Article 10(5)), to begin in the Textiles Committee in Geneva by the end of 1980, with a view to examining whether the MFA should be extended, modified or discontinued.

ANNEX I

List of supplier countries with which the Council decided that a bilateral agreement or arrangement should be sought¹

- | | |
|---------------------------------|---|
| 1. Principal supplier countries | Hong Kong
India
South Korea
(Taiwan = autonomous measures)
Brazil |
| 2. Other supplier countries | Yugoslavia
Pakistan
Thailand
Macao
Malaysia
Colombia
Singapore
Mexico
Philippines
Argentina
Sri Lanka |
| 3. State-trading countries | Romania
Hungary
Poland |
| 4. Preferential countries | Turkey
Spain
Israel
Egypt
Morocco
Tunisia
Portugal
Greece |

The Council also decided that the Community should negotiate "with any [other] country with which this would appear necessary".

Following the Decisions of 18 October¹ and 20 December 1977², the Commission negotiated agreements or arrangements with all the abovementioned countries except Israel - with which the Community decided not to open negotiations - and Turkey, the negotiations with which were not successful. Agreements or arrangements were also negotiated with the following supplier countries:

Bangladesh, Bulgaria, China, Guatemala, Haiti, Indonesia, Peru, Uruguay, Malta, Cyprus and Mauritius.

¹Council Decision of 18 October 1977. Docs. T/3369/77 and S/1509/77 COMER 296.
²Doc. R/1040/78.

Administrative infrastructure for implementing and managing the textile agreements

Since the end of 1977 the Commission, as a result of a supplementary Council budget, has been able to take the necessary administrative measures to ensure implementation of the policy decided by the Council and to implement and manage the 35 agreements and arrangements concluded with supplier countries.

A. Tasks performed by the Commission

- (a) The Commission keeps a constant check on the imports covered by the 3 000 or so quotas fixed under the bilateral agreements. Statistical monitoring is also carried out in respect of all imports, whether or not subject to restrictions. Periodic statements are drawn up concerning import licences issued and textile imports. These matters are the subject of frequent checks and exchanges of information between the Commission and supplier countries.
- (b) Questions of management are discussed with experts from the Member States in the Textiles Committee, set up under Regulation No 3059/78, which meets every Tuesday within the Commission. This Committee examines requests for new limits submitted by the Member States in accordance with the bilateral agreements. It also discusses problems raised by non-member supplier countries (transfers between Member States' quota shares - quota increases - conformity of documents, etc) and does the preparatory work on consultations with those countries. Over 100 formal consultations have taken place with non-member supplier countries since 1 January 1978, the date on which the bilateral textile agreements entered into force. Some of these consultations have taken place in the capitals of the supplier countries concerned.

(c) The Commission must ensure that the classification by categories adopted for textile products is properly applied. Where the classification of a product is in doubt, the Committee on CCT Nomenclature, which meets within the Commission, examines the matter in order to arrive swiftly at a uniform Community decision. The Commission has also provided technical assistance to certain non-member exporting countries in order to help them apply the system of classification for textile products. In this connection, a system has also been introduced to provide the exporting countries and economic operators in the Member States with information on the subject of the system of classification; the system in question has been made as precise and systematic as possible but is still capable of improvement.

(d) Questions of origin are discussed by a Committee which sits regularly within the Commission. Textiles have been made subject to more stringent checks and investigations have been conducted with the help of the authorities in non-member supplier countries in which frauds have been detected. Permanent links are maintained with the customs authorities of the Member States and there are regular contacts with the customs authorities in the other importing countries.

B. Commission departments concerned

(a) A Division has been set up within the Directorate-General for External Relations to handle all matters relating to the negotiation and management of bilateral textile agreements. This Division is responsible for organizing the weekly meetings of the Textiles Committee and for the necessary consultations and liaison with non-member supplier countries and in connection with proceedings in Geneva in the context of the MFA. A member of the Division represents the Community on the Textiles Surveillance Body. The Division is also responsible for Commission participation on the Article 113 Committee (Textiles).

(b) The Directorate-General for the Internal Market and Industrial Affairs contains a Division for textiles and clothing which is concerned with all matters relating to this industry. This Division is responsible in particular for statistical monitoring of trade in textile products in the Community.

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ANNEX III

TREND OF IMPORTS INTO THE EEC (1976-79)
OF MFA TEXTILE PRODUCTS, BROKEN DOWN BY GROUP

Annex II a: Imports by group (unit: 1 000 EUA)

Annex II b: Imports Groups I to V in tonnes

Annex II c: Imports Group I in tonnes

Annex II d: Imports Group II in tonnes

Annex II e: Imports Group III in tonnes

Annex II f: Imports Group IV in tonnes

Annex II g: Imports Group V in tonnes

- (c) The Customs Union Service is responsible inter alia for matters relating to the issue of licences under the double-checking system by the relevant authorities in the Member States and, in the context of textiles surveillance, for the speedy preparation of statistical data on imports and the distribution of such data to users (other Commission departments, Member States and non-member countries), so as to satisfy the necessity for correct application of the various provisions of the textile agreements.

The Customs Union Service also handles problems relating to the classification, description and identification of textile products, including cottage industry and folklore products. It also deals with matters relating to product origin, goods processing arrangements and anti-fraud measures.

- (d) An interdepartmental working party holds weekly meetings for the purpose of coordinating the activities of the various departments concerned with textiles. In order to handle the increased workload due to the scope and complexity of the machinery introduced, a staff increase was approved by the Council in 1978 under a supplementary budget.

The staff complement in question represents the minimum compatible with efficient management and capable of handling permanent negotiations with the supplier countries. Some of the posts are temporary and it is desirable that they should be converted into permanent posts.

TREND OF IMPORTS INTO THE COMMUNITY (1976-79), BROKEN DOWN BY MFA GROUP

Unit: 1 000 EUA

		1976	1977	1978	1979
GROUP I	Extra-EEC	3.427.573	3.702.741	3.717.376	4.687.861
	Low-cost countries	2.753.888	3.005.806	3.037.060	3.740.809
GROUP II	Extra-EEC	1.776.022	1.860.737	2.020.863	2.572.124
	Low-cost countries	1.483.445	1.511.310	1.610.593	2.065.827
GROUP III	Extra-EEC	1.402.659	1.644.175	2.035.788	2.468.241
	Low-cost countries	866.283	1.009.905	1.235.523	1.444.106
GROUP IV	Extra-EEC	723.520	597.620	626.316	810.133
	Low-cost countries	584.182	464.598	472.877	639.306
GROUP V	Extra-EEC	239.153	281.480	317.227	378.820
	Low-cost countries	70.413	90.046	106.986	118.155
GROUPS I TO V	Extra-EEC	7.568.927	8.086.753	8.717.570	10.917.179
	Low-cost countries	5.758.211	6.081.665	6.463.039	8.008.203

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Groups I to V)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976 as %
					Absolute figure	%	
Extra-EEC	1.449,9	1.332,8	1.425,8	1.697,2	+ 271,4	+ 19,0	5,7
Low-cost countries	1.092,8	1.001,4	1.072,2	1.224,9	+ 152,2	+ 14,2	4,0
of which: Developing countries	595,7	581,7	578,2	667,5	+ 89,3	+ 15,4	4,0
State-trading countries	174,2	144,5	154,3	175,8	+ 21,5	+ 13,9	0,3
Lomé Convention countries	15,5	16,6	16,1	19,6	+ 3,5	+ 21,8	8,8
Countries covered by bilateral agreements	651,3	598,2	598,1	697,4	+ 99,3	+ 16,6	2,4
Mediterranean countries	361,4	318,8	385,2	447,3	+ 62,1	+ 16,1	7,9
of which: Applicants for accession	184,8	175,8	218,4	239,8	+ 21,4	+ 9,8	9,9
Greece	82,9	79,0	92,2	100,8	+ 8,6	+ 9,3	7,2
Spain	47,1	49,1	60,6	58,0	- 2,6	- 4,3	7,7
Portugal	54,8	47,7	65,6	81,0	+ 15,4	+ 23,5	15,9

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Group II)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976 as %
					Absolute figure	%	
Extra-EEC	251,2	227,1	243,8	280,1	+ 36,3	+ 14,9	3,8
Low-cost countries	195,9	181,6	191,9	221,6	+ 29,7	+ 5,5	4,4
of which: Developing countries	105,9	105,5	104,5	123,3	+ 18,8	+ 18,0	5,5
State-trading countries	34,6	34,6	37,1	44,4	+ 7,3	+ 20,0	9,4
Lomé Convention countries	0,7	1,6	2,0	2,7	+ 0,7	+ 35,0	95,2
Countries covered by bilateral agreements	138,2	121,7	122,8	146,1	+ 23,3	+ 19,0	1,9
Mediterranean countries	50,9	47,3	57,0	63,3	+ 6,3	+ 11,1	8,1
of which: Applicants for accession	30,2	29,5	38,4	41,1	+ 2,7	+ 7,0	12,0
Greece	9,7	9,7	10,3	12,9	+ 2,6	+ 25,0	11,0
Spain	7,9	7,5	8,9	5,1	- 3,8	- 41,9	11,8
Portugal	12,6	12,3	19,3	23,1	+ 3,8	+ 20,0	27,8

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Group I)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976 as %
					Absolute figure	%	
Extra-EEC	779,6	685,6	690,6	835,5	+ 135,9	+ 19,4	2,4
Low-cost countries	645,5	577,0	597,4	684,7	+ 87,3	+ 14,6	2,0
of which: Developing countries	368,5	354,4	366,1	389,4	+ 23,3	+ 6,4	1,9
State-trading countries	60,5	48,9	51,4	60,5	+ 9,1	+ 17,7	-
Lomé Convention countries	14,2	14,5	13,2	16,2	+ 3,0	+ 22,7	4,7
Countries covered by bilateral agreements	380,8	341,6	329,4	390,5	+ 61,1	+ 18,6	0,8
Mediterranean countries	240,3	198,0	233,5	273,8	+ 40,3	+ 17,3	4,6
of which: Applicants for accession	111,4	101,1	116,5	123,7	+ 7,2	+ 6,2	3,7
Greece	58,4	55,5	64,8	67,4	+ 2,6	+ 4,0	5,1
Spain	22,7	22,3	21,5	22,4	+ 0,9	+ 4,1	0,4
Portugal	30,3	23,3	30,2	33,9	+ 3,7	+ 12,4	4,0

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Group III)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976 as %
					Absolute figure	%	
Extra-EEC	268,9	283,5	325,0	404,7	+ 69,7	+ 20,8	16,8
Low-cost countries	146,4	155,6	189,0	204,4	+ 15,4	+ 8,1	13,2
of which: Developing countries	69,0	82,5	92,3	100,7	+ 8,4	+ 9,1	15,3
State-trading countries	37,3	35,9	42,7	42,4	- 0,3	- 0,7	4,6
Lomé Convention countries	0,2	0,3	0,5	0,4	- 0,1	- 20,0	33,3
Countries covered by bilateral agreements	69,5	84,2	93,9	98,9	+ 5,2	+ 5,5	14,1
Mediterranean countries	43,8	45,7	63,3	71,7	+ 8,3	+ 13,1	21,2
of which: Applicants for accession	31,5	31,7	47,5	53,8	+ 6,3	+ 13,3	23,6
Greece	11,0	10,3	13,6	16,4	+ 2,8	+ 20,3	16,4
Spain	13,8	15,0	24,4	22,6	- 1,8	- 7,5	21,3
Portugal	6,6	6,4	9,5	14,8	+ 5,3	+ 56,6	41,4

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Group IV)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976 as %
					Absolute figure	%	
Extra-EEC	75,0	56,2	58,4	75,1	+ 16,7	+ 28,6	-
Low-cost countries	63,8	48,9	50,6	66,4	+ 15,8	+ 31,2	1,4
of which: Developing countries	39,2	26,8	28,4	40,0	+ 11,6	+ 40,2	0,7
State-trading countries	10,0	9,0	8,7	10,2	+ 1,5	+ 17,2	0,7
Lomé Convention countries	0,2	0,2	0,3	0,3	-	-	16,7
Countries covered by bilateral agreements	45,5	38,4	31,6	45,0	+ 13,4	+ 42,4	0,4
Mediterranean countries	19,0	17,0	18,3	21,8	+ 3,4	+ 18,5	4,9
of which: Applicants for accession	5,3	4,3	5,0	6,4	+ 1,4	+ 28,0	6,9
Greece	3,3	2,6	2,8	3,4	+ 0,6	+ 21,8	1,0
Spain	0,9	0,8	1,1	1,0	- 0,1	- 6,4	3,7
Portugal	1,1	0,9	1,1	2,0	+ 0,9	+ 91,2	27,3

TREND OF IMPORTS OF TEXTILE PRODUCTS INTO THE EEC (1976-79)

(MFA products - Group V)

Unit: 1 000 t

SOURCE	1976	1977	1978	1979	CHANGE 1979-1978		AVERAGE ANNUAL CHANGE 1979-1976
					Absolute figure	%	
Extra-EEC	74,2	80,3	83,9	101,8	+ 12,9	+ 14,5	12,4
Low-cost countries	41,3	38,4	43,4	47,8	+ 4,4	+ 10,1	5,2
of which: Developing countries	13,1	12,3	17,0	14,1	- 2,9	- 17,1	2,5
State-trading countries	21,0	16,1	14,4	18,3	+ 3,9	+ 27,1	4,3
Lomé Convention countries	0,1	-	-	-	-	-	-
Countries covered by bilateral agreements	17,6	18,1	20,5	19,8	- 0,7	- 3,4	4,2
Mediterranean countries	7,8	10,7	13,1	16,7	+ 3,6	+ 27,5	38,0
of which: Applicants for accession	6,5	9,0	11,0	14,5	+ 3,5	+ 31,8	41,0
Greece	0,6	0,9	0,6	0,6	-	-	-
Spain	1,7	3,3	4,7	6,8	+ 2,1	+ 44,4	100,0
Portugal	4,2	4,8	5,7	7,1	+ 1,4	+ 26,1	23,0

Use of global ceilings

1978-79

Category	Year	D	F	I	BNL	UK	IRL	DK	EEC
1	1978	98.4	68.6	69.0	73.3	93.3	40.8	84.8	82.8
	1979	102.4	96.8	89.5	90.9	94.8	58.2	96.6	94.8
2	1978	68.7	62.0	58.3	47.7	68.1	41.8	75.4	63.5
	1979	74.2	73.4	88.9	62.4	74.8	37.7	81.9	74.4
3	1978	79.5	81.8	91.2	80.7	77.8	69.2	51.9	80.2
	1979	52.6	72.3	101.3	60.9	86.9	78.2	51.6	75.1
4	1978	91.3	44.7	80.1	83.3	74.8	87.8	78.0	76.0
	1979	77.5	60.3	26.2	69.3	87.4	41.4	70.8	73.1
5	1978	86.7	43.3	28.5	66.0	88.0	47.6	59.4	73.9
	1979	95.5	54.2	32.7	63.9	93.3	34.7	66.4	79.1
6	1978	91.5	74.5	47.7	120.5	68.8	42.9	58.5	84.4
	1979	88.8	104.7	52.4	92.3	85.5	61.3	95.3	93.6
7	1978	114.5	84.0	29.4	107.6	79.2	82.2	113.7	96.7
	1979	103.4	89.6	32.0	94.9	85.4	77.2	106.7	93.7
8	1978	94.3	95.1	75.4	98.2	59.8	43.5	102.3	85.4
	1979	91.7	95.9	79.1	113.0	91.0	60.2	100.1	91.3

TREND OF IMPORTS INTO THE EEC (1975-79) FROM THE PRINCIPAL SUPPLIER COUNTRIES, IN ORDER OF IMPORTANCE IN 1978

Annex V

(MFA products - Groups I to V)

Unit: tonnes

COUNTRIES	1976	1977	1978	1979	CHANGE 1979-78		AVERAGE ANNUAL CHANGE 1979-76 as %
					In figures	%	
USA	150,7	127,3	128,1	211,5	+ 83,4	+ 65,1	13,4
HONG KONG	144,6	114,8	125,7	134,9	+ 9,2	+ 7,5	2,1
GREECE	82,9	79,0	92,2	100,8	+ 8,6	+ 9,3	7,2
TURKEY	84,8	60,8	80,4	91,6	+ 11,2	+ 13,9	2,7
PORTUGAL	54,8	47,7	65,6	81,0	+ 15,4	+ 23,5	15,9
SOUTH KOREA	65,2	81,7	83,1	80,0	- 3,1	- 3,7	7,6
AUSTRIA	62,0	61,8	71,6	78,5	+ 6,9	+ 5,6	8,9
INDIA	76,5	70,9	53,9	74,5	+ 20,6	+ 38,2	0,9
SWITZERLAND	53,7	56,6	65,4	71,1	+ 5,7	+ 8,7	10,8
TAIWAN	56,8	56,1	57,6	60,8	+ 3,2	+ 5,6	2,3
SPAIN	47,1	49,1	60,6	58,0	- 2,6	- 4,3	7,7
BRAZIL	48,4	50,9	47,6	58,0	+ 10,4	+ 21,9	6,6
CHINA	36,5	27,8	30,9	40,7	+ 9,8	+ 31,7	3,8
YUGOSLAVIA	42,1	30,6	30,2	38,8	+ 8,6	+ 28,5	2,6
ROMANIA	39,8	27,8	35,4	36,0	+ 0,6	+ 1,7	3,2
PAKISTAN	31,7	23,3	28,3	35,1	+ 6,8	+ 24,0	3,6
JAPAN	25,4	30,9	27,2	29,8	+ 2,6	+ 9,6	5,8
HUNGARY	22,6	22,7	21,0	24,2	+ 3,2	+ 15,2	2,4
THAILAND	19,1	19,9	22,2	24,0	+ 1,8	+ 8,1	8,6
TUNISIA	14,1	16,3	16,4	22,3	+ 5,9	+ 36,0	14,4
MOROCCO	15,6	14,9	16,6	20,9	+ 4,3	+ 25,9	11,3
POLAND	19,8	19,0	17,6	20,8	+ 3,2	+ 18,2	1,7
EGYPT	11,1	11,6	11,0	20,5	+ 9,3	+ 84,5	27,6
SWEDEN		14,1	15,0	15,8	+ 0,8	+ 5,3	n.d.
MACAO	16,9	13,6	12,1	15,1	+ 3,7	+ 30,6	2,2
MALAYSIA	13,4	15,6	14,0	12,9	- 0,2	- 1,4	1,0
SINGAPORE	13,5	13,5	11,0	13,8	+ 2,8	+ 25,5	0,7
PERU	2,1	4,4	8,4	11,8	+ 3,4	+ 40,5	154,0
MALTA	8,5	8,1	10,7	11,4	+ 0,7	+ 6,5	11,4
URUGUAY	8,9	10,1	9,6	10,4	+ 0,8	+ 8,3	5,6
PHILIPPINES	4,6	5,8	5,3	9,8	+ 4,5	+ 84,9	34,7
COLOMBIA	7,8	7,1	8,3	9,6	+ 1,3	+ 15,7	8,3
MEXICO	10,0	9,5	4,1	6,8	+ 2,7	+ 65,9	10,7
BULGARIA	5,3	4,2	3,8	6,2	+ 2,4	+ 63,2	14,7
ARGENTINA	6,0	12,5	11,0	5,9	- 5,1	- 46,4	0,6
INDONESIA	0,3	0,5	2,0	3,2	+ 1,2	+ 60,0	322,2
SRI LANKA	0,2	0,4	1,0	2,2	+ 1,2	+ 120,0	333,3
CYPRUS	0,2	0,7	1,5	2,2	+ 0,7	+ 46,7	333,3

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Trend of imports into the Community (1976-79) from the principal industrialized countries

(MFA products covered by the bilateral agreements)

'000 Tonnes

Countries	1976	1977	1978	1979	Average annual change 1979/76	Change 1979/78
Industrialized countries	356,1	331,3	353,5	472,3	+ 9,9	+ 33,6
of which						
USA	150,7	127,5	126,1	211,5	+ 12,0	+ 65,1
Austria	62,0	61,8	71,6	78,5	+ 8,2	+ 9,6
Switzerland	53,7	56,6	65,4	71,7	+ 10,1	+ 9,6
Japan	25,4	30,9	27,2	29,8	+ 5,5	+ 9,5
Sweden	14,7	14,1	15,0	15,8	+ 2,4	+ 5,3

IMPORTS OF TEXTILE PRODUCTS INTO THE COMMUNITY FROM THE USA

Units: Quantity = tonnes
Value = 1.000 EUA

Categories of products accounting for 69,7% of the total by volume and 54,8% by value

CAT.	DESCRIPTION	UNIT	1976	1977	1978	1979	CHANGE 1979-78	
							Absolute figure	%
2	Woven fabrics of cotton	Quantity	55.786	34.702	29.765	41.260	+ 11.495	+ 38,6
		Value	185.062	126.262	90.191	125.070		
3	Woven fabrics of synthetic fibres (discontinuous or waste)	Quantity	11.519	10.880	7.947	18.446	+ 10.499	+ 132,1
		Value	49.466	47.910	40.227	75.856		
32	Woven pile fabrics	Quantity	6.793	9.210	19.329	28.860	+ 9.531	+ 49,3
		Value	32.387	49.803	98.949	149.872		
41	Yarn of synthetic textile fibres (continuous)	Quantity	26.890	28.651	22.875	44.875	+ 22.000	+ 96,2
		Value	60.537	66.079	48.035	90.649		
59	Carpets, carpeting and rugs, other than knotted	Quantity	2.138	1.251	4.068	12.689	+ 8.621	+ 211,9
		Value	5.885	4.086	10.141	27.848		
124	Synthetic fibres	Quantity	48.269	36.853	45.188	79.301	+ 34.113	+ 75,5
		Value	46.687	33.153	36.657	69.944		

Changes by value are not given as the figures recorded for each year cannot be evaluated for reasons related to price increases.

New quantitative limits introduced under the "basket extractor" system from 1 January 1978 to 30 June 1980

	Category	Member State(s) concerned	Non-member country concerned	Unit	Level of limit	Growth rate	Relevant regulation
1	28	UK	Singapore	1 000 p.	312	4 %	OJ L 149 of 18.06.1979
2	50	UK	Argentina	tonnes	230	8 %	"
3	6	UK	Philippines	1 000 p.	172	6 %	"
4	11	F	Malaysia	1 000 p.	300	6 %	"
5	6	UK	India	1 000 p.	110	6 %	"
6	24	F	Romania	1 000 p.	110	5 %	"
7	29	I	Romania	1 000 p.	50	4 %	"
8	39	F	Romania	tonnes	90	5 %	"
9	26	I	Thailand	1 000 p.	150	6.5 %	"
10	10	F	Macao	1 000 p.	300	5 %	"
11	6	BNL	India	1 000 p.	175	6 %	"
12	6	BNL	Philippines	1 000 p.	650	4 %	"
13	8	F	Philippines	1 000 p.	200	4 %	"
14	8	UK	Philippines	1 000 p.	265	4 %	"
15	21	F	Philippines	1 000 p.	215	6 %	"
16	21	BNL	India	1 000 p.	550	6 %	"
17	17	BNL	India	1 000 p.	175	6 %	"

New quantitative limits introduced under the "basket extractor" system from 1 January 1978 to 30 June 1980

	Category	Member State(s) concerned	Non-member country concerned	Unit	Level of limit	Growth rate	Relevant regulation
18	68	I	India	tonnes	30	6.5 %	OJ L 149 of 18.06.1979
21	37	I	Thailand	tonnes	2 200	4 %	OJ L 169 of 07.07.1979
22	32	EEC	Hong Kong	tonnes	4 364	6 %	OJ L 212 of 20.08.1979
23	46	EEC	Argentina	tonnes	7 834	8 %	OJ L 212 of 20.08.1979
24	46	EEC	Brazil	tonnes	7 613	5 %	OJ L 225 of 05.09.1979
25	46	UK, I	Uruguay	tonnes	UK/ 580 I /4 452	17.5 % 6 %	OJ L 249 of 03.10.1979
26	26	DK, BNL	Thailand	1 000 p.	DK/170 BNL 370	6 %-4 %	OJ L 281 of 10.11.1979
27	27	DK	Thailand	1 000 p.	83	6 %	OJ L 281 of 10.11.1979
28	18	BNL	Romania	tonnes	98	2 %	OJ L 229 of 11.09.1979
29	24	BNL	Romania	1 000 p.	980	2 %	OJ L 229 of 11.09.1979
30	73	BNL	Romania	1 000 p.	120	2 %	OJ L 229 of 11.09.1979
31	17	UK	Poland	1 000 p.	120	4 %	OJ L 215 of 23.08.1979
32	20	UK	South Korea	1 000 p.		4 %	OJ L 325 of 21.12.1979
33	26	BNL, DK	South Korea	1 000 p.	BNL/300 DK/140	4 % 4 %	OJ L 325 of 21.12.1979
34	31	F	Macao	1 000 p.	625		OJ L 325 of 21.12.1979
35	11	F, UK	Pakistan	1 000 p.	F/800 UK/1500	6 % 6 %	OJ L 304 of 30.11.1979
36	69	BNL	Romania	1 000 p.	266		OJ L 272 of 30.10.1979
37	6	EEC	Philippines	1 000 p.	2 800	4 %	OJ L 13 of 18.01.1980

New quantitative limits introduced under the "basket extractor" system from 1 January 1978 to 30 June 1980

	Category	Member State(s) concerned	Non-member country concerned	Unit	Level of limit	Growth rate	Relevant regulation
38	8	EEC	Philippines	1 000 p.	2 800	4 %	OJ L 13 of 18.1.1980
39	21	EEC	Philippines	1 000 p.	2 350	5 %	OJ L 13 of 18.1.1980
40	21	UK, DK	Thailand	1 000 p.	500/100	- / 6 %	OJ L 343 of 31.12.1979
41	3	UK	Brazil	tonnes	364	4 %	OJ L 294 of 21.11.1979
42	7	UK	Brazil	1 000 p.	105	4 %	OJ L 343 of 31.12.1979
43	109	F	Hong Kong	tonnes	126	6 %	OJ L 325 of 21.12.1979
44	71	UK, IRL	Philippines	tonnes	UK/36 IRL/3	6 % 6 %	OJ L 17 of 23.1.1980
45	80	UK, IRL	Philippines	tonnes	UK/110 IRL/13	6 % 6 %	OJ L 17 of 23.1.1980
46	13	BNL	Philippines	1 000 p.	650	(1980 only)	OJ L 49 of 23.2.1980
47	17	UK	Philippines	1 000 p.	115	6 %	OJ L 35 of 12.2.1980
48	17	UK, F, I	India	1 000 p.	325/310/125	6%/6%/6%	OJ L 17 of 23.1.1980
49	26	BNL	Malaysia	1 000 p.	145	6 %	OJ L 17 of 23.1.1980
50	80	UK	Pakistan	tonnes	115	6 %	OJ L 6 of 10.1.1980
51	26	F	Pakistan	1 000 p.	300	6 %	OJ L 6 of 10.1.1980
52	26	F	Singapore	1 000 p.	250	6 %	OJ L 24 of 31.1.1980
53	14b	UK	Hungary	1 000 p.	47	4 %	OJ L 347 of 31.12.1979
54	82	EEC	Hong Kong	tonnes	963	6 %	OJ L 24 of 31.1.1980
55	68	EEC	Hong Kong	tonnes	554	6 %	OJ L 24 of 31.1.1980
56	29	F	Macao	1 000 p.	198	4 %	OJ L 110 of 29.4.1980
57	31	BNL	Macao	1 000 p.	245	4 %	OJ L 110 of 29.4.1980
58	26	BNL	Brazil	1 000 p.	345	4 %	OJ L 22 of 29.1.1980

New quantitative limits introduced under the "basket extractor" system from 1 January 1978 to 30 June 1980

	Category	Member State(s) concerned	Non-member country concerned	Unit	Level of limit	Growth rate	Relevant regulation
59	26	BNL	Hungary	1 000 p.	170	5 %	
60	7	UK	Indonesia	1 000 p.	150	-	
61	50	UK, BNL	Uruguay	tonnes	165/140	7%-7%	OJ L 93 of 10.04.1980
62	79	BNL	Hong Kong	tonnes	190	6 %	
63	91	BNL	Poland	tonnes	190	5 %	OJ L 99 of 17.04.1980

SOURCE: Questionnaires.

TOTAL NUMBER OF PERSONS EMPLOYED

H. STATE	1973		1974		1975		1976		1977		1978		1979	
	43	453	43	453	43	453	43	453	43	453	43	453	43	453
D ¹	432.221	363.841	393.350	314.218	356.826	291.832	343.575	274.056	331.720	264.576	319.697	259.529	310.622	256.71
F ³	427.259 ⁴	332.331 ⁴	408.609	313.623	373.462	288.168	365.204	287.903	344.590	278.329	328.649	271.082		
I ¹	379.755	187.422	362.024	195.288	366.296	192.587	336.928	183.829	321.710	178.004	309.686	164.675	308.700	151.55
N ³	58.700	40.900	55.100	33.100	48.600	27.100	46.100	24.900	41.800	22.200	37.800	20.900	35.200	19.80
B ¹	107.064	66.665	99.004	65.418	87.846	58.707	83.062	53.377	75.739	46.955	69.142	44.996	67.157	42.13
L														
UK ¹	486.700	313.600	475.500	320.500	438.900	303.600	421.500	291.200	424.500	290.400	485.800	278.100		
IRL [*]	25.712	16.616	24.586	16.198	21.132	15.500	20.323	15.116	21.139	12.223	30.802	13.059	21.455	13.05
DK ¹	16.744	13.758	14.505	11.389	12.478	10.633	13.528	11.723	12.145	10.771	9.953	10.070	10.400	4.90
TOTAL	1,934,155	1,335,133	1,832,680	1,269,794	1,705,647	1,182,147	1,555,200	1,042,104	1,573,343	1,104,458	1,511,529	1,056,411		

¹Only enterprises with 20 or more employees.^{*}All enterprises.³Enterprises with 10 or more employees.⁴Enterprises with 6 or more employees.

SOURCE : Questionnaires.

NUMBER OF ENTERPRISES

M. STATE	43 1973	453	43 1974	453	43 1975	453	43 1976	453	43 1977	453	43 1978	453	43 1979	453
D ¹	2.857	4.308	2.711	4.060	2.531	3.788	2.417	3.600	2.373	3.468	2.379	3.365	2.309	3.296
F ³	3.891 ⁴	4.490 ⁰	3.716	4.080 ⁰	3.574	4.106	3.477	4.044	3.282	3.869	3.197	3.660		
T ¹	3.493	1.876	3.374	1.786	3.301	1.748	3.273	1.686	3.216	1.552	3.173	1.620	3.150	1.512
N ³	316	446	432	594	393	514	388	490	382	415	375	387	329	349
B ¹	1.395	1.195	1.338	1.180	1.255	1.128	1.187	1.039	1.145	934	1.081	944	1.052	887
L														
UK ¹	2.408	2.647	2.460	2.887	2.298	2.655	2.222	2.550	2.210	2.500	2.150	2.400		
IRL [*]	246	510	228	496	216	280	184	461	191	401	197	389	195	368
DK ¹	236	236	224 ⁰	221 ⁰	212	209	212	208 ⁰	213	206	203	201		
TOTAL	14.842	15.708	14.483	15.304	13.780	14.428	13.360	14.078	13.012	13.445	12.833	13.467		

¹ Only enterprises with 20 or more employees.

* All enterprises.

⁰ Estimate.

³ Enterprises with 10 or more employees.

⁴ Enterprises with 6 or more employees.

Index of production of the textile and
clothing industry in relation to the
index of total industrial production

1973 = 100

	1973	1974	1975	1976	1977	1978	1979 estimated
Index of industrial production (Nace 1-4)	100	100,6	93,9	100,8	103,2	105,5	110,5
Index of textile production (Nace 43)	100	95,8	88,4	97,1	94,3	91,6	96,5
Index of clothing production (Nace 453-6)	100	95,4	94,4	99,6	97,8	93,6	98,3

Source: Statistical Office of the European Communities.