

L'Observatoire européen
du textile et de l'habillement

**THE EC TEXTILE
AND
CLOTHING
INDUSTRY 1991/1992**

- A Factual Report -

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**Prepared by the OETH at the request of the
Directorate General III of the European Commission**

Brussels, April 1993

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INTRODUCTION

The purpose of this report is to present a factual analysis of the situation in the EC textile and clothing industry in 1992, together with recent trends.

In the analysis below, the emphasis has been on changes in 1992, where this information has been available. Comparisons have been made also with the situation in 1985 and 1988. Information for individual member states is given, where appropriate.

An analysis of the textile and clothing industries in Central and Eastern Europe and the former Soviet Union features as a special topic.

The OETH would like to thank the many organisations and individuals who have contributed material and comments for this report.

1. SUMMARY

1.1. The world economy continued to be depressed in 1992, although there was some recovery in the United States. World trade showed little signs of faster growth overall, but was much more buoyant for Far Eastern countries than for the countries of Western Europe.

1.2. The slow growth of GDP in the leading EC countries, together with the slow growth in their trade, was a major reason for the continued state of depression in the EC's textile and clothing industries, which saw in 1992 further falls in production, and especially in employment. Investment has also been falling. The EC's balance of trade deficit for textiles and clothing, however, scarcely changed in 1992.

1.3. In 1992 the production of both textiles and clothing in the EC continued to fall - for the third year consecutively - and at a slightly higher rate than in the previous year. Compared with the reduction of production of textiles (3.4%) and of clothing (3.1%), the reduction of production in manufacturing as a whole was less, at 1.3%.

Textile and clothing production not only did worse than the average for manufacturing in 1992, but far worse over the whole period 1985-92, especially in the case of clothing.

1.4. Employment has continued to fall in the industry, in both the textile and clothing sectors: 165,000 jobs were lost in 1992, which represents a higher proportion of employment (6%) than in earlier years. In 1992, the number of jobs lost in this sector represented about 20% of the employment contraction in manufacturing industry as a whole.

1.5. Investment in the EC's textile and clothing industries has fallen in recent years. The decline started earlier in the textile industry than the clothing industry. Investment per employee differs among member states. It has been highest in the Benelux countries, at a high level in Denmark, Germany, Italy and France, but at a low level in Greece, the UK, Portugal and Spain.

1.6. Imports of textiles and clothing from outside the EC rose by over 2% in terms of tonnage in 1992 (nearly 3% for MFA categories). Exports rose by 6% (3% for MFA categories). The ratio of exports to imports improved for MFA textiles from 77% to 78%, while that for MFA clothing remained unchanged at 18%.

In terms of ECUs, the balance of trade improved for MFA textiles (and remained strongly positive for the EC as a whole), while that for clothing deteriorated slightly. Despite the slowdown of imports and the moderate export recovery, the long-run tendency for the EC's international trade competitiveness to deteriorate almost certainly remains.

1.7. Trade in textiles and clothing among member states rose in 1992 by moderate rates (1.5% in textiles imports and 3% in clothing). On a more long-term basis, there is evidence showing that trade within the EC has increased faster than exports to non-EC countries and slower than imports from outside the EC.

1.8. Total OPT clothing imports into the EC, of every MFA category, accounted in 1992 for some 10% of total EC imports of clothing, in tonnage terms. This proportion has changed relatively little since 1989, despite the fact that import quotas have been under-utilised and that some major suppliers enjoy free access for their OPT exports to the EC.

During 1992, OPT imports of clothing into the EC rose by some 13%. Recent trends suggest that the distribution of OPT imports among member states may tend to be more balanced in the future (at present Germany represents 62% of the EC total), and that the weight of Eastern European countries (with the exception of ex-Yugoslavia) will continue to increase.

1.9. Consumers' textile and clothing expenditure fell in 1992. The estimated apparent consumption of woven clothing in the EC fell slightly in constant prices, as compared with 1991. There was a rise between 1990 and 1992 of about 2% in constant prices. The estimated apparent consumption of the EC knitting industry fell in 1992. However, there was a rise between 1990 and 1992, in constant prices, of about 7%.

In line with the evolution of demand, retail sales of clothing fell in the EC as a whole in 1992, after little change between 1990 and 1991. The fall in sales in 1992 affected all the largest countries in the EC.

1.10. Productivity, measured by output per employee is higher in manufacturing as a whole than in textiles, and higher in textiles than in clothing. Between 1991 and 1992, output per employee rose faster in textiles and clothing than in manufacturing. In individual countries, high output per employee and high investment per employee tend to go together.

1.11. The textile machinery market showed mixed trends in 1992. There was a severe fall in shipments of short-staple (cotton) spindles, to all areas except the former Comecon countries. In contrast, there was an overall increase in shipments of long-staple (wool) spindles, including an increase to the EC.

In weaving, there was an overall increase in shipments of shuttle-less looms, but deliveries to the EC fell substantially.

1.12. Looking at the situation more generally, the EC textile and clothing industries, and the industries associated with them, will no doubt benefit, in the short-run, as the present recession comes to an end. In the long-run, however, many different scenarios are possible.

2. THE ECONOMIC BACKGROUND

The world economy continued to be depressed in 1992, although there was some recovery in the United States. World trade showed little signs of faster growth overall, but was much more buoyant for Far Eastern countries than for the countries of Western Europe.

The slow growth of GDP in the leading EC countries, together with the slow growth in their trade, was a major reason for the continued state of depression in the EC's textile and clothing industries.

In spite of a modest recovery, world economic activity remained weak in 1992: world GDP grew by 1.8%, while the volume of world trade expanded by 5%. Both figures are below the trend of the last two decades.

The leading seven industrialised countries saw a rise in GDP of 1.6%, after the near stagnation of the year before. Their respective experiences, however, are different. The US economy recorded a satisfactory performance with an increase in real GDP of 2% in 1992. However, despite some strong growth in the second half of last year, the present recovery remains weak. In Japan, the strong rate of growth of 1991 (4%) gave way to a significant deceleration in the course of 1992. In spite of a very significant budgetary stimulus, growth is not expected to return towards its previous trend until well into 1994. As a result of this pronounced cyclical movement, the Japanese rate of growth in 1992 was 1.4%, with 1993 expected to record a figure which will be roughly equivalent.

The GDP of the EC rose by 1.1% only in 1992, after rises of 2.8% in 1990 and 1.4% in 1991. The UK experienced a second year of recession while most of the remaining member states recorded rates of growth of between one and two per cent. However, in the second half of 1992, the EC economy is estimated to have actually stagnated and growth prospects for 1993 are poor. This marked slowdown is the result of a combination of cyclical elements and continued tight monetary policies. Business and consumer confidence are at low levels. This constitutes an obstacle to a recovery which can tentatively be assumed to take hold in the second half of 1993.

In 1992, all components of demand were affected by the general weakness of the EC economy. Investment, traditionally the most volatile component, actually stagnated for the second year in succession. Employment declined for the first time since 1983 leading to a strong

increase in unemployment which is expected to reach 11% in the course of 1993.

The recent turmoil in the exchange rate mechanism of the EMS is both a result of the deterioration in economic conditions in Europe and a factor contributing to the persistence of depressed economic conditions. The growing imbalances since the last ERM realignment, and cyclical divergences in the EC - strong growth with inflationary pressures in Germany, and weak growth, with inflation under control, in many other countries - led two important currencies leaving the ERM in September 1992. The lira, the pound, the peseta, the escudo and the Irish punt all depreciated against the D-mark. The pound and the lira have depreciated by 17% and 20% respectively since leaving the ERM.

In the wake of the ERM crisis, short-term interest rates came down in most countries. Long-term rates, however, which respond essentially to inflationary expectations, have come down much less and, in the EC as a whole, are about one point lower than at the beginning of 1992.

Further interest rate reductions, as announced by the Bundesbank in April 1993, could constitute the most significant contribution to a recovery in the EC. However, confidence has been undermined by the impasse in the Uruguay Round negotiations, and the economic and social problems in Central and Eastern Europe, as well as in the former Soviet Union.

World trade growth has slowed over the last three years. The peak growth was 10% in 1989 in trade in all commodities and between all market economies. In 1992 the growth was 5%. Trade has however slowed down less than has usually been the case in previous cycles. It has been boosted by the growth in trade between less developed countries, and rapid import growth in North America - 11% for the USA in 1992 and nearly 6% for Canada. This North American development may in part reflect the growing effects of the North American Free Trade Area (NAFTA).

There has been a continued increase in imports into mainland China, but much of Chinese trade is with the rest of the Far East, and especially with Japan. In the Far East, imports grew strongly in both 1991 and 1992 - by 14% in 1991, and by over 13% in 1992. The contrast with developments in Western European trade has been marked.

The prospects for European exporters are dependent on developments in their export markets, and these do not generally look as strong as markets in the world as a whole. The UK exports a larger proportion of its goods to North America than either France or Germany, and in Europe exports principally to Germany and France. Germany has

larger market shares in the Netherlands, the UK and the rest of industrialised Europe than has Britain or France. France sends a high share of its exports to Germany and Italy.

Between 1991 and 1992, UK and French exports were held back by slow import growth in Germany, the Netherlands and Belgium. German import growth was 0.9% only in 1992, as compared with 14% in 1991. In 1992 the growth in the UK and Germany's export markets was some 2%, while it was 2.5% for France. In 1991, on the other hand, the UK and Germany had export growth of over 3%, while France had export growth of nearly 7%.

The slow growth of GDP in the leading EC countries, together with the associated slow growth in their trade, was no doubt a major reason for the continued state of depression in EC's manufacturing industries, including their textile and clothing sectors.

The evidence on the demand for textile and clothing products indicates a fall in the apparent consumption of clothing in the EC last year. As regards retail sales, the volume of retail sales of clothing, footwear and leather goods together, fell by 5% in 1992, following virtually no change in 1991.

3. RECENT DEVELOPMENTS IN PRODUCTION, EMPLOYMENT AND INVESTMENT

3.1. PRODUCTION

In 1992 the production of both textiles and clothing in the EC continued to fall - for the third year consecutively - and at a slightly higher rate than in the previous year. Compared with the reduction of production of textiles (3.4%) and of clothing (3.1%), the reduction of production in manufacturing as a whole was less, at 1.3%.

Textiles and clothing therefore did worse than the average for manufacturing in 1992, and far worse over the whole period 1985-92, especially in the case of clothing.

The volume of textile production (including knitwear, but excluding man-made fibres) had fallen in 1991 by 3%, but in 1992 the fall compared with 1991 was greater, at 3.4% (Table 1). Knitting industry production fell by 4%, compared with the previous year.

In 1992, the index of textile production in the EC fell below its 1985 level (to 96.9), after having reached a peak of over 4% above that level in 1989. The index of knitting industry production in 1992 was just below its 1985 level, in volume terms.

EC production of woven clothing fell in 1992 by slightly more than in 1991 - a fall of 3.1%, as compared with a fall of 3% in the previous year. The index of clothing production in 1992 (at 84.5) was well below its 1985 level.

These figures for textile and for clothing production compare with a fall of 1.3% in the index of manufacturing production as a whole, in 1992. The index of manufacturing production for the EC in 1992 was, at 115, well above its 1985 level. Textiles and clothing therefore did worse than the average for manufacturing in 1992, and far worse over the whole period 1985-92, especially in the case of clothing.

Production of man-made fibres was some 5% higher in 1992 than in 1991. The rise occurred both in the production of synthetic and cellulosic filament yarn in 1992, and also of staple. Synthetic filament yarn output was slightly above its 1985 level, but in the other sectors production remained well below this level.

Looking at individual Community countries, textile production fell generally in 1992, in all but Belgium and Ireland. The biggest decrease took place in Germany.

Man-made fibre production rose most in Spain and Portugal.

Woven clothing production fell in all but Italy, Belgium/Luxembourg, the UK, and Denmark. It was unchanged in Portugal.

Over the whole period 1985-92, the most marked changes in textile production have been increases in Ireland, Italy, and Belgium/Luxembourg, and falls in France, the UK, Denmark and Greece.

As regards clothing, increases in production between 1985 and 1992 have taken place in the Netherlands, Belgium/Luxembourg, and Portugal. Italian production, after some years below its 1985 level, rose to this level in 1992. Marked falls, compared with 1985, have taken place in France, Denmark, Germany and Ireland, but the falls have been less in the UK, Spain and Greece.

Knitting industry production in member states has evolved very differently since 1985. Substantial increases have taken place in Ireland and Italy (to 189 and 128 respectively in 1992), but appreciable falls, of between 17% to 23% have occurred in the UK, France and Germany.

In 1992 there were considerable differences in the evolution of the EC's output of the different products of the industry.

In fibres and yarns there were substantial increases in combed wool output and in the output of carded and combed wool yarns. There was a particularly large increase in the output of linen yarn. On the other hand, cotton yarn output fell appreciably.

In woven fabrics, the increase in the output of linen fabrics was very marked, while there was a small increase in the output of wool fabrics. The output of cotton fabrics and of synthetic staple fabrics fell substantially. So did the output of household textiles. The output of other home textiles, mainly carpets, held up well. Production of non-wovens increased, but at a lower rate than in previous years.

Among knitted products, the only one to show an appreciable increase in output in 1992 was babies' under-garments. There were especially large falls in the output of women's hosiery and of knitted work clothes.

In clothing, made from woven materials, the changes in output were not large. The only sizeable increase was in corsetry, while much the largest fall in output was in swimwear. Other falls took place in the output of dressing gowns and work clothes.

Turnover, in the EC as a whole, rose for textiles between 1988 and 1991, in constant prices, but there was a small fall in 1992 (Table 2). For clothing, the rise was continuous, but the increases between 1990 and 1991, and also in 1992, were quite small. Turnover figures for both clothing and textiles show more positive trends than for production (Table 1), and the other variables analysed. This difference, if not due to statistical factors, needs to be evaluated in connection with industrial strategies at the level of the firm.

3.2. EMPLOYMENT

Employment has continued to fall in the industry, in both the textile and clothing sectors, but at a higher rate in 1992, following falls in earlier years. In 1992, the number of jobs lost in this sector represented nearly 20% of the employment contraction in manufacturing industry as a whole.

Employment in both the EC textile and clothing industries fell further in 1992, following falls in the preceding years. The fall is in fact estimated to have been rather higher, at 6% in the case of both textiles and clothing, in 1992, as compared with falls of just over 4% in both sectors in the previous year (Table 2).

The falls in employment, in firms employing more than 20 employees, followed a similar pattern in both textiles and clothing. Both sectors showed a fall in employment of about 6% in 1992.

With a contraction of 165,000 jobs within one year, these industries have been affected more than the steel, electronic and car industries together. This fall in employment represented about 20% of the employment reduction in the manufacturing sector.

The cumulative fall in total employment in textiles and clothing since 1988 (Table 2) has been considerable. It has been over 14% in the case of textiles, and 15% in the case of clothing. In absolute terms the

loss of employment in textiles was 250,000 over the period, as compared with 195,000 for clothing, reflecting the smaller size of the clothing sector.

Man-made fibre employment, according to CIRFS, rose by 0.7% per annum between 1988 and 1991, but these figures include employment in five East German Lander from 1991. Without this, a fall in employment would have been shown.

Employment figures for individual countries show Italy to be largest employer (Table 3), followed by Germany and the UK. This is true for both textiles and clothing. Germany is much the largest employer in man-made fibres.

Between 1988 and 1992 the largest percentage falls in textile employment have taken place in Spain, followed by the UK (both at over 7% per annum). The UK showed the largest percentage fall in clothing employment (nearly 7% per annum), followed by Spain and Italy (both 4.3% per annum). In textile and clothing employment together, the UK has had much the largest percentage fall (forthcoming OETH report on structural data).

3.3. INVESTMENT

Investment in the EC's textile and clothing industries has fallen in recent years. The decline started earlier in the textile industry than the clothing industry. Investment per employee differs among member states. It has been highest in the Benelux countries, at a high level in Denmark, Germany, Italy and France, but at a low level in Greece, the UK, Portugal and Spain.

The value of investment in the EC's textile industry since 1988 has shown a fall, in current prices (Table 2). At constant prices the fall would have been greater. Overcapacity in the short-staple sector, which is highly capital-intensive, combined with the recession, have been the main reasons for the downward trend. At the same time, and for the same reason, much spinning and weaving capacity, even the most modern, has been shut down.

In the clothing industry, on the other hand, the decrease has been more recent (Table 2). The change between 1988 and 1990 was a positive one, even after rising prices are taken into account. Nevertheless,

with a much lower level of investment than in textiles, this sector has remained labour-intensive.

Data for investment in textiles in individual member states show that this was highest in Italy and Germany, the countries with the largest textile industries in the EC, in both 1990 and 1991 (Table 3). France, the third largest producer, had the third largest level of investment.

Investment per employee, on the other hand, was highest in 1991 in Belgium/Luxembourg, followed by the Netherlands, Denmark, Germany and Italy. Investment in knitwear (which is less costly) is included in textile investment. Therefore in countries like Italy and Germany, where knitwear production is important, investment per employee is lower than would otherwise be the case.

It is interesting that the highest investment per employee in 1990 and 1991 took place in the Benelux countries, which hold relatively minor shares in EC output. In both years, the lowest levels of investment per employee occurred in Greece, the UK, Portugal and Spain, in decreasing order.

More specific details on investment, in spinning and weaving equipment, and for the world as a whole, are given in Chapter 7 below.

4. EVOLUTION OF TRADE

4.1. EXTERNAL EC TRADE

Imports of textiles and clothing from outside the EC rose by over 2% in terms of tonnage in 1992 (nearly 3% for MFA categories). Exports rose by 6% (3% for MFA categories). The ratio of exports to imports improved for MFA textiles from 77% to 78%, while that for MFA clothing remained unchanged at 18%.

In terms of ECUs, the balance of trade improved for MFA textiles (and remained strongly positive for the EC as a whole), while that for clothing deteriorated slightly. Despite the slowdown of imports and the moderate export recovery, the long-run tendency for the EC's international trade competitiveness to deteriorate remained.

IMPORTS AND EXPORTS - 1992

Imports of MFA textiles (excluding knitwear) rose by 1% in tonnage terms in 1992, while exports rose by 3%. This was a moderate improvement for the EC on 1991, when imports rose by 3% and exports stagnated. The balance of trade improved, with the ratio of exports to imports having risen from 77% to 78% in tonnage terms.

In value terms, there was a fall in imports and a rise in exports, which caused the surplus in the trade balance to rise by 47% to 2,170 million ECUs (Table 4).

The rise in MFA clothing imports (including knitwear), in tonnage terms, was 5% in 1992 - much below the rise in the previous year (23%). Clothing exports rose by 5%, whereas they had risen only by 1% in 1991. The balance of trade in clothing deteriorated slightly in tonnage and value terms, but the export/import ratio remained unchanged at 18% in terms of tonnage, and at 36% in terms of value (Table 4).

Imports of man-made fibres changed little in 1992. Imports of man-made fibres rose most into Spain (from a relatively low level), France and Italy.

Imports of total textiles and clothing (including non-MFA categories, for example raw materials, man-made fibres and flax products) from outside the EC rose by over 2% in terms of tonnage in 1992, while exports rose by 6%. In tonnage terms, imports of total textiles and clothing in 1992 were more than double exports.

There was a moderate rise in 1992 (3%) in MFA imports of textiles and clothing from countries covered by the textile policy, while imports from countries not covered by the policy hardly changed. Imports from the five 'dominant' countries fell, whereas imports rose from PECO (substantially) and from ASEAN countries (Table 5). Trends in textiles and clothing were similar.

Exports of man-made fibres changed little in 1992, but exports rose for Ireland, Belgium/Luxembourg, France and Germany, but fell steeply in Denmark, Spain, the Netherlands and the UK.

EC exports of MFA textiles and clothing to non-EC countries rose by 3% in 1992. The decrease in exports to the USA, EFTA and Japan was more than offset by a strong increase of exports to the rest of the world (Table 6).

IMPORTS AND EXPORTS - RECENT TRENDS

Looking first at the period since 1988, MFA textile imports were 23% above their 1988 level in 1992. MFA textile exports were 9% higher. MFA clothing imports were 65% above their 1988 level, while clothing exports were 22% higher (Tables 5 and 6). These figures, together with those covering a greater period of time, suggest a long-term deterioration in the international competitiveness of the EC textiles and clothing industry.

Countries covered by the textile policy were the main suppliers of textiles to the EC between 1988 and 1992. Indeed, they increased their share of the import market for MFA textiles from 69% to 71% during the period. The share of ASEAN and PECO countries rose, as did that of China, but the share of the dominant countries fell (Table 5).

In the case of clothing, the countries covered by the textile policy dominated imports: these countries' share of the EC import market for MFA clothing was 95% over the period. China, the PECO and the ASEAN countries increased their share, but the share of the dominant countries fell (Table 5).

As markets for EC exports of MFA textiles, EFTA countries and the United States have been decreasing in importance since 1988. They accounted for 33% of these exports in 1992, as compared with 38% in 1988. Japan has remained a relatively small market for the EC. Exports of textiles to the rest of the world rose from 60% to nearly 65% over the period (Table 6).

As regards exports of MFA clothing, the majority of EC exports go to EFTA countries, the USA and Japan, although the proportions going to EFTA and the USA have fallen between 1988 and 1992. In the same period, however, clothing exports to the rest of the world rose from 32% to 45% of the EC total (Table 6).

EFTA countries still took as much as 48% of EC MFA clothing exports in 1992 in tonnage terms. If the EFTA countries should become members of the EC, then - on the basis of the 1992 figures - EC exports of MFA clothing would be half of what they were in 1992.

Looking at imports from non-EC countries, and exports to non-EC countries since 1985, figures for individual countries are in Tables 7 and 8. These show that the biggest increases in textile imports have been into Spain, followed by Ireland and Greece. Imports of clothing have risen greatly in the case of Spain (nearly fifty times their 1985 level), and considerably in the cases of Portugal, Ireland and Greece. The largest regional market for non-EC textiles and clothing is Germany, followed by the UK.

Germany has seen the largest increase in exports of textiles, followed by France and Belgium, but even Germany's exports in 1992 were at only 32% above their 1985 level. Clothing exports rose most in the case of Greece, followed by France. Exports of clothing from Italy have changed least since 1985. Germany is the largest exporter of both textiles and clothing to non-EC countries, but in clothing Italy comes second (Table 8).

The EC's exports are in a higher price class than its imports. In 1992 the average value of textile imports into the EC was 5.6 ECUs per kilo, and of clothing (including knitwear) was 17.1 ECUs. The average export values, by contrast, were 8.6 ECUs for textiles and 33.8 ECUs for clothing (Table 4). Since import and export prices for textiles and clothing are set competitively, it seems clear that the EC's exports of textiles and (especially) clothing are in a higher quality class than its imports.

4.2. INTERNAL EC TRADE

Trade in textiles and clothing among member states rose in 1992 by moderate rates (1.5% in textiles and 3% in clothing). On a more long-term basis, there is evidence showing that trade within the EC has increased faster than exports to non-EC countries and slower than imports from outside the EC.

IMPORTS AND EXPORTS - 1992

Looking at trade developments between member states only, both as regards imports and exports, it can be seen that in 1992 imports of textiles rose by 1.5%, while exports of textiles rose by 2.4%. For clothing, the corresponding figures were of a rise in imports of less than 3%, but a rise in exports of 3.7% (Table 7 and 8).

The size of imports and exports, among member states, may diverge partly because of time-lags. In addition, goods may be imported into the EC in semi-finished or finished form, and then traded within it. Different classifications may apply in these cases.

The largest EC exporters of textiles to other EC countries were (by decreasing order) Belgium, Germany, Italy and France, whereas in clothing Italy, Portugal, Germany, the UK and the Netherlands were the largest exporters in 1992.

For Spain and Portugal, the large increases in clothing imports from other member states (as well as from outside the EC) have clearly been connected with their accession to the European Community. Even so, Spain and Portugal's imports of clothing in 1992, from other EC countries, represented only some 7% of the EC total, in volume terms.

As an exporter of clothing, however, Portugal alone accounted in 1992 for over 15% of the volume of exports among member states (Table 8).

IMPORTS AND EXPORTS - RECENT TRENDS

Comparing 1985 and 1992, it is clear that EC exports of MFA textiles and clothing to other member states have risen faster than exports to non-EC countries. Imports from other member states have risen more slowly than imports from non-EC countries. This suggests that EC firms are relying to an increasing extent on the EC internal market for their sales.

There have been big differences between 1985 and 1992 in the trade of individual EC countries. As regards imports from other EC countries, by far the biggest increases in textile imports have taken place in the cases of Spain and Portugal. Intra-EC imports of clothing rose greatly also in Spain and Portugal, with smaller increases in Greece and Italy.

As regards exports, the biggest increases in textile exports, compared with 1985, have been from Spain and the UK, followed by Portugal, Belgium, France and Ireland. For clothing, Denmark has had the greatest increase in exports (possibly because of re-exports of non-EC goods), followed by Ireland, the UK and Portugal. In 1992 Italian exports of clothing to other EC countries were scarcely above their 1985 level.

4.3. OUTWARD PROCESSING TRADE (OPT)

Total OPT clothing imports into the EC, of every MFA category, accounted in 1992 for some 10% of total EC imports of clothing, in tonnage terms. This proportion has changed relatively little since 1989, despite the fact that import quotas have been under-utilised and that some major suppliers enjoy free access for their OPT exports to the EC.

During 1992, OPT imports of clothing into the EC rose by some 13%, as compared with 4% for direct imports. Recent trends suggest that the distribution of OPT imports among member states may tend to be more balanced in the future (at present Germany represents 62% of the EC total), and that the weight of Eastern European countries (with the exception of ex-Yugoslavia) will continue to increase.

OPT imports play an important role in the competitive strategy of many EC firms in the clothing industry, especially for certain member countries, although it represents only about 10% of the EC's total clothing imports (Tables 9 and 11). In the case of several clothing categories (anoraks, jackets and shirts), OPT imports are now substantial in relation to total EC production of those categories.

In 1992 OPT imports of clothing into the EC, from non-EC countries, are estimated to have risen by some 13%, in tonnage terms, following a rise of some 22% between 1990 and 1991. Direct imports of clothing into the EC showed a greater contrast: they rose by 4% only in 1992, as compared with a rise of 23% in 1991 (Table 9).

Germany is the biggest OPT importer into the EC (62% of the EC total in 1992), followed by Benelux and France (Tables 9 and 11). Recent trends suggest that relative positions may come closer in the future. German OPT imports of clothing rose by 6% only in 1992, but OPT clothing imports rose by higher proportions than this in Benelux, France, Denmark and Italy. The Italian increase (170%) was by far the greatest, but Italy started from a low base.

The principal OPT clothing exporters to the EC in the first 9 months of 1992 were Poland, ex-Yugoslavia, Hungary, Romania, Tunisia, Morocco, the Czech and Slovak republics, and Turkey, in that order. In previous years ex-Yugoslavia had been the biggest supplier, but in 1992 its OPT clothing exports to the EC are likely to have fallen by over 20%. In contrast, there was a substantial rise in OPT imports from other Eastern European countries, in the first 9 months of 1992, such as Bulgaria (90%), the Czech and Slovak republics (43%), Romania (32%) and Poland (15%) (Table 12).

Germany has traditionally dealt mainly with ex-Yugoslavia and Eastern Europe for OPT, and France with Morocco and Tunisia, although recently both France and Italy have drawn heavily on Eastern Europe. It is tempting to attribute the relatively small rise in German OPT imports to the disruption in ex-Yugoslavia, one of Germany's largest OPT partners. It should however be noted that German direct imports of clothing (from within the EC as well as from outside) - which were over eight times as great in 1992 as its OPT imports - fell between 1991 and 1992 by some 4%.

OPT imports from major suppliers, especially from Mediterranean countries, represent in some cases rather low percentages of total clothing imports from those countries (Table 10). This suggests that some imports classified as direct may in fact be OPT imports.

There has been considerable under-utilisation of direct and OPT quotas in recent years, most notably in the case of Eastern and Central European countries. Although the available evidence (in Table 13) refers to 1991, it can be argued that policy restrictions do not on the whole represent a major obstacle to additional OPT clothing imports from PECO's, or from Mediterranean countries with preferential arrangements.

OPT imports of textiles into the EC rose by some 31% in 1992, compared with a rise in direct imports of textiles of some 1%. These OPT imports accounted for only some 0.5% of total textile imports, suggesting a low level of activity of EC textile firms in this area. However, the quantity of OPT textile imports has nearly doubled in the last two years (Tables 9 and 11).

5. DEMAND FOR TEXTILE AND CLOTHING PRODUCTS

5.1. CONSUMPTION

Consumers' textile and clothing expenditure fell in 1992. The estimated apparent consumption of woven clothing in the EC fell slightly in constant prices, as compared with 1991. There was a rise between 1990 and 1992 of about 2% in constant prices. The estimated apparent consumption of the EC knitting industry fell in 1992. However, there was a rise between 1990 and 1992, in constant prices, of about 7%.

In 1992, consumers' textile and clothing expenditure in the EC seemed likely to fall by 1.6%, after a slight growth in 1991. The developments in Germany in 1990 and 1991, with high rates of growth (7.4% and 6.8% respectively) owing to an increased demand in the five Eastern Lander, came to an end in 1992. The countries in which consumption was expected to decrease in 1992 were Germany (4%), France (3%), Italy and the UK (0.5%).

Textiles and clothing account for a declining proportion of total household expenditure, largely as a result of the normal tendency for consumers to spend a smaller proportion on essentials as their income rises. In addition, demand is likely to be price elastic, so that demand falls off when relative prices rise.

The low growth of GNP in 1992 had, therefore, a substantial effect on consumers' expenditure on textiles and clothing.

In 1992 apparent consumption of knitted goods and woven clothing fell slightly in constant prices, after a sizeable increase, especially of knitted goods, in 1991.

This fall in apparent consumption led to a much smaller rise in imports in 1992 than in 1991, especially of knitted goods.

Import penetration in 1992 (i.e. imports divided by consumption) was 35% for the knitting industry and 21% for woven clothing (Table 15). Import penetration was higher than in either 1990 or 1991.

Actual consumption in the EC is unlikely to have changed as much, especially in 1990-91, as the figures indicate. This is because there were almost certainly stock increases in the knitting and clothing industries in 1991 (OETH Bulletin No.1, January 1993). Stocks of semi-finished goods in particular may have been built up, possibly with the

impending Single Market in mind. There was however apparently little change in stocks between 1991 and 1992.

Producer prices for clothing rose by 3% in 1992, as compared with 3.4% for consumer prices for clothing. For manufacturing as a whole, producer prices rose by 1.8%, and the general index of consumer prices by 3.6% (Tables 16 and 17). Producer and consumer prices for clothing therefore moved together more closely than for manufacturing as a whole.

Import prices for clothing remained virtually unchanged between 1991 and 1992 (while those for textiles fell) (Table 4). Taken together, the figures suggest that consumer prices for clothing moved roughly in line with producer prices, even though import prices were unchanged.

By end-uses, there were considerable differences in the evolution of demand in 1992.

In clothing, which covers about 50% of consumption, there was a substantial decrease in demand for woven garments in polyamide and cotton. This was not much compensated by a slight growth in knitwear (mainly in wool and acrylic) and wool woven garments.

The demand for home textiles remained at a strong level for carpets and floor coverings, despite a slackening in building activity. Otherwise, demand appeared to be poor, especially for household textiles.

On the other hand, the demand for technical textiles continued to increase (mainly in continuous yarns), but with smaller growth than in previous years, for example in non-woven fabrics. Some exceptions occurred in uses such as the car industry.

5.2. RETAIL SALES - CLOTHING, FOOTWEAR AND LEATHER GOODS

In line with the evolution of demand, retail sales of clothing fell in the EC as a whole in 1992, after little change between 1990 and 1991. The fall in sales in 1992 affected all the largest countries in the EC.

For the EC as a whole, the volume of retail sales of clothing, footwear and leather goods fell by 5.3% in 1992, following virtually no change between 1990 and 1991. There were appreciable percentage falls

in sales in 1992 in Germany, France, Italy, Denmark, and Luxembourg. There were small increases in Belgium and Greece (Table 18).

Retail sales indices by seasons (summer = March - August of the same year; winter = September - February, of the following year) indicate a very different pattern across Community countries (Table 18).

EC retail sales, in the summer season of 1992, fell by 3.5%, compared with the same period the previous year. This was mainly due to falls in retail sales in Germany and France (6%). There was at the same time a modest rise in retail sales in Belgium and Greece and the UK.

EC retail sales of clothing in the winter season of 1991/92, remained unchanged, compared with the winter season of 1990/91. There were increases in retail sales in all countries but France, the UK, Belgium and Luxembourg.

Longer term trends in sales are shown on the Graphs. It can be seen that, for the EC as a whole, sales were flat from 1988 to 1990, increased early in 1990 and were sustained until mid-1991, before falling. Sales in Germany (West) rose sharply in 1990 and 1991, following reunification, but fell off after mid-1991. In France, retail sales have been flat since 1988, while in the UK sales were flat between 1988 and 1989, but began to fall as early as 1990.

Some structural data for retail sales of clothing is available for a limited number of countries, but only for the period 1985 to 1990. As regards the number of retail enterprises, the most striking change was a reported rise of 35% in the number of clothing enterprises in Spain between 1988 and 1990. In 1990 Spain apparently had 70% more clothing enterprises than Germany (Eurostat's data bank MERCURE).

There was a rise of 46% in the number of employees in retail clothing enterprises in Spain between 1988 and 1990. Even so, Germany had 75% more employees than Spain in 1990.

The average number of employees per retail clothing enterprise was 1.9 for Spain in 1990, but 5.8 per enterprise for Germany. For France in 1989 the average was approximately 2.7.

6. COMPETITIVITY OF THE EC CLOTHING AND TEXTILE INDUSTRIES

6.1. PRODUCTIVITY

Output per employee is higher in manufacturing as a whole than in textiles, and higher in textiles than in clothing. Between 1991 and 1992, output per employee rose faster in textiles and clothing than in manufacturing. In individual countries, high output per employee and high investment per employee tend to go together.

A partial measure of productivity is value added per employee. This is not a full measure of productivity, since this would also take into account inputs of capital and other factors of production. Unfortunately, reliable and comparable figures for capital employed are not available. There are however figures for investment in the textile industry by country, and these can be used to give an indication of inputs of capital in recent years.

In manufacturing industry as a whole, value added per head in 1991, at 1985 prices, was 36,200 ECUs. In 1992 it was 4% higher. This is for firms employing 20 or more employees (Table 14).

For textiles (including knitting), value added per employee in 1991, for firms employing more than 20 employees, was 24,400 ECUs, at constant 1985 prices. This was one-third less than the average for manufacturing as a whole. In 1992 value added per employee in textiles was 4.5% higher than in 1991 - a better performance than in manufacturing.

For clothing, value added per employee in 1991 was 17,200 ECUs only, at 1985 prices. This was well below the figure for textiles, and it reflects the less capital-intensive nature of the clothing industry. In 1992 value added per employee in clothing was apparently 11% higher than in 1991 - which would suggest extremely high substitution of capital for labour.

Value added per employee differs from country to country in the EC. For textiles, output per employee was highest in Belgium, Germany and France, with Italy and Denmark not far behind. Partial figures suggest high productivity in the Netherlands. Output per employee was appreciably lower than in these countries in the UK and Greece, and lowest of all in Portugal (forthcoming OETH report on structural data).

These differences do not necessarily indicate differences in total productivity between individual EC countries. The figures take no account, for example, of inputs of factors other than labour, such as capital. They also take no account of the global quality of output in the different countries, a concept encompassing speed and reliability of delivery, modern design and innovative materials, besides strict quality of the final product.

There appears to be a strong correlation between the rankings of countries in terms, respectively, of output and investment per employee (see 3.3). This confirms the importance of investment in physical capital in raising average labour productivity. Differences between countries are very considerable: Belgian textile firms invested as much as 5.5 times per employee as Spanish firms in 1991. But these differences do not translate into the relative importance of each country as a producer. The UK, for instance, which has the fourth largest EC textile industry, has been a poor investor. Portugal, another low investor, has increased its share of EC output of textiles and clothing since 1985.

In order fully to assess competitiveness, it is necessary to take into consideration, in addition to total productivity, factor costs as well as other features of the business environment which affect costs. The relation of prices to costs, and hence profitability, is of course relevant also.

As far as productivity is concerned, unfavourable productivity can be offset by cost advantages, in the form of lower wages, transport costs etc. Data on labour costs (and also working hours) suggest that important differences in these respects remain among member states.

6.2. LABOUR COSTS

Labour cost comparisons are available for spinning and weaving in 1991 (OETH Factual Report 1990/91, Chapter 7.2 and Tables 18-20). These show that, in terms of US dollars, Denmark was the highest cost EC country, followed by the Netherlands, Belgium and Italy, in that order. Portugal and Greece had the lowest costs in the EC. In Asia, however, labour costs in countries such as China, India, Pakistan and Sri Lanka were far below the Portuguese level.

7. TEXTILE MACHINERY TRENDS

The textile machinery market showed mixed trends in 1992. There was a severe fall in shipments of short-staple (cotton) spindles, to all areas except the former Comecon countries. In contrast, there was an overall increase in shipments of long-staple (wool) spindles, including an increase to the EC.

In weaving, there was an overall increase in shipments of shuttle-less looms, but deliveries to the EC fell substantially.

Asia has the largest installed capacity in spinning and weaving machinery, except for open-ended rotors and shuttle-less looms, where the leading position is held by the former Comecon countries. The relative positions were not changed in 1992, since Asia was by far the largest destination for all types of textile machinery, except for open-ended rotors.

SPINNING

Shipments of short-staple (cotton) spindles in 1992 totalled 3.4 million. This was 26% less than in 1991. The fall in the previous year had been 8%. Nearly 60% of the shipments were to Asia and Oceania, but this was 36% down on 1991. Shipments were well down also to Africa, North America, the European Community (by 33%), and EFTA. On the other hand, shipments to the former Comecon countries were up by 34%, which reinforced their position as the countries with the second largest installed capacity, next to Asia (Table 19).

Shipments of long-staple (wool) spindles in 1992 were up by 6% in 1991, after a fall of 20% the previous year. Much of this investment in long-staple spindles was for use in knitwear. Shipments in 1992 were up in North America (by a multiple of 8), Asia (by 32%), the EC (by 26%), and South America. They were down in Africa and the former Comecon countries. Asia took 46% of total shipments in 1992, suggesting a move in strategy towards knitwear. The EC took 24%, and was the next largest market. Asia continues to have the largest installed capacity, closely followed by the EC.

The world market for open-ended rotors fell by 9% in 1992, after a fall of 30% the previous year. This was the lowest level since 1975. There were higher shipments in 1992 to Africa, North America (by a multiple of 2), and the EC (by 12%), but lower shipments to Asia and also to the former Comecon countries (a fall of over 50%). North America

displaced the former Comecon countries as the largest market in 1992, but the latter countries continued to have much the largest installed capacity of open-ended rotors.

WEAVING

In 1992, 59,000 shuttle-less looms were shipped (as compared with 7,000 looms with shuttles), an increase of 7% on 1991. Deliveries to Asia rose by 7%. They rose also to North America, and to the former Comecon countries. They fell to the EC (by 18%) and to Africa. Asia represented over 60% of shipments, followed by the former Comecon countries, with shipments of 20%. The former Comecon countries had the largest installed capacity, followed by Asia (Table 20).

Of the shuttle-less looms shipped in 1992, some 50% of the total were rapier looms, 29% water-jet, and 20% air-jet. Compared with 1991, there was an increase in shipments of rapier and water-jet looms, but a decrease in shipments of air-jet looms.

The water-jet market was dominated by Asia, which was also the largest market for the other types of shuttle-less looms. Water-jet looms are used mainly for weaving filament man-made fibres for industrial purposes. Japan, which is strong in man-made fibres, is the principal market for water-jet looms.

For rapier looms, however, the former Comecon countries were nearly as large a market as Asia.

As judged by the percentage share of 1983-92 shipments of open-ended rotors, in relation to 1991 installed capacity, the EFTA countries, the EC and North America have (in decreasing order) the most modern spinning equipment. In shuttle-less looms, however, the leading modernising area has been Asia, followed by the EC and other Western European countries.

As a whole, the performance of the EC textile industry in restructuring its production equipment compares favourably with that of its competitors.

8. SPECIAL TOPIC: EASTERN EUROPE AND THE FORMER SOVIET UNION

8.1. THE ECONOMIC BACKGROUND

During 1992 the main aim of economic policy in Central and Eastern Europe, and also in the former Soviet Union, was control of inflation and accumulation of foreign exchange reserves. In the Central and East European countries inflation fell, and the balance of payments on current account improved. Within the rouble zone, however, macroeconomic stabilisation largely failed. The recession deepened further in all these countries, especially the former Soviet Union.

CENTRAL AND EASTERN EUROPE

Real GDP in Central and Eastern Europe (excluding the former Soviet Union) fell in 1992 by about 5%. A tightening of credit caused a fall in output and employment. Both fixed investment and consumption fell further, but there was a sharp increase in exports to OECD countries.

During the course of 1992, industrial output stabilised in Czechoslovakia and Hungary, and picked up considerably in Poland. Trade between these countries started expanding, after reaching a low point in 1991. Real GDP in these countries seems likely to increase in 1993.

Inflation as a whole fell from close to 90% in 1991 to about 60% in 1992. The external current account was buoyant, especially in Czechoslovakia and Hungary, and these countries accumulated considerable stocks of foreign currency.

The most striking reform in 1992 was probably Czechoslovakia's implementation of mass privatisation. The government offered vouchers to all adult citizens at a nominal price, and about one-third of all state-owned assets have so far been put up for sale.

Privatisation has been slower in other countries. Hungary has privatised 16-17% of previously state-owned business property. In Poland large scale privatisation has been slow, but the new government, which took office in July 1992, has speeded up the privatisation process. There has also been progress on small scale privatisation. The sale of shops and other businesses has been particularly active in Poland and Czechoslovakia.

Official government estimates suggest that the private sector has now risen to about 45% in Poland and more than one-third in Hungary.

THE FORMER SOVIET UNION

The situation in the former Soviet Union has developed far less well. Soon after the formal break-up of the Soviet Union in December 1991, all the former member republics embarked - with varying degrees of commitment - on the transition to a market economy. The results have been generally disappointing. There has been a deep recession, while fiscal and monetary policies have been largely out of control. Little progress has been made with structural reforms.

Russia and the Baltic States have been among the most committed to radical change, while a slower approach has been taken by several other republics, including, until recently, Ukraine.

Output fell steeply in most republics in 1992. In the Soviet Union as a whole real NMP fell by about 20%, and investment activity fell in most republics by 40-50%.

In contrast to the countries of Central and Eastern Europe, most former Soviet republics saw a further fall in exports in 1992. The fall in production reduced the availability of goods, and led governments to check the outflow of resources to other countries. At the same time, currency restraints led to a steep fall in imports from the hard currency area.

Inflation escalated in 1992, as a result of price liberalisation and loose credit policies. Consumer prices multiplied 23 times in Russia and 26 times in the Ukraine. Prices also rose greatly in other republics.

Structural reforms have moved slowly. The main achievements so far have been the liberalisation of prices and the establishment of the right of private entities to engage in economic activity. However, the private sector is thin, and is faced with heavy financial and bureaucratic obstacles. The inflow of private capital has been small - although the laws on foreign direct investment have been liberalised - and has concentrated mainly on the extraction of minerals.

The short-term prospects look poor for most of the republics. Output is likely to decline further. Other republics will suffer from Russia's plans to reduce energy shipments to them, and to move prices closer to world levels. There are few signs of financial stabilisation to break the inflationary spiral.

8.2. TEXTILES AND CLOTHING

Output of textiles and clothing fell in general throughout Eastern and Central Europe, and also the former Soviet Union, during 1992. A fall in exports and imports also occurred. These movements in trade and production were related to the breakdown in the former Comecon trading system.

In all the countries of Central and Eastern Europe, their light and heavy industries have suffered from the breakdown of the Comecon system. This has affected trade - and hence production - in textiles and clothing. There has been a switch to trade being conducted on a hard currency basis and, as a consequence, trade between themselves, and with the former Soviet Union, has been severely affected. Attempts have been made to turn to markets in Western Europe, but so far with limited success.

There was a deficit in the EC balance of trade in MFA textiles and clothing products with PECO's, both in value (nearly 800 million ECUs) and in volume terms (50 thousand tonnes). Most interesting is the case of Poland where there was a surplus of EC exports of some 14.5 thousand tonnes. At the same time, Poland accounted for over 20% of the EC deficit (in value terms), in trade in MFA textiles and clothing, with PECO's.

EC imports from PECO's, were in a higher price class than the EC average. In 1992 the average value of MFA textiles and clothing imports into the EC was 10.4 ECU per kilo, and for imports from PECO's it was 12.4 ECU per kilo. The most expensive of the PECO's were goods imported from Poland with 16.4 ECU per kilo.

EC exports to PECO's were in a lower price class than the EC average. In 1992 the average value of MFA textiles and clothing exports from the EC was 12.2 ECU per kilo, and for exports to PECO's it was 11.6 ECU per kilo. The most expensive were goods exported to Romania with 13.1 ECU per kilo (Table 23).

HUNGARY, POLAND, CZECH AND SLOVAK REPUBLICS

In Hungary the output of the textile industry was not very different in 1980 and 1985, but in 1990 textile output was well below the 1985 level. In clothing, output in 1985 was generally rather below the 1980 level, but in 1990 it was much lower. By 1992 the position had worsened further. The output of light industry fell by 24% during the first half of 1992 (in constant prices), compared with the first half of 1991.

There was a drop of 34% in the output of the textile sector, with a steep fall in all types of fabric (Table 21). There was a fall of 12% in the output of the clothing sector, but an increase in the production of women's coats and men's suits. Exports of textiles fell by 32% and of clothing by 8%.

A Chinese company acquired an apparel factory in Hungary in 1992, the first large-scale Chinese acquisition in the country. An American company and a Hungarian bank made an offer for a large knitwear enterprise, which had been unable to build up sufficient business to compensate for its loss of the former Soviet market. Production was due to start up again in January 1993. Coats Viyella has entered into a joint venture with a Hungarian cotton spinning company, for production at a factory which Coats Viyella owned before nationalisation.

In Poland the output of the textile sector fell on average in 1992, after a steep fall in 1991, but there was growth in the output of chemical fibres, cotton yarns, silk fabrics and curtains (Table 22). Clothing output rose by 12% during the year, although knitwear production fell by 30%. Poland's industry has been much geared to internal demand, but it has recently increased its OPT exports of clothing (Table 12).

The Polish Ministry of Industry and Trade plans to restructure the textile industry with a series of regional and sectoral programmes. Several textile factories are being offered for privatisation, but in general the textile sector has made large losses. The switch to jobbing contracts (OPT) for the West throughout the apparel industry has led to mass redundancies in the cotton, wool and linen sectors.

The most outdated sector in Poland is apparently that using man-made fibres. A recent report by the Boston Consulting Group is negative about prospects for the cotton industry, but argues that woven fabrics will remain competitive in the short-term, despite low productivity, because of low wage costs. The woollen industry needs drastic regrouping, but after this the sector has good prospects. The knitwear and hosiery sector is well equipped, and is seen as the most competitive.

In the Czech and Slovak republics the growth in jobbing contracts (OPT) for Western firms helped stabilise production in the industry in 1992. Recently OPT exports of clothing to the EC have increased considerably (Table 12). Output in most sectors fell steeply after the collapse of the Eastern market, and then stabilised at about 60-65% of 1991 levels for the second half of the year. The industry faced a crisis, however, caused by the collapse of the enterprise to enterprise payment system. The certainty of payment makes Western co-operation especially attractive to Czech producers.

An Italian company is said to be interested in taking shares in the Svikon apparel enterprise. An Italian company already has a majority share in the Perla shirt-producing enterprise, which has started working on contract for Western producers. Some of the cotton cloth is locally produced, by firms such as Cottex, which exports most of its cloth for making up abroad. Cottex is however planning ways to regain a share of the Soviet market for its textiles and apparel, since it believes that the Western apparel market is limited.

Textile, clothing and leather enterprises have proved to be among the more popular investments in the first phase of voucher privatisation. Many of the issues were heavily oversubscribed.

According to Comitextil, there was a drop in output in all sectors of the textile industry (including knitwear) in 1992, except for an increase in the output of the silk industry. Exports of textile products in 1992 fell by some 8%. Exports of silk and wool products rose, however, on account of increased exports to the EC and other advanced countries.

The numerous problems in the republics, which caused a fall in home-market as well as export sales, led to a fall in investment in the textile industry of over 40% in 1992.

RUSSIA AND THE FORMER SOVIET UNION

In Russia the output of woven cloth and knitted articles did not change appreciably over the period 1980 to 1991 (Table 24). More recently, the output of light industry changed little between 1990 and 1991, while textile output fell slightly and clothing output rose. In 1992, however, there was a drop in production of most light industry goods.

In 1992 the output of textiles and footwear was 16% below the 1990 level. Production in the weaving, hosiery and knitwear sectors fell by between 16% and 47%, in 1992, mainly owing to shortages of Russian and imported materials (Table 24). Output of chemical fibres fell by 14% and of dyes by 33%. Production of wool fell by over 11%. Exports of cotton cloth were down over the year.

Sales of consumer textile products fell by around 50% in Russia in 1992, as consumers switched more of their reduced real incomes to food. Imports of textiles decreased substantially - by 56% for cotton cloth, 29% for knitted apparel and 17% for other apparel (Table 24).

Attempts to increase the output of textile equipment by placing contracts with demilitarised defence engineering factories produced few

results during the year. The overall output of spinning and weaving machinery fell by almost a third.

Figures are available for the production of cloth, knitted articles and hosiery, by republics of the former Soviet Union (Table 26), for both 1980 and 1990. In the first two categories, output in the Soviet Union as a whole appears to have risen by some 19% between the two years. It rose by 29% for hosiery. More interesting is the fact that Russia appeared to account for some 66% of cloth production in 1990, but only for some 40% of the production of knitted articles and of hosiery. The second largest producer in all cases was the Ukraine.

The greatest rate of increase in the production of cloth between 1980 and 1990 occurred in Moldova, followed by Uzbekistan (a much larger producer). In knitted articles, the greatest rate of increase was in Turkmenistan, followed by Tadjikistan, but the rates of increase were less in these cases. Turkmenistan showed the greatest rate of increase in hosiery also, followed by Uzbekistan and Kyrgyzstan.

9. TABLES AND GRAPHS

EC: Production of Textiles and Clothing (1985 - 1992)

1985=100

OETH

Country	Textiles (NACE 43) (incl. knitwear)					Clothing (CODE 459) (1)				
	1989	1990	1991	1992	% of total 1992 (EC=100)	1989	1990	1991	1992	% of total 1992 (EC=100)
	Belgium/Lux.	104.4	112.3	104.5	107.1	4.8	109.9	120.8	128.6	131.2	2.6
Denmark	95.1	86.9	87.4	84.4	1.0	67.9	67.6	68.7	72.9	0.8
Germany (West)	98.7	100.1	98.7	91.0	18.4	88.2	87.0	86.4	76.7	17.0
Greece	103.6	99.7	90.7	83.2	2.6	89.5	89.1	92.7	89.3	1.6
Spain	109.4	106.5	99.4	94.8	5.5	103.0	105.3	97.8	93.3	5.0
France	92.4	88.7	83.8	82.1	15.3	79.2	76.3	72.1	66.2	22.4
Ireland	111.0	119.1	118.8	125.3	0.6	89.3	90.9	79.2	76.9	0.4
Italy	116.9	113.5	114.3	112.3	36.1	96.8	95.6	95.6	100.1	37.0
The Netherlands	97.1	98.8	97.9	91.0	1.8	111.2	117.4	120.9	111.8	0.8
Portugal	107.8	114.5	112.2	103.7	2.7	102.6	113.2	113.9	113.9	2.0
U.K.	97.0	92.3	85.5	85.0	11.1	101.0	102.2	93.0	94.2	10.2
EC 12	104.3	103.4	100.3	96.9	100.0	90.2	89.9	87.2	84.5	100.0

Note: Indices based on volume; Estimates are in **BOLD**.
 % of total 1992 are based on total production (M. ECU, constant prices)
 (1): CODE 459 = 453+454+456.

Source: EUROSTAT

TABLE 2

EC: Structural Data on the Textile and Clothing Industry (*) (1988 - 1992)

OETH

	Textiles (NACE 43+455) (**)				Clothing (NACE 453+454)			
	1988	1990	1991	1992	1988	1990	1991	1992
Total Employment	1,745,124	1,650,878	1,591,700	1,494,500	1,325,690	1,263,171	1,197,600	1,130,000
Employment, firms with over 20 employees	1,422,029	1,328,814	1,274,300	1,191,700	866,976	835,955	791,500	744,000
Total number of firms	64,925	64,181	61,590	...	83,797	85,039	84,760	...
Number of firms, with over 20 employees	16,569	16,025	15,520	...	11,184	12,073	12,110	...
Investment (M.ECU), current prices	5,101	4,815	4,360	...	1,077	1,200	1,100	...
Turnover (M. ECU), constant prices	104,098	108,367	108,540	108,260	53,541	59,331	59,370	60,000

Source: Data calculations by OETH, based on EUROSTAT, DEBA, COMITEXIL and national Associations' sources.

NOTE:

Textiles: Investment data for Belgium, Greece, Italy, Luxembourg, The Netherlands, and United Kingdom are of firms with more than 20 employees only.
 Clothing: Investment data for Belgium, Greece, Italy, Luxembourg, The Netherlands, and United Kingdom are of firms with more than 20 employees only.
 Data for Germany is West Germany only.
 Data for The Netherlands are of firms with more than 20 employees only.

(*): Provisional data for 1991 and estimates for 1992 are from the forthcoming OETH Report on Structural Data.

(**): including the knitting industry

TABLE 3

Countries		Total Employment (%)		Total Employment		Total Investment (mlo ECU)		Total Investment (mlo ECU)		Investment per employee (ECU)	
		1990	1990	1991	1991	1990	1991	1990	1991	1990	1991
OETH											
EC: Employment and Investment in the Textile Industry (1990-1991) (**)											
UEBL (*)	50,754	3.6	48,675	3.6	348	308	6,857	6,328			
Denmark	13,836	1.0	12,976	1.0	67	62	4,842	4,778			
Germany (West) (*)	222,853	16.0	219,442	16.4	1,104	1024	4,954	4,666			
Greece (*)	44,109	3.2	41,238	3.1	116	116	2,630	2,813			
Spain	187,873	13.5	180,062	13.5	216	207	1,150	1,150			
France	188,926	13.6	181,498	13.6	749	681	3,965	3,752			
Ireland	11,706	0.8	11,375	0.9	39	39	3,332	3,429			
Italy (*)	275,000	19.8	268,675	20.1	1,332	1162	4,844	4,325			
The Netherlands (*)	20,683	1.5	20,683	1.6	119	115	5,754	5,560			
Portugal	166,215	11.9	155,040	11.6	255	255	1,534	1,645			
U.K. (*)	209,667	15.1	194,468	14.6	470	396	2,242	2,036			
EC 12	1,391,622	100.0	1,334,132	100.0	4,815	4,365	3,460	3,272			

SOURCE: Data calculations by OETH, based on EUROSTAT, DEBA, COMITEXIL and national Associations' sources.

(*): Data of firms with 20 employees or more.

(**): NACE 43+455 (Knitwear included)

TABLE 4

EC: MFA External Trade (1990-1992)

OETH

	EC Imports (*)				EC Exports (*)				Balance			E/I Ratio		
	1990	1991	1992	Change 92/91 (%)	1990	1991	1992	Change 92/91 (%)	1990	1991	1992	1990	1991	1992
<u>MFA Textiles</u> (excl. knitwear)														
Tonnes	1,812,623	1,866,992	1,888,559	1.2	1,428,524	1,427,464	1,469,340	2.9	-384,099	-439,528	-419,219	78.8	76.6	77.8
million ECU	10,282	10,725	10,484	-2.2	12,005	12,204	12,654	3.7	1,723	1,479	2,170	116.8	113.8	120.7
<u>MFA Clothing</u> (incl. knitwear)														
Tonnes	1,044,294	1,287,002	1,352,066	5.1	234,251	235,992	247,694	5.0	-810,043	-1,051,010	-1,104,372	22.4	18.3	18.3
million ECU	17,836	22,127	23,107	4.4	8,028	8,022	8,369	4.3	-9,808	-14,105	-14,738	45.0	36.3	36.2
<u>Total MFA T+C</u>														
Tonnes	2,856,917	3,153,994	3,240,625	2.7	1,662,775	1,663,456	1,717,034	3.2	-1,194,142	-1,490,538	-1,523,591	58.2	52.7	53.0
million ECU	28,118	32,852	33,591	2.2	20,033	20,226	21,023	3.9	-8,085	-12,626	-12,568	71.2	61.6	62.6

Source: EUROSTAT; DB DG III: Textiles

(*) : Extra-EC only

TABLE 5

EC: Imports of Textiles and Clothing (1988-1992)

(000 tonnes)

OETH

Countries of origin	Year	All T + C	MFA T + C	MFA (*)	
				T	C
3011 Extra-EC	1988	5,000	2,349	1,532	817
	1991	5,755	3,154	1,867	1,287
	1992	5,895	3,241	1,889	1,352
3071 Countries not covered by textile policy	1988	1,616	522	478	44
	1991	1,651	611	546	65
	1992	1,631	618	553	65
3064 Countries covered by textile policy	1988	3,383	1,826	1,053	773
	1991	4,105	2,543	1,321	1,222
	1992	4,264	2,623	1,336	1,287
3072 Countries with arrangements	1988	493	382	222	160
	1991	660	511	241	270
	1992	613	515	215	300
o.w. Turkey	1988	308	237	159	78
	1991	406	279	155	124
	1992	340	268	128	140
3070 (+736) Countries with an agreement	1988	2,225	1,341	754	587
	1991	2,691	1,876	986	890
	1992	2,631	1,877	999	878
o.w. PECO	1988	221	133	77	56
	1991	278	190	97	93
	1992	332	237	119	118
9002 o.w. dominant countries	1988	691	552	229	323
	1991	802	661	256	405
	1992	736	608	234	374
720 o.w. China	1988	293	188	99	89
	1991	390	305	125	180
	1992	387	305	127	178
9055 o.w. ASEAN	1988	235	173	87	86
	1991	381	310	151	159
	1992	410	349	184	165

Source: EUROSTAT; DB DG III: Textiles.

Dominant countries: Taiwan, China, Hong Kong, South Korea, and Macao.

PECO: Poland, Czech and Slovak Rep., Hungary, Romania, and Bulgaria.

ASEAN: Indonesia, Malaysia, Philippines, Singapore, and Thailand.

(*): T = Textiles (excl. knitwear), C = Clothing (incl. knitwear).

TABLE 6

EC: Exports of Textiles and Clothing

OETH

(1988 - 1992)

Countries of destination	Year	All Textiles & Clothing		MFA Textiles & Clothing		MFA Textiles		MFA Clothing	
		000 tonnes	%	000 tonnes	%	000 tonnes	%	000 tonnes	%
Extra-EC	1988	2,408	100.0	1,557	100.0	1,353	100.0	204	100.0
	1991	2,677	100.0	1,663	100.0	1,427	100.0	236	100.0
	1992	2,840	100.0	1,717	100.0	1,469	100.0	248	100.0
EFTA countries	1988	598	24.8	482	31.0	371	27.4	111	54.4
	1991	589	22.0	480	28.9	358	25.1	122	51.7
	1992	595	21.0	468	27.3	349	23.8	119	48.0
U.S.A.	1988	231	9.6	167	10.7	143	10.6	24	11.8
	1991	207	7.7	142	8.5	126	8.8	16	6.8
	1992	230	8.1	149	8.7	135	9.2	14	5.6
JAPAN	1988	67	2.8	37	2.4	34	2.5	3	1.5
	1991	70	2.6	44	2.6	40	2.8	4	1.7
	1992	67	2.4	42	2.4	38	2.6	4	1.6
Rest of the World	1988	1,512	62.8	871	55.9	805	59.5	66	32.4
	1991	1,811	67.7	997	60.0	903	63.3	94	39.8
	1992	1,948	68.6	1,058	61.6	947	64.5	111	44.8

Source: EUROSTAT; DB DG III: Textiles.

EFTA countries: Norway, Finland, Sweden, Austria, and Switzerland.

EC: Textiles and Clothing Imports (Extra, Intra)

OETH

Indices

1985=100

Country	EXTRA						INTRA									
	TEXTILES MFA			CLOTHING MFA (incl. knitwear)			TEXTILES MFA			CLOTHING MFA (incl. knitwear)						
	1990	1991	1992	% of total 1992	1990	1991	1992	% of total 1992	1990	1991	1992	% of total 1992				
Belgium	190	200	203	9.8	380	429	468	3.9	119	120	117	9.9	139	152	157	9.9
Denmark	105	106	99	2.2	273	419	401	4.1	96	93	98	2.3	134	144	145	2.4
Germany (West)	138	153	147	24.5	184	235	229	38.6	138	148	149	23.0	160	193	186	33.9
Greece (*)	264	260	251	1.6	556	945	1309	0.3	169	158	183	2.6	264	288	308	1.2
Spain	744	993	1182	5.6	1944	3195	4633	3.1	369	431	494	3.6	1566	2234	2947	5.2
France	158	151	155	10.4	306	356	369	15.4	130	131	136	18.7	166	180	185	15.7
Ireland (*)	714	707	530	1.1	1673	1494	1336	0.4	98	95	116	2.0	158	172	202	3.5
Italy	163	161	158	16.6	254	351	449	7.6	127	124	121	8.6	159	220	251	3.7
Netherlands	139	135	135	5.9	208	240	262	8.9	118	120	111	9.7	129	143	132	11.1
Portugal (*)	112	106	130	2.3	1516	1829	2102	0.2	412	442	469	3.7	939	1296	1604	2.0
U.K.	164	163	173	20.0	208	233	258	17.5	109	105	110	16.0	150	157	179	11.5
EC 12 (*)	161	166	168	100.0	221	273	286	100.0	129	131	133	100.0	159	183	188	100.0

NOTES: (*) Estimate
Indices based on Volume

SOURCE: EUROSTAT, DB DGIII Textiles. OETH.

EC: Textiles and Clothing Exports (Extra, Intra)

OETH

Indices

1985 = 100

Country	EXTRA						INTRA									
	TEXTILES MFA			CLOTHING MFA (incl. knltwear)			TEXTILES MFA			CLOTHING MFA (incl. knltwear)						
	1990	1991	1992	% of total 1992	1990	1991	1992	% of total 1992	1990	1991	1992	% of total 1992				
Belgium	116	127	118	14.0	160	159	184	2.9	135	140	142	25.0	157	174	178	9.0
Denmark	93	87	93	2.0	83	98	112	5.9	107	104	103	1.1	208	366	320	2.0
Germany (West)	113	126	132	34.2	129	149	153	23.8	115	116	117	21.7	136	149	156	11.5
Greece (*)	100	110	106	1.1	278	231	259	5.6	67	82	69	1.7	138	150	165	8.9
Spain	110	95	101	5.0	122	203	187	5.8	154	169	205	4.0	99	153	188	1.9
France	122	124	121	10.2	169	207	225	11.0	129	132	137	11.4	205	184	195	8.1
Ireland (*)	88	75	81	0.4	133	137	123	0.8	113	126	132	2.3	201	256	308	3.6
Italy	91	81	89	15.9	97	92	97	18.1	115	116	124	13.7	105	110	103	19.0
The Netherlands	81	86	90	5.9	141	154	177	3.1	93	92	85	8.0	167	192	198	10.3
Portugal (*)	109	93	94	2.6	159	134	124	11.3	139	141	148	3.6	213	223	227	15.4
U.K.	101	99	98	8.8	92	96	113	11.6	160	180	195	7.4	174	225	255	10.4
EC 12 (*)	105	107	110	100.0	125	135	142	100.0	121	125	128	100.0	148	162	168	100.0

NOTES: (*) Estimate
Indices based on volume

SOURCE: EUROSTAT, DB DGIII Textiles. OETH.

OPT KEY FIGURES ON IMPORTS (1989 - 1992)

Total MFA clothing (*)

OETH

<u>COUNTRY: E.C</u>		<u>1989</u>	<u>Share (%)</u>	<u>1990</u>	<u>Share (%)</u>	<u>1991</u>	<u>Share (%)</u>	<u>1992</u>	<u>Share (%)</u>	<u>1989</u>	<u>Share (%)</u>	<u>1990</u>	<u>Share (%)</u>	<u>1991</u>	<u>Share (%)</u>	<u>1992</u>	<u>Share (%)</u>	
<u>OPT Imports</u>		80,758	9.2	96,987	9.3	118,074	9.2	133,826	9.9	50,672	9.5	61,459	9.7	77,725	9.8	82,527	10.7	
<u>DIRECT Imports</u>		797,467	90.8	947,307	90.7	1,168,928	90.8	1,218,240	90.1	481,328	90.5	571,297	90.3	715,860	90.2	688,600	89.3	
<u>TOTAL Imports</u>		878,225		1,044,294		1,287,002		1,352,066		532,000		632,756		793,585		771,127		
<u>COUNTRY: GERMANY</u>																		
<u>OPT Imports</u>										812	1.3	551	0.7	1,783	1.7	4,840	3.7	
<u>DIRECT Imports</u>										63,878	98.7	74,801	99.3	102,483	98.3	125,007	96.3	
<u>TOTAL Imports</u>										64,690		75,352		104,266		129,847		
<u>COUNTRY: ITALY</u>																		
<u>OPT Imports</u>																		
<u>DIRECT Imports</u>																		
<u>TOTAL Imports</u>																		
<u>COUNTRY: DENMARK</u>																		
<u>OPT Imports</u>										1,916	4.3	3,103	5.7	5,231	6.9	7,396	10.0	
<u>DIRECT Imports</u>										42,394	95.7	51,407	94.3	70,843	93.1	66,369	90.0	
<u>TOTAL Imports</u>										44,310		54,510		76,074		73,765		
<u>COUNTRY: BENELUX</u>		<u>1989</u>	<u>Share (%)</u>	<u>1990</u>	<u>Share (%)</u>	<u>1991</u>	<u>Share (%)</u>	<u>1992</u>	<u>Share (%)</u>	<u>1989</u>	<u>Share (%)</u>	<u>1990</u>	<u>Share (%)</u>	<u>1991</u>	<u>Share (%)</u>	<u>1992</u>	<u>Share (%)</u>	
<u>OPT Imports</u>		10,794	4.5	13,351	4.7	15,167	4.8	17,215	5.3									
<u>DIRECT Imports</u>		229,671	95.5	269,704	95.3	302,107	95.2	310,603	94.7									
<u>TOTAL Imports</u>		240,465		283,055		317,274		327,818										

(*) Total EC Imports are from Extra-EC countries only; Countries' Imports are from Intra - and Extra-EC countries.

SOURCE: EUROSTAT; DB DGIII; Textiles; OPT Imports are based on Regime 3 in the data bank.

Unit: Tonnes

1991										OETH											
EC: OPT IMPORTS AS % OF TOTAL IMPORTS																					
Selected MFA categories from main OPT countries																					
MFA Cat.	EX-YUGOSLAVIA (1)	POLAND (2)	CZECH AND SLOVAK REP. (3)	HUNGARY (4)	ROMANIA (5)	BULGARIA (6)	MOROCCO (7)	TUNISIA (8)	TURKEY (9)	TOTAL EXTRA EC (10)	MFA Cat.	EX-YUGOSLAVIA (1)	POLAND (2)	CZECH AND SLOVAK REP. (3)	HUNGARY (4)	ROMANIA (5)	BULGARIA (6)	MOROCCO (7)	TUNISIA (8)	TURKEY (9)	TOTAL EXTRA EC (10)
4. Shirts, T-shirts	13	12	4	55	0	9	1	42	0	1	4. Shirts, T-shirts	13	12	4	55	0	9	1	42	0	1
5. Jerseys, pullovers	46	40	32	34	4	21	2	14	1	2	5. Jerseys, pullovers	46	40	32	34	4	21	2	14	1	2
6. Woven trousers, shorts	79	87	53	88	57	64	17	14	15	13	6. Woven trousers, shorts	79	87	53	88	57	64	17	14	15	13
7. W/G blouses	77	91	89	92	91	71	14	15	7	14	7. W/G blouses	77	91	89	92	91	71	14	15	7	14
8. M/B shirts	73	97	40	44	29	30	18	27	1	8	8. M/B shirts	73	97	40	44	29	30	18	27	1	8
12. Panty-hose & tights	28	8	3	73	0	1	2	19	0	6	12. Panty-hose & tights	28	8	3	73	0	1	2	19	0	6
13. Underpants, briefs	44	74	45	88	39	36	16	11	40	17	13. Underpants, briefs	44	74	45	88	39	36	16	11	40	17
14. M/B woven overcoats	70	89	58	94	70	74	11	20	5	32	14. M/B woven overcoats	70	89	58	94	70	74	11	20	5	32
15. W/G woven overcoats	73	65	43	94	79	0	7	7	25	19	15. W/G woven overcoats	73	65	43	94	79	0	7	7	25	19
16. M/B suits	49	73	59	91	73	45	11	15	41	38	16. M/B suits	49	73	59	91	73	45	11	15	41	38
17. M/B jackets, blazers	27	21	45	94	60	8	44	46	15	9	17. M/B jackets, blazers	27	21	45	94	60	8	44	46	15	9
21. Parkas, anoraks	51	90	67	23	68	32	11	7	12	10	21. Parkas, anoraks	51	90	67	23	68	32	11	7	12	10
24. M/B nightshirts	49	24	6	68	0	2	0	27	0	4	24. M/B nightshirts	49	24	6	68	0	2	0	27	0	4
26. W/G dresses	53	71	67	90	78	55	13	13	1	10	26. W/G dresses	53	71	67	90	78	55	13	13	1	10
27. W/G skirts	53	85	82	93	56	82	22	23	7	24	27. W/G skirts	53	85	82	93	56	82	22	23	7	24
29. W/G suits & ensembles	74	84	89	94	77	38	12	2	2	12	29. W/G suits & ensembles	74	84	89	94	77	38	12	2	2	12
31. Brassières	77	97	64	91	99	100	11	9	0	18	31. Brassières	77	97	64	91	99	100	11	9	0	18
70. Tights, of synth. fibres	11	9	30	65	10	0	0	0	0	9	70. Tights, of synth. fibres	11	9	30	65	10	0	0	0	0	9
76. M/B industrial clothing	30	89	68	96	23	2	43	10	1	24	76. M/B industrial clothing	30	89	68	96	23	2	43	10	1	24
86. Corsets, corset-belts	81	100	60	61	0	100	23	7	0	15	86. Corsets, corset-belts	81	100	60	61	0	100	23	7	0	15
Total MFA Clothing	51	75	44	73	44	33	14	16	4	9	Total MFA Clothing	51	75	44	73	44	33	14	16	4	9

SOURCE: EUROSTAT; DB DGIII: Textiles; OPT imports are based on Regime 3 in the data bank.

Note: based on volume (tonnes)

M/B: Men's or boys'; W/G: Women's or girls'.

TABLE 11

Importance of OPT trade in total trade 1989-1992

OETH

(TONNES)	EC					GERMANY				
	1989	1990	1991	1992	92/91 (%)	1989	1990	1991	1992	92/91 (%)
IMPORTS										
<u>Clothing</u>										
Total Imports	878,225	1,044,294	1,287,002	1,352,066	5.1	532,000	632,756	793,585	771,127	-2.8
OPT Imports	80,758	96,987	118,074	133,826	13.3	50,672	61,459	77,725	82,527	6.2
Share of OPT (%)	9.2	9.3	9.2	9.9		9.5	9.7	9.8	10.7	
<u>Textiles</u>										
Total Imports	1,605,440	1,812,623	1,866,992	1,887,362	1.1	1,084,305	1,243,687	1,347,072	1,332,419	-1.1
OPT Imports	4,515	5,727	8,102	10,626	31.2	2,467	3,844	6,086	7,323	20.3
Share of OPT (%)	0.3	0.3	0.4	0.6		0.2	0.3	0.5	0.5	
EXPORTS										
<u>Clothing</u>										
Total Exports	228,845	234,251	235,992	247,694	5.0	106,411	116,966	129,445	134,086	3.6
OPT Exports	12,164	14,320	18,072	21,763	20.4	6,058	7,314	9,334	9,376	0.4
Share of OPT (%)	5.3	6.1	7.7	8.8		5.7	6.3	7.2	7.0	
<u>Textiles</u>										
Total Exports	1,403,505	1,428,524	1,427,464	1,469,340	2.9	1,211,158	1,217,667	1,262,423	1,289,327	2.1
OPT Exports	86,193	102,809	122,734	139,187	13.4	55,966	67,462	83,587	92,409	10.6
Share of OPT (%)	6.1	7.2	8.6	9.5		4.6	5.5	6.6	7.2	

Source: Eurostat; DB DG III: Textiles; OPT imports are based on Regime 3 in the databank.

Note: EC trade is with Extra-EC countries, Germany's trade is with Intra and Extra-EC countries.

TABLE 12

EC: OPT Imports of MFA Clothing by source country 1991-(1-9)/92						OETH
Rank in 1-9/92	Rank in 91	1-9/92		1991		Change (%) 92*/91 *estimate
		OPT Imports (tonnes)	(%) of total	OPT Imports (tonnes)	(%) of total	
Extra-EC		93,851	100.00	118,091	100.00	6.0
1. Poland	2	20,919	22.29	24,271	20.55	14.9
2. Ex-Yugoslavia	1	16,564	17.65	28,043	23.75	-21.2
3. Hungary	3	10,438	11.12	13,399	11.35	3.9
4. Romania	6	8,806	9.38	8,891	7.53	32.1
5. Tunisia	5	7,666	8.17	9,342	7.91	9.4
6. Morocco	4	7,416	7.90	9,716	8.23	1.8
7. Czech & Slovak Rep.	7	7,311	7.79	6,824	5.78	42.8
8. Turkey	8	3,354	3.57	5,054	4.28	-11.5
9. Bulgaria	11	2,837	3.02	1,992	1.69	89.9
10. China	9	1,707	1.82	2,704	2.29	-15.8
11. Sri Lanka	10	1,555	1.66	2,274	1.93	-8.8
12. C.I.S.	14	691	0.74	570	0.48	61.6
13. Hong-Kong	13	586	0.62	725	0.61	7.8
14. Malta	12	510	0.54	840	0.71	-19.0
15. Indonesia	19	464	0.49	299	0.25	106.9
16. Vietnam	28	439	0.47	69	0.06	748.3
17. Austria	18	410	0.44	299	0.25	82.8
18. South Korea	15	367	0.39	531	0.45	-7.8
19. Philippines	17	285	0.30	370	0.31	2.7
20. North Korea	20	229	0.24	249	0.21	22.6
Other		1,297	1.38	1,629	1.38	-20.4

SOURCE: EUROSTAT; DB DGIII: Textiles; OPT imports are based on Regime 3 in the data bank.

TABLE 13

1991		EC: TOTAL IMPORTS - QUOTA UTILISATION (%) (1) Selected MFA categories from main OPT countries (2)						OETH
MFA Cat.	EX- YUGOSLAVIA (1)	POLAND (2)	CZECH AND SLOVAK REP. (3)	HUNGARY (4)	ROMANIA (5)	BULGARIA (6)	TURKEY (7)	
4. Shirts, T-shirts		41.2	49.3	41.9	30.4	63.1	101.7	
5. Jerseys, pullovers	62.9	63.9	75.8	41.9	34.6	92.2	100.8	
6. Woven trousers, shorts	88.7	68.4	77.2	45.6	46.4	43.8	87.4	
7. W/G blouses	95.2		35.5	32.2	38.0	52.4	86.5	
8. M/B shirts	66.4	60.4	85.5	11.0	66.9	46.3	72.3	
12. Panty-hose & tights		69.8	53.4	65.3	35.5		96.5	
13. Underpants, briefs		57.3	32.0		23.1		81.3	
14. M/B woven overcoats		25.6	15.2		14.3	10.1		
15. W/G woven overcoats	66.5	62.9	57.5	24.9	48.6	10.7		
16. M/B suits	29.3	22.2	30.1	37.6	12.0			
17. M/B jackets, blazers			85.0	57.8	39.0			
21. Parkas, anoraks			29.9					
24. M/B nightshirts		25.6	72.4	48.6	14.2			
26. W/G dresses		24.4	34.1		15.8		69.5	
27. W/G skirts								
29. W/G suits & ensembles			67.6					
31. Brassières								
70. Tights, of synth. fibres			60.9	42.1		7.4		
76. M/B industrial clothing (*)								
86. Corsets, corset-belts								

Data underlined: only direct quota exists, therefore (%) only based on direct imports..

Note: based on 000 pieces (or pairs); * on tonnes

Blanks: neither a direct nor an OPT quota.

(1): (Direct + OPT) Imports as a % of (Direct + OPT) Quotas

(2): For Morocco and Tunisia, OPT EC quotas did not exist in 1991, except in cat. 6.

SOURCE: EUROSTAT; DB DGIII: Textiles (OPT imports are based on Regime 3 in the data bank); Official Journal of the E.C. - various issues.

TABLE 14

Productivity (1991 - 1992)										OETH
constant prices (1985=100)										
MANUFACTURING INDUSTRY		TEXTILE INDUSTRY				CLOTHING INDUSTRY				
		NACE 43		NACE 43+455		NACE 453				
1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	92/91 (%)
36.2	37.7	24.4	25.5	21.5	22.6	17.2	19.1	17.2	19.1	11.0
		4.1	4.5	4.5	5.1	5.1	5.1	5.1	5.1	
		92/91 (%)	92/91 (%)	92/91 (%)	92/91 (%)	92/91 (%)	92/91 (%)	92/91 (%)	92/91 (%)	

SOURCE: DEBA; OETH.

NOTES:

- Productivity is defined as value added at factor costs per employee
- Data based on firms with more than 20 employees only

EC: Apparent Consumption of the Knitting Industry & Woven Clothing

(million ECU, current prices)	(1990 -1992)						OETH	
	Knitting Industry (NACE 436)			Woven Clothing (NACE 453+454)				
	1990	1991	1992	92/91	1990	1991	1992	92/91
Production	21,880	22,898	22,621	98.8	65,798	68,379	70,654	103.3
Imports	6,766	8,968	9,896	110.3	13,781	16,684	16,474	98.7
Exports	4,330	4,268	4,487	105.1	6,727	6,682	6,892	103.1
Apparent Consumption	24,316	27,598	28,030		72,852	78,381	80,236	
Annual Change (%)		13.5	1.6			7.6	2.4	
Annual Change (%) (*)		8.9	-1.7			3.2	-1.0	

Source: DEBA; OETH.

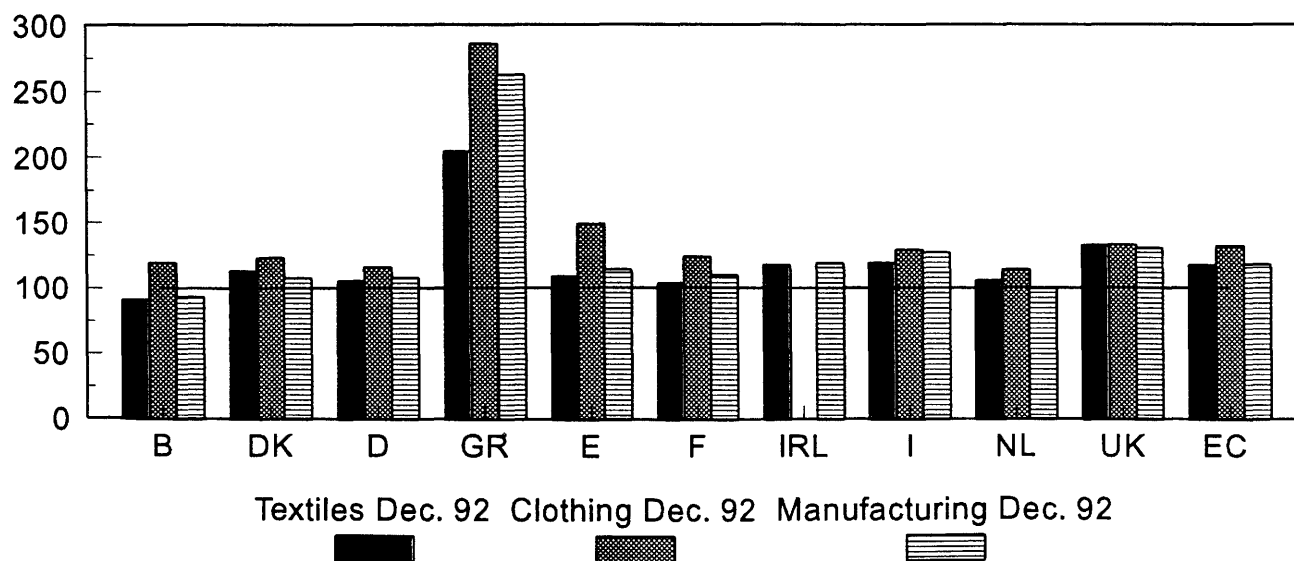
(*): Based on apparent consumption in constant prices, using consumer prices for clothing (Table 17)

Indices of Producer Prices										OETH
National Currencies										
(1985 = 100)										
Country	TEXTILES (NACE 43)			CLOTHING (CODE 459)			MANUFACTURING			
	Dec. 1990	Dec. 1991	Dec. 1992	Dec. 1990	Dec. 1991	Dec. 1992	Dec. 1990	Dec. 1991	Dec. 1992	
Belgium	92.4	92.0	90.5	113.5	116.8	119.3	95.1	93.7	93.2	
Denmark	113.0	115.0	113.0	117.1	122.1	123.1	108.9	110.3	107.7	
Germany (West)	102.7	104.1	105.3	111.0	113.3	116.1	104.5	106.4	107.5	
Greece	179.1	187.4	203.9	219.8	254.4	285.8	204.0	230.0	262.4	
Spain	106.2	107.7	108.4	134.3	141.6	148.6	111.9	112.4	113.8	
France	104.0	104.2	103.4	118.2	121.9	123.5	110.5	110.1	109.7	
Ireland	115.7	116.6	117.1	-	-	-	114.5	116.4	118.9	
Italy	117.3	117.7	118.9	121.4	127.0	129.2	121.7	123.6	126.8	
Luxembourg	-	-	-	-	-	-	96.4	94.6	94.1	
The Netherlands	103.0	104.9	106.0	110.2	114.1	114.2	97.3	99.6	99.5	
Portugal	225.7	-	-	-	-	-	-	-	-	
U.K.	125.0	129.2	132.4	122.7	128.5	133.0	123.8	126.4	130.6	
EC	114.4	115.9	117.4	122.6	127.8	131.6	114.0	115.6	117.7	

SOURCE: EUROSTAT

Indices of Producer Prices - December 1992

Textiles, Clothing & Manufacturing (1985=100)

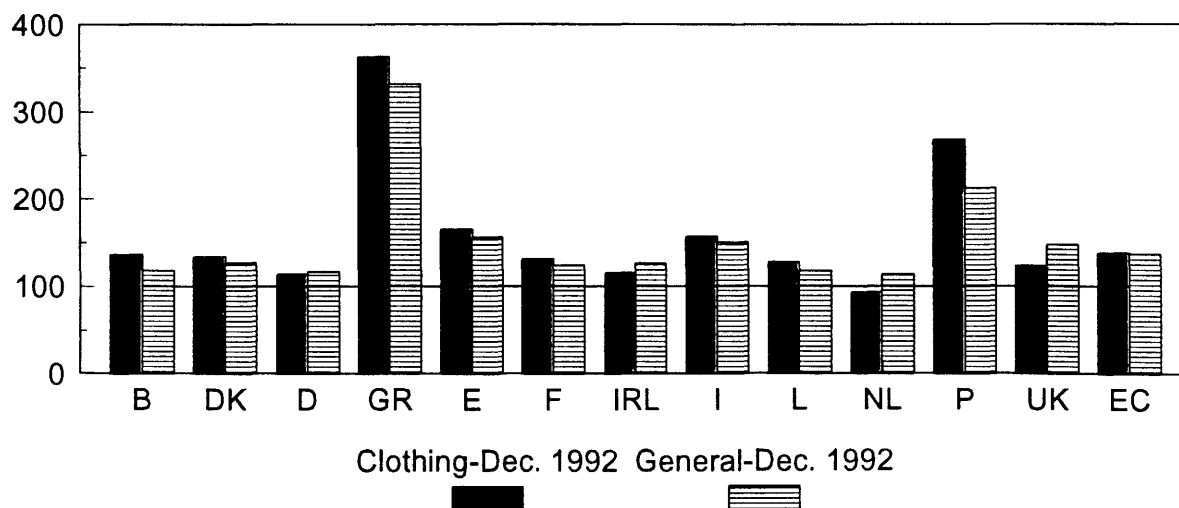


Indices of Consumer Prices							OETH
National Currencies							
(1985 = 100)							
Country	CLOTHING			GENERAL			
	Dec. 1990	Dec. 1991	Dec. 1992	Dec. 1990	Dec. 1991	Dec. 1992	
Belgium	128.3	133.5	136.7	112.6	115.7	118.5	
Denmark	129.9	133.6	134.3	122.5	125.3	127.2	
Germany (West)	108.3	111.3	114.1	108.1	112.6	116.8	
Greece	280.0	319.3	362.6	245.9	290.1	331.7	
Spain	149.4	157.0	165.4	140.5	148.4	156.3	
France	125.3	129.0	131.0	117.9	121.6	124.0	
Ireland	112.5	114.7	115.2	118.7	122.9	125.9	
Italy	141.3	149.1	156.5	135.4	143.7	150.3	
Luxembourg	117.7	122.8	127.6	111.2	114.1	117.4	
The Netherlands	95.3	94.5	93.5	105.4	110.6	113.8	
Portugal	217.2	243.0	267.3	179.6	195.5	212.1	
U.K.	121.8	125.1	123.6	137.3	143.4	147.1	
EC	128.1	133.5	138.0	125.6	131.6	136.4	

SOURCE: EUROSTAT
NOTE: Estimates are in bold.

Indices of Consumer Prices - December 1992

Clothing & General (1985=100)

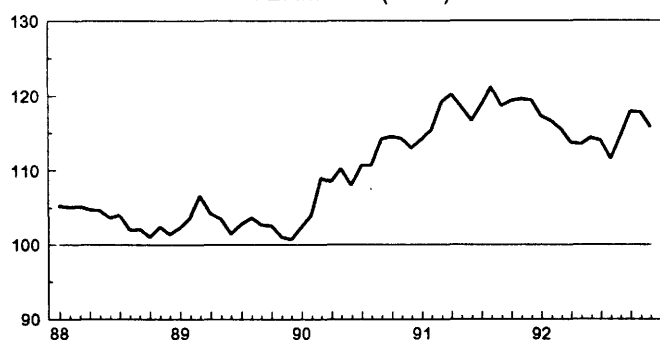


Retail Sales Index: Clothing, Footwear & Leather goods (NACE 645/646)											OETH
1985 = 100											
	B	DK	D (*)	GR	F	IRL	I (**)	L	NL	UK	EC
ANNUAL											
1990	114.2	81.4	110.9	87.9	101.8	112.5	104.3	107.4		118.8	111.7
1991	108.8	84.0	117.7	86.2	101.6	114.3	105.6	104.7	125.9	116.2	111.6
1992	110.2	81.9	111.8	86.9	95.2	112.5	99.3	94.4	125.9	115.4	105.7
SEASON											
Winter 89/90	112.2	83.5	110.2	96.4	107.7	115.8	...	114.5	...	126.1	...
Winter 90/91	116.4	85.7	121.6	91.3	106.8	120.6	113.8	110.5	...	122.6	...
Winter 91/92	114.4	87.4	124.2	92.9	106.0	121.3	118.8	107.4	130.7	120.2	116.9
Summer 90	108.8	78.3	103.2	83.5	96.8	106.2	...	100.5	...	113.8	...
Summer 91	105.8	80.8	112.2	82.9	97.6	107.2	95.3	100.7	123.5	110.7	107.0
Summer 92	109.3	77.8	105.5	85.5	91.8	109.6	...	90.6	122.0	111.2	103.3

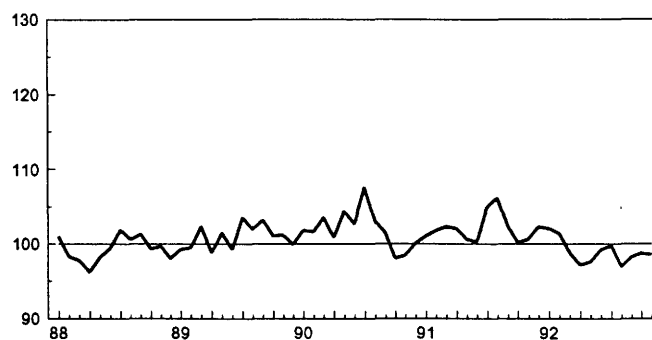
SOURCE: EUROSTAT

NOTES: (**): Data only from enterprises with more than 9 wage and salary earners
 Volume of retail sales, not seasonally adjusted. Seasons: Summer = (March - August), of the same year
 (*) : West Germany only Winter = (September - February), of the following year

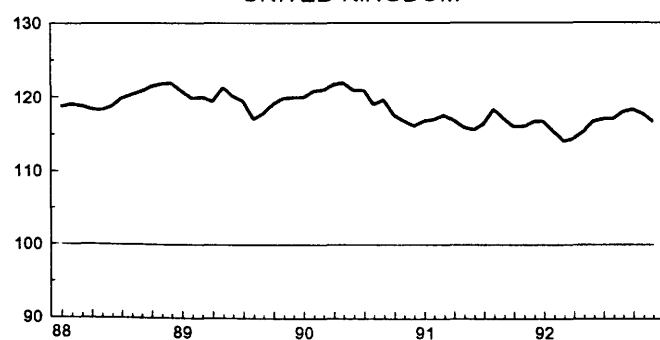
GERMANY (West)



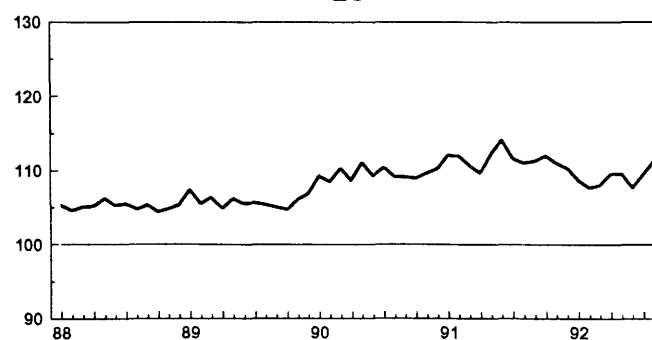
FRANCE



UNITED KINGDOM



EC



Note: The index of retail sales illustrated in the graphs is calculated as a 3 months moving average, based on seasonally adjusted data.

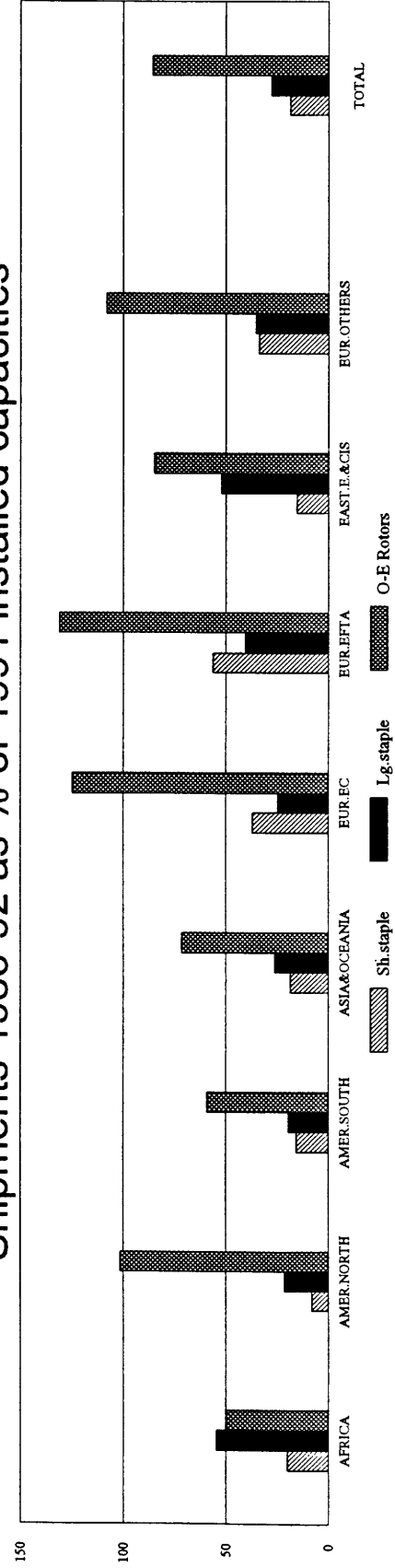
SPINNING MACHINERY

OETH

Continent of destination	1991 Installed Capacities (000)				Shipments 1992 (000)				Shipments 1992 as % of shipments 1991					
	Spindles		O-E Rotors	O-E Rotors	Spindles		O-E Rotors	O-E Rotors	Spindles		Short Staple	Long Staple	Short Staple	Long Staple
	Short Staple	Long Staple			Short Staple	Long Staple			Short Staple	Long Staple				
AFRICA	8,159	231	204	134	6	7	56.9	39.6	185.5					
AMERICA NORTH	14,191	836	882	63	19	104	66.4	811.3	197.8					
AMERICA SOUTH	12,185	590	264	147	17	17	91.6	118.7	104.0					
ASIA & OCEANIA	105,155	6,587	1,374	1,940	234	56	63.6	132.5	90.6					
EUROPE - EC	8,506	5,668	494	179	120	32	67.5	126.3	111.5					
EUROPE - EFTA	895	151	29	27	4	2	68.3	292.6	164.2					
EUROPE - EAST EUR. & CIS	15,944	1,050	4,684	719	86	83	134.1	55.4	43.7					
EUROPE - OTHERS	4,023	629	134	114	20	32	61.7	122.6	247.0					
TOTAL	169,058	15,742	8,065	3,323	506	333	72.7	106.1	90.6					

SOURCE: ITMF

Shipments 1983-92 as % of 1991 installed capacities



WEAVING MACHINERY

OETH

Continent of destination	1991 Installed Capacities (000)					Shipments 1992 (Units)		Shipments 1992 as % of shipments 1991	
	Looms					Shuttle-less Looms	Shuttle Looms	Shuttle-less Looms	Shuttle Looms
	Shuttle-less	Shuttle	Filament Weaving	Wool Weaving					
AFRICA	19	124	0	2	694	30	68.4	42.9	
AMERICA NORTH	83	88	0	3	3,079	0	109.1	0.0	
AMERICA SOUTH	38	192	0	21	1,864	68	111.0	79.1	
ASIA & OCEANIA	170	1,518	784	68	36,762	6,731	107.0	56.0	
EUROPE - EC	70	43	25	40	3,906	0	81.8		
EUROPE - EFTA	4	1	1	1	91	0	39.4		
EUROPE - EAST EUR. & CIS	249	108	27	30	11,573	35	118.9	3,500.0	
EUROPE - OTHERS	9	53	0	6	976	0	210.8		
TOTAL	642	2,127	837	171	58,945	6,864	107.0	56.2	

SOURCE: ITMF

Shipments 1983-92 as % of 1991 installed capacities

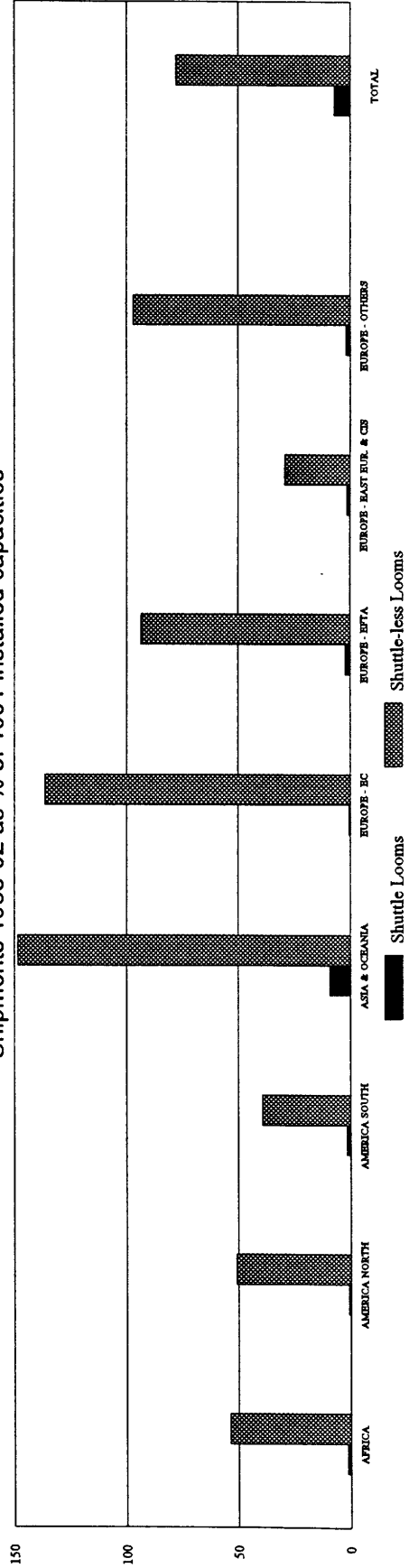


TABLE 21

HUNGARY: Textiles & Clothing (1980-1992)

OETH

	1980	1985	1990	Jan.-June 1992	Change (%) 1992/91
TEXTILE INDUSTRY					
Number of enterprises	52	67	240	...	
Employees (000)	119.3	106.5	75.8	...	
Production					
Cotton yarn (000 tonnes)	67.4	64.6	59.1	...	
Woollen yarn (000 tonnes)	26.3	24.7	16.5	...	
Cotton fabrics (mil m ²)	332.1	309.7	220.5	55.4	-37.9
Woollen fabrics (mil m ²)	42.7	36.1	20.3	4.2	-41.1
Silk fabrics (& silk types) (mil m ²)	57.0	59.4	27.8	10.1	-33.3
CLOTHING INDUSTRY					
Number of enterprises	125	139	437	...	
Employees (000)	77.7	66.1	57.3	...	
Production (000 pieces)					
Men's suits	1,850.0	1,236.0	726.0	423.0	11.7
Men's jackets	793.0	1,177.0	1,320.0	...	
Men's trousers	4,227.0	3,826.0	2,904.0	...	
Women's coats	2,126.0	1,529.0	752.0	539.0	93.1
Costumes & dresses	9,242.0	8,793.0	5,608.0	1500.0	-25.4
Boys' & girls' apparel	25,166.0	21,864.0	6,789.0	...	
Knitted outerwear (000 pieces)	...	...	...	5,600.0	-6.3
Knitted underwear (000 pieces)	...	...	...	12,500.0	-15.1

SOURCE: Hungarian Industry & Trade (1980-1990), Ministry of Industry & Trade, 1991; EIU, September 1992

TABLE 22

POLAND: Textiles & Clothing (1985-1992)

OETH

	1985	1990	1991	1992	Change (%) 1992/91
Cotton yarn (000 t)	184	127.0	73.2	76.1	4.0
Woollen yarn (000 t)	84.2	55.0	37.5	33.9	-9.5
Linen yarn (000 t)	30.1	14.9	9.5	...	
Chemical fibres (000 t)	...	...	105.7	111.0	5.0
Cotton cloth (m metres)	831	428.0	286.2	241.0	-15.8
Woollen cloth (m metres)	105	64.7	44.3	33.7	-24.0
Linen cloth (m metres)	82	35.5	26.6	...	
Silk fabrics (m metres)	137	88.3	65.5	67.1	2.5
Carpets & rugs (m sq metres)	11.6	10.0	7.3	7.1	-3.1
Curtains (m sq metres)	...	...	62.5	69.4	11.1
Knitwear (Items-million)	335	153.4	114.3	80.5	-29.6

SOURCE: EIU, March 1993; Statistical Yearbook 1992, Warsaw.

EC: PECO Trade in MFA T&C Products - 1992

OETH

	EC Imports		EC Exports		Balance		
	Tonnes	million ECU	Tonnes	million ECU	Tonnes	million ECU	% of total
Czech & Slovak Republics	81,033	634	35,048	369	-45,985	-265	33.8
Poland	65,136	1,069	79,676	888	14,540	-181	23.1
Hungary	41,128	623	40,201	517	-927	-106	13.5
Romania	32,681	478	24,013	316	-8,668	-162	20.7
Bulgaria	20,879	187	11,731	117	-9,148	-70	8.9
Total	240,857	2,991	190,669	2,207	-50,188	-784	100

SOURCE: EUROSTAT; DG I; Trade data corresponds to Regime 4 in the databank (Total)

TABLE 24

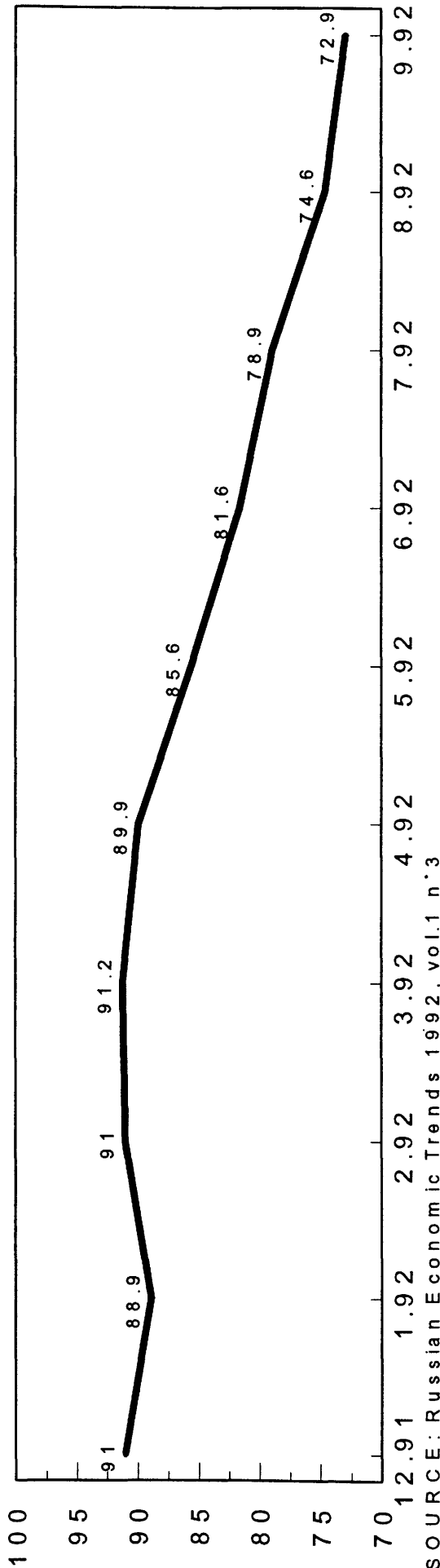
RUSSIA				OETH
PRODUCTION (in volume)				
	1980	1991	1992	92/91 (%)
<u>Cloth (mil m²)</u>	7,538	7,608	5,064	-33
o.w.				
cotton	5,336	5,296	3,287	-38
woollen	517	386	276	-28
linen & jute	533	477	-	-
silk	969	948	731	-23
<u>Hosiery (mil pairs)</u>	668	742	624	-16
o.w.				
children's	211	270	201	-26
<u>Knitted articles (mil pieces)</u>	671	682	458	-33
o.w.				
children's	346	341	185	-47
IMPORTS (in volume/value)				
			1992	92/91 (%)
Cotton cloth (mil m ²)			27	-56
Knitted articles (m \$)			561	-29
Clothing (m \$)			758	-17

SOURCE: Statistical Yearbook of the Russian Federation, 1992; EIU, March 1993.

1985=100 (volume)		Russia: Production indices (1986-1991)										OETH
		1986	1987	1988	1989	1990	1991	1990	1991	1990	1991	
Light Industry		101.0	102.0	106.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	99.6
Textiles		101.0	102.0	106.0	108.0	108.0	108.0	107.0	107.0	103.0	103.0	96.4
Clothing		100.8	100.5	103.0	106.0	109.0	109.0	122.0	122.0	112.0	112.0	

SOURCE: Statistical Yearbook of the Russian Federation, 1992

Russia: Production of Textiles & Footwear - 1992
(Indices: 1990=100)



SOURCE: Russian Economic Trends 1992, vol.1 n°3

USSR: Production of Textiles & Clothing (1980-1990)

OETH

	Cloth (mill m ²)				Knitted articles (mill pieces)				Hosiery (mill pairs)					
	1990		Index 90 (*)		1980		Index 90 (*)		1980		1990		Index 90 (*)	
		% of total (90)				% of total (90)				% of total (90)		% of total (90)		
USSR	10,746	100.0	118.6	1,623.0	1,931.0	100.0	119.0	1,669.0	2,155.0	100.0	129.1			
Russia	7,538	66.3	112.1	671.3	769.7	39.9	114.7	668.3	872.4	40.5	130.5			
Ukraine	985	9.5	123.0	293.7	351.2	18.2	119.6	353.7	443.1	20.6	125.3			
Belarus	371	4.0	137.7	132.2	169.5	8.8	128.2	139.7	174.9	8.1	125.2			
Uzbekistan	346	6.0	220.5	50.9	104.8	5.4	205.9	43.7	113.2	5.3	259.0			
Kazakhstan	178	2.6	183.1	95.6	126.8	6.6	132.6	69.0	87.7	4.1	127.1			
Georgia	115	0.9	96.5	48.6	51.5	2.7	106.0	27.6	30.4	1.4	110.1			
Azerbaijan	169	1.2	89.3	30.0	36.7	1.9	122.3	37.8	37.8	1.8	100.0			
Lithuania	199	1.6	102.5	61.0	58.7	3.0	96.2	90.6	82.2	3.8	90.7			
Moldova	89	1.9	274.2	57.0	66.2	3.4	116.1	36.7	44.4	2.1	121.0			
Latvia	119	0.8	90.8	44.0	40.2	2.1	91.4	69.7	73.9	3.4	106.0			
Kyrgyzstan	120	1.1	111.7	17.9	20.3	1.1	113.4	13.4	33.7	1.6	251.5			
Tajikistan	158	1.6	131.6	11.2	15.7	0.8	140.2	30.9	59.8	2.8	193.5			
Armenia	126	0.5	46.0	83.1	85.5	4.4	102.9	69.6	63.9	3.0	91.8			
Turkmenistan	27	0.4	196.3	7.8	11.6	0.6	148.7	3.9	18.5	0.9	474.4			
Estonia	206	1.7	103.4	18.5	23.0	1.2	124.3	14.1	18.7	0.9	132.6			

SOURCE: Statistical Yearbook of the USSR for the year 1990, Moscow 1991 (last yearbook of the USSR).

(*): 1980 = 100

10. USERS' NOTES

1. ... data not available
2. All references to NACE refer to NACE 1970.

3. BRANCH DEFINITIONS

Manufacturing industry = NACE 1,2,3 and 4 (except NACE (11),(120.1),(120.3),(13),(151),(16),(21) and (23))

NACE 1	-	Energy and water
NACE 2	-	Extraction and processing of non-energy producing minerals and derived products; chemical industry
NACE 3	-	Metal manufacture; mechanical, electrical and instrument engineering
NACE 4	-	Other manufacturing industries
NACE 26	-	Man-made fibres industry
NACE 43	-	Textile industry = NACE 431, 432, 433,434, 435, 436, 437, 438, 439
NACE 431	-	Wool industry
NACE 432	-	Cotton industry
NACE 433	-	Silk industry
NACE 434	-	Flax, hemp and ramie
NACE 435	-	Jute industry
NACE 436	-	Knitting industry
NACE 437	-	Textile finishing
NACE 438	-	Carpets, linoleum and floor coverings
NACE 439	-	Miscellaneous textile industries
NACE 453	-	Ready-made clothing
NACE 454	-	Bespoke tailoring
NACE 455	-	Household textiles
NACE 456	-	Furs and fur goods
CODE 459	-	Clothing industry = NACE 453 + 454 + 456
NACE 645 + 646	-	Retail sales - Clothing, footwear and leather goods

4. METHODOLOGICAL NOTES

Where figures for individual countries are not available, the EC totals have been adjusted so as to be consistent from year to year

Value of exports and imports for EC total, is extra- EC trade only; for each member state both extra- and intra- EC trade are included.

Estimates have been prepared for the OETH by Eurostat, and are published on the responsibility of the OETH. **ALL ESTIMATES ARE IN BOLD.**

5. SOURCES

For the economic background, the following sources were used :

1. National Institute Economic Review (NIER), N°1/93, London, pp 27-54
2. Rapport Economique Annuel pour 1992, EC, DG II, March 1993, pp 1-43
3. Annual Economic Review 1992, EBRD, London, pp 31-38

The OETH (L'Observatoire Européen du Textile et de l'Habillement) was founded in 1991. It is an independent non-profit making organisation, incorporated under Belgian law (ASBL). The OETH's aim is to increase objective knowledge of the economic conditions of the textile and clothing sectors, especially of EC countries. It conducts research by its own staff and in collaboration with DG III of the European Commission, Eurostat and its Working Groups.

The OETH is entirely financed by the European Commission.

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Director General

Ms Michèle Ledic

OETH PUBLICATIONS

OETH QUARTERLY BULLETIN

N° 0, Volume I	-	March	1992
N° 1, Volume I	-	July	1992
N° 2, Volume I	-	October	1992
N° 1, Volume II	-	January	1993

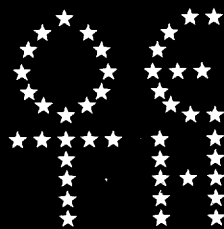
OETH MONTHLY REPORT

September	1992
October	1992
November	1992
December	1992
January	1993
February	1993
March	1993

OETH STUDIES

The EC Textile and Clothing Industry 1990/1991
- A Factual Report -
(English, French, German) - June 1992

The EC Textile and Clothing Industry 1991/1992
- A Factual Report -
(English, French, German) - April 1993



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