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THE EUROPEAN COMMUNITY'S TEXTILES TRADE

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INTRODUCTION

The second Multifibre Arrangement on international trade in textiles (the MFA) will expire on 31 December 1981. In view of the general economic situation in the European Community and the world, and more specifically, the world market situation of clothing and textiles, it is clear that the Community intends, through a renewal of the Multifibre Arrangement, to continue a policy of ensuring a more orderly world market in textiles and clothing.

The Community is committed to continue playing a dynamic role in support of an important traditional European industry whose prospects are uncertain and in particular, through restructuring and reconversion, to reinforcing the industry's position of international competitiveness. At the same time the Community must safeguard the interests of its own exporters, and take account of the interests of its partners, not least those in the developing world who have an equal stake in the fate of the Arrangement.

THE STATE OF THE TEXTILE INDUSTRY IN THE EUROPEAN COMMUNITY

On account of its close links with other major industries and certain branches of the tertiary sector, the textile (i.e. spinning and weaving) and clothing industry is an essential factor in the industrial, social and regional structures of the European Community. For these reasons it is in the interest of the Community to maintain the complete textile production and processing chain while at the same time ensuring that Europe possesses an efficient textile and clothing industry capable of competing internationally and of providing a large number of jobs over a long period.

Structural developments

The Community textile and clothing industry has, however, in the last few years, experienced a considerable upheaval which, in turn, has led to various national aid schemes and support measures designed to help this traditional industry through the process of readjustment.

During the last decade the textile industry of the Community underwent, with varying success, extensive adjustment to new market and new technological conditions (1). One of the visible results of the adjustment was the loss, between 1973 and 1979 of 433,000 jobs in the textile industry and of 274,000 jobs in the clothing industry, and the fact that more than 4,000 firms went out of business. This reduction is one of the causes of current unemployment in the Community, since workers who left the textile and clothing sector have had considerable difficulties in finding alternative employment in an overall climate of slow economic growth. This is especially true for those regions in the Community where textiles and clothing account for a high percentage of the industrial labour force, where possibilities for job transfers are reduced, especially for a predominantly female workforce.

(1) See Appendix A

These structural changes have taken place against a background of relatively stagnant demand. Between 1973 and 1979 the annual growth in demand for textiles was only 1.2 % and for clothing 1.1 %. The share of household expenditure devoted to textiles and clothing steadily diminished. There is no immediate prospect of any improvement in these trends.

During the same period imports into the Community doubled. As a percentage of total consumption imports represented approximately 41 % in 1979 compared with about 21 % in 1973. In contrast export rose only by 16 % and the Community's trade balance declined sharply. Overall production both of textiles and clothing has declined; the annual rate of decline has averaged nearly 1 % for both textiles and clothing (2). Although there have been cyclical recoveries in both industries in 1976 and 1979, in no year has total output regained the level of 1973, and the final figure for 1980 is likely to be among the lowest during the period.

Faced with stagnant demand and fierce competition from imports, principally from low-cost sources, both industries have of necessity achieved substantial improvements in productivity. Internal rationalisation and the use of more capital-intensive equipment have been the principal means used by surviving companies, but there has also been a fall of 15 % in the number of companies operating. These structural adjustments, intensified by external competition, are reflected in the total of job losses.

Investment and wages

Not surprisingly, in an increasingly difficult and uncertain trading environment, and on a reducing operating base, investment in real terms has declined. In a shrinking industry, hard pressed to maintain profitable operation, it is difficult to attract, or justify, new investment.

Because of the reduction in jobs, the per capita level of investment rose. The changes in employment and investment are closely related because of the substitution of increasingly expensive labour by relatively cheaper capital, resulting in a more favourable factor combination and a certain degree of job displacement.

This trend is hardly surprising in view of the international level of wages in the textile sector. The wage level in textiles is far below the average wage in Community industry as a whole. Nevertheless, the Community textiles and clothing industry is at a strong disadvantage compared to its international competitors, which encourages it to substitute capital for labour. Furthermore, the totally different working conditions in the Community industry as compared to low-cost countries aggravate the problem as regards costs.

Arrangements, principally under the MFA, have limited the unrestricted growth of imports into the Community from low-cost sources. These restrictions have clearly helped to alleviate the worst of the crisis, but the growth of imports has remained substantially higher than the growth in the market, with a consequent steady increase in market share.

(2) See Appendix B

INTERNATIONAL TRADE IN TEXTILES

Balance of textiles trade

Consumption of textiles and clothing within the Community has almost stabilised (currently estimated at constant prices at 1 % annual increase). Although the Community remains the world's largest importer and exporter of textile and clothing products, its trade balance in these products is negative and has been deteriorating for a number of years, as a result of the faster growth of imports (+ 44 % 1976 - 1979) over exports (+ 31 %). In the case of products covered by the Multifibre Arrangement the total deficit rose from 1,129 billion European Units of Account (EUA) in 1977 to over 3 billion EUA in 1979, imports having increased by 27 % compared with a fall of 0.5 % in exports. The trade deficit with the countries covered by the textile policy rose from 2,8 billion EUA to 4,5 billion EUA over the same period. The trade balance with the industrialised countries continues to show a substantial surplus, except in the case of the United States, with which the balance, traditionally in surplus, showed a deficit in 1979 of 300 million EUA, or 390 million EUA if synthetic fibres are included. The situation is markedly different according to whether the sector examined is clothing, which is substantially in deficit, or textiles, which has remained in surplus, though the amount of that surplus has fallen steadily since 1977. The Community textile and clothing industry remains, however, the world's foremost export industry. Moreover, it still accounts for roughly 7 % of manufacturing industry's turnover and for 9.6 % of jobs in manufacturing industry (30 % of women's jobs), and is concentrated in 20 or so areas of the Community.

The international textile and clothing industry presents a varied picture in terms of structure and trading patterns (3). Despite world wide recession, trade in textiles and clothing has expanded relatively fast in recent years.

The industrialised countries continue to dominate both the export and import markets for textile and clothing but the developing countries, and principally the semi-industrialised ones have increased their production and their share of the world market. There has been an increase in the relative importance of clothing exports, particularly from developing countries which have tended to specialise in this area.

Towards orderly world marketing

As both the world's largest exporter and importer of textiles, it is natural that the Community should have a special interest in the orderly world marketing of textiles and clothing. Earlier agreements in this sector were, historically, the Short-Term Agreement of 1961, the Long-Term Agreements (1962-1967 and 1967-1973) and the first GATT Multifibre Arrangement of 1974. Thus in practice trade in textiles and clothing has been regulated for twenty years, and in the present economic climate and the general situation of the world textile and clothing industry a return to open competition is only a remote possibility. The Community maintains three types of legal relationships with the many countries from which it imports textiles. These are the Multifibre Arrangement relationship, the "preferential" relationship and the ordinary GATT relationship.

(3) See Appendix C

Multifibre Arrangements (4)

The basic objectives of these are to "achieve the expansion of trade", the reduction of barriers to such trade and the progressive liberalisation of world trade in textile products, while at the same time ensuring the orderly and equitable development of this trade and avoidance of disruptive effects in individual markets and on individual lines of production in both importing and exporting countries.

The Community's external trade policy in textiles during the last 8 years must therefore be seen in the context of its adherence to the provisions of the Multifibre Arrangements (MFA).

Since 1973 the Community has been a party to the two Multifibres Arrangements (MFA) in operation.

The experience of the first MFA (1974-77)

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

In late 1977, at the end of the period covered by the first MFA, the Community was facing a serious situation in which its textile markets were being disrupted against a background of economic crisis. Consumption of textile products rose annually by 1 % from 1973 to 1976 but in the same period production slumped, while imports into the Community of MFA products rose by 80 % between 1973 and 1976, the annual growth rate for some products being in excess of 22 %. In conditions of sluggish consumption, aggravated by general economic recession, this increase in pressure from imports hit the Community textile industry hard. As we have seen, this showed up in substantial job losses and the closure of a great many factories, the effects of which were concentrated in certain regions of the Community. In these circumstances the Community was forced to implement a new textile policy both at the industrial level, with a view to adjustment, and in the trade context, as a means of dealing with the persistent crisis. In so far as they concern commercial policy, these objectives were laid down for five years covering the period to 1982.

THE EXTERNAL TEXTILES POLICY OF THE COMMUNITY

Objectives

The overall objective laid down for the Community by the Council in its decision of 21 June 1977, that is before the second MFA was negotiated, was defined in the following terms:

(4) - For text of MFA see Official Journal L 118 (30.IV.74). The basic regulations are Reg. 3019/77 and 3020/77, modified by Reg. 3059/78 in Official Journal L 365 (27.XII.78) and 3063/79.

- For typical MFA bilateral agreements, see Hong Kong Reg. 847/80 in O.J. L95 (11.IV.80) Philippines Reg. 3542/80 in O.J. L371 (31.XII.80).

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

Global ceilings for imports

When the MFA was renewed in 1977 the Community's priority objective, in the case of imports of textile products with a particularly high level of penetration, was to effect a stabilization of the penetration rates of those imports from countries with low production costs which were responsible for the market disturbances observed at this time. On the basis of the rates of penetration of the Community market in 1976, the Council had set target levels for stabilization by setting annual growth rates according to the sensitivity of the products concerned. For the eight categories comprising the most sensitive products (5), which account for over half (56 %) of the volume of imports of MFA products, the Council had set internal global ceilings for all imports from low-cost countries.

The basic idea behind the concept of globalisation was to limit exports of all low-cost-countries to an acceptable total import level, which had been established on the basis of 1976 imports. Growth of imports was linked to growth of consumption - as estimated - and, therefore, the market penetration by low-cost products was to be stabilized. In fact, a full stabilization of penetration rates was only decided for some of the Group I products. For others, the Council accepted an annual increase in the penetration rate, limited, however, to reasonable percentages. Those global ceilings had then to be broken down by Member States by a burden-sharing formula established by the Council in 1974. This formula is based on a theoretical distribution of imports among Member States. A Member State with small historical trade will have higher growth-rates than a Member State with a very high import performance. The formula is intended to achieve an equitable and balanced sharing out of the "import-burden" among Member States.

At a second stage, the global ceilings had to be divided up among third countries, giving access up to agreed limitation levels to those countries with which agreements or arrangements were reached and reserving some indicative levels for all other low-cost countries. The extent to which the Community can enforce the global ceilings is determined by its legal relationship with its trading partners. Growth rates for global ceilings for the years 1978 to 1982 have been established having regard to both estimated growth of consumption and acceptable growth in penetration. Growth rates on a Community level vary from 0,25 % to 6 %. On a regional level growth rates can vary far more due to the burden-sharing-formula (from 0.1 % to 50 %).

The Multifibres Arrangement and bilateral agreements

Following the 1977 negotiations, the first MFA was extended for four years by a Protocol allowing for the Community to make "reasonable departures" from the text of the MFA.

(5) cotton yarn, cotton fabrics, fabrics of synthetic fibres, T-shirts, pullovers, trousers, blouses and shirts.

The Multifibres Arrangement may be described as an international convention which, among other things, authorises the Contracting Parties to limit their textile imports selectively in certain circumstances and under certain conditions. The MFA also permits Contracting Parties to negotiate bilateral agreements in advance and thereby substitute such agreements for the general safeguards provisions of the Arrangement. The Protocol emphasised that in the event of reasonable departures, parties should seek agreed solutions.

On the basis of the renewed MFA, the Community has hence concluded bilateral agreements with the following "low-cost" countries, also Parties to the Arrangement.

Argentina, Bangladesh, Brazil, Colombia, Korea, Egypt, Guatemala, Haiti, Hong Kong, Hungary, India, Indonesia, Macao, Malaysia, Mexico, Pakistan, Peru, Poland, the Philippines, Rumania, Singapore, Sri Lanka, Thailand, Uruguay and Yugoslavia (6).

Most of these Agreements set quotas for the import of certain products and all define import levels at which the Community can initiate consultations with a view to setting quotas for others (the "basket exit" procedure, so-called because the products not initially subject to quota are said to be "in the basket"). The quotas are increased year by year at a rate which varies according to the "sensitivity" of the product (based on the degree of import penetration) and according to the market share of the supplier country.

The experience of the second MFA (1977-81)

The second MFA and the Community's ancillary bilateral agreements have functioned for only three years. Nevertheless it is known that, for instance, from 1976 to 1979 imports of MFA textile products from the countries covered by the textiles policy adopted by the Community in 1977 showed an average annual increase of 4 % by volume. This rate of growth represents an appreciable slowing-down by comparison with the annual increase of around 25 % during the first three years of application of the first MFA. In the case of the eight categories of highly sensitive products, the average annual increase in the volume of imports was 1.9 M. Both in 1978 and 1979 imports remained within the limits of the global ceilings. In the few cases where regional shares set for individual Member States were exceeded, the cause can be traced either to the application of the flexibility clause in the agreements with MFA countries or to imports from countries with which the Community has preferential agreements, notably the Mediterranean countries.

Looking at imports of textile products by groups of countries (7), it emerges that from 1976 to 1980 the average annual rate of growth of imports from countries which have concluded bilateral agreements with the Commission was 2.3 % for all MFA products and 0.8 % for the eight categories of most sensitive products. The four principal suppliers - Hong Kong, South Korea, India and Brazil - recorded an average annual growth rate of 1.2 % as against the increase of 3.4 % achieved by the other suppliers. Hong Kong continued to be the biggest supplier of clothing products. The rise in the quality

(6) The Community has broadly similar agreements with Bulgaria and China, which are not Parties to the MFA.

(7) See Appendix C

and value of its exports compensated for a slight decline in volume terms. Exports from South Korea to the Community have levelled off since 1978. The management of the bilateral agreements and arrangements may be regarded as having been satisfactory, despite some difficulties. Generally speaking, the supplier countries have complied with the quantitative limits laid down in the bilateral agreements and have managed the quotas correctly, notably as regards the double-checking system. The Community, for its part, has provided itself with the legal instruments needed for managing the agreements and has taken the appropriate measures. Certain difficulties have arisen concerning requests by supplier countries for transfers between Member States' quota shares which the Community has not always been able to accept.

Although the provisions in the agreements for checks on the origin of imported products have generally proved effective, it has been impossible to stamp out fraud. In addition to strengthening customs cooperation between the Member States, the Community has reached agreement with Hong Kong and South Korea on arrangements for setting off against their quotas quantities originating in those two countries and fraudulently imported into the Community via the ASEAN countries (8). The ASEAN countries also agreed to extend the double-checking system to certain categories of unrestricted products with a view to forestalling fraudulent operations.

Preferential arrangements

In parallel to the agreements with the "low-cost" countries participating in the MFA, the Community has sought to establish, as part of its global textiles policy, appropriate arrangements with countries linked to it by preferential trade agreements, namely those associated in the Mediterranean basin and the sixty developing states in Africa, the Caribbean and Pacific associated with the Community under the Second Lomé Convention (the so-called ACP countries). All of these agreements include provisions guaranteeing the partner countries unrestricted access to the Community market for their industrial products, subject only to a safeguard clause which allows the Community to restrict imports from these countries in certain defined circumstances. As regards most of the Mediterranean countries (9), the Community has concluded a series of temporary short-term arrangements, based on a system of administrative cooperation which enables both sides to monitor textile trade by reference to historical levels. These arrangements include provision for consultations in the event of abrupt surges in trade flows, but neither in theory nor in practice are these as strict as the basket-exit system. The Community has not concluded such arrangements with ACP countries (whose textile production is relatively small).

Textile imports from the Mediterranean countries rose between 1976 and 1979 at an annual rate of 7.4 % for all products and 4.4 % for the highly sensitive categories (the corresponding figures for Greece, Portugal and Spain were taken together 9.7 % and 3.5 % respectively). Imports from the Lomé Convention countries grew by an average annual rate of 8.2 % for all products and 4.5 % for highly sensitive products; however, their share of total imports remained very low (1.6 %).

(8) Members of ASEAN (the Association of South East Asian Nations) are: Indonesia, Malaysia, Philippines, Singapore, Thailand.

(9) Spain, Portugal, Morocco, Tunisia, Malta and Cyprus and before 1981 Greece (now a Member State of the Community).

THE FUTURE OF THE COMMUNITY'S TEXTILES POLICY: PROPOSALS OF THE COMMISSION

The renewal of the Multifibre Arrangement

On 8 April 1981 the Commission adopted a Communication and Recommendation to the Council of Ministers concerning the regime to govern international trade in textiles after the expiry of the present Multifibre Arrangement on 31 December 1981.

The meeting of the GATT Textiles Committee held on 9 December 1980 was the occasion of the formal opening of negotiation on whether the Arrangement should be extended, modified or discontinued after that date. The Community declared at this meeting that before the expiry of the present MFA a particular regime for trade in textiles should again be envisaged. These negotiations will continue at formal and informal levels in 1981. The next meeting of the GATT Textiles Committee will take place on 7 and 8 May; the Commission therefore feels that time is ripe for the Community to formulate its initial broad objectives for these negotiations. In the Commission's view an extension of the MFA beyond 1981 is necessary in order to avoid chaos in the world textiles trade; as in the past, such extension must be limited in time.

This communication concentrates on the most important issues as perceived at this stage concerning the renewal of the MFA.

The Commission's Communication stresses in particular that the prevailing average growth rate in demand in the Community is only about 1 % p.a., and is not expected to rise in the foreseeable future. This factor, together with the obstacles to access for Community exports of textiles and clothing to other world markets mean that it is hardly possible for the Community to envisage a generalised import growth rate of 6 %, as provided in the MFA, without imperilling the orderly and equitable development of trade and avoidance of disruptive effects foreseen by the MFA; growth rates will need to take account of consumption trends on the Community market.

In its Communication, the Commission proposes to the Council guidelines for the negotiations in order to secure the objective of orderly and equitable development of trade. In this context one may mention the following elements.

As already indicated, a generalised uniform 6 % growth rate for all restricted low-cost imports is too high for the Community; a greater degree of differentiation is called for. The Commission therefore proposes that the Community should aim at stabilising its imports from the most developed and competitive suppliers in order to be able to give more favourable treatment to those which are least developed and competitive.

Although the MFA (Article 8 paras 1 and 2) deals with the problem of fraud, the text does not specifically lay down the principle that goods, the origin of which has been fraudulently misrepresented, must be deducted from the quota of the true country of origin. The Commission considers that this represents a weakness in the present arrangements and that the principle of total compensation should be clearly established at least insofar as trade with the Community is concerned. The Commission recommends that the Community should, in liaison with its negotiating partners, explore the most appropriate means of achieving this result.

The Commission considers that the development of a textile industry in developing countries should contribute to the betterment of the living standards of the populations concerned, and feels that it would be desirable to achieve the recognition of this principle in the context of international trade in textiles.

With respect to length of validity, the Commission recommends that the Community seek to obtain a successor arrangement to the MFA valid for five years. It considers that this period should enable the Community's industry to make new progress in its restructuring efforts.

Finally the Commission believes that the Community's acceptance should be linked to the satisfactory outcome of negotiations in respect of the Community's bilateral agreements.

A new approach to preferential countries

The Community saw, in 1977, the need to take action regarding textile imports from preferential countries; the implementation of the policy has however posed difficulties both for the preferential partners and in terms of overall textile policy goals. As far as the partner countries are concerned they have become increasingly reluctant to accept the prolongation of a regime which restricts the free access given by their preferential agreements and substitutes a regime which differs only economically from that accorded to the MFA countries. From the Community's viewpoint, the present system has called for more flexibility than originally foreseen because of difficulties in the negotiations. Indeed, this aspect has been viewed by some as compromising the basic objectives of the textiles policy laid down in 1977, especially where imports from the north Mediterranean countries are concerned.

In these circumstances it appears appropriate to the Commission to examine a new initiative enabling a more satisfactory reconciliation of the Community's long-term textile policy goals with those of the Community's global Mediterranean and development policies. On 17 March 1981 the Commission transmitted to the Council a Communication concerning a Community textiles policy for preferential countries.

The approach envisaged for preferential countries is on two distinct levels. On an internal level the Community would establish specific "preferential" internal global ceilings for sensitive products. A reserve should be available to permit flexibility in management. On an external level the Community would ensure respect for these ceilings by establishing administrative cooperation with the supplier countries and by opening consultations with the supplier countries when certain import levels were reached; these levels would be based on the indicative breakdown between suppliers.

The objective of such consultations would be to reach an amicable solution which safeguarded the preferential internal global ceiling at Community and regional level. If however they were to fail, then the Community would have to use the safeguard clause of last resort in order to achieve this objective.

Relations with industrialised countries

The Community has long had a positive trade balance with industrialised countries. During 1979 the EEC exported textile and clothing products to the value of 4,397 million EUA to these countries, equal to well over half the Community's total exports in this sector. In the same year Community imports from the industrialised countries amounted to 2,909 million EUA, equivalent to just over one quarter of total imports in textiles and clothing. In the case of the United States there has, however, been a textile trade deficit in some years, most notably during 1979 and 1980.

Insofar as the Community benefits from reciprocity of opportunity for its exports to industrialised countries, and inasmuch as economic and social conditions of manufacture are broadly comparable in industrialised countries, the Community maintains no quantitative restrictions on imports from this group of countries. Where particular problems have arisen in the past, as in the case of certain synthetic yarn products from the United States, the safeguard provisions available under the GATT have been used.

The three major world markets for textile products, the EEC, the United States and Japan, should share the burden of low-cost textile imports equally. At present, the Community's import of such low-cost textile products per head of population is considerably higher than in the United States and very much higher than in Japan.

Outward processing

On 17 March 1981 the Commission transmitted to the Council of Ministers a proposal regarding "outward processing" arrangements applicable to textile and clothing products reimported into the Community after working or processing in third countries. The objective of this proposal is to establish uniform Community rules.

Outward processing must be seen as a particularly suitable instrument of industrial cooperation enabling Community industry, by having part of its activities carried out under its control in low-cost countries, to profit from an improvement in its own competitiveness, thanks to the practice of averaging out costs. As a result, this type of operation should contribute to the maintenance of the level of activity of Community industry and the protection of employment. Furthermore, outward processing must provide an important incentive for the exportation from the Community of semi-finished products (essentially of cloth) originating in the Community.

Since it concerns particularly the developing countries, outward processing must also be considered an instrument of industrial cooperation with these countries, for which it opens up opportunities for industrial development, in turn creating a new outlet for equipment and know-how exported by the Community.

Operations of this kind will have to be given prior authorisation by the re-importing Member State concerned, which will thereby guarantee the re-importation of the finished product.

SELECTED STRUCTURAL DEVELOPMENTS IN TEXTILES AND CLOTHING

		1973	1974	1975	1976	1977	1978	1979	1979 1973	% Change 1979/1973	1980 e)	1980 1973	% Change 1980/1973
EMPLOYEES	text.	1.848	1.754	1.629	1.573	1.525	1.457	1.415			(1.370)	- 478	- 25,8
	(in 1.000) cloth.	1.276	1.204	1.146	1.094	1.055	1.011	1.002			(959)	- 317	- 24,8
FIRMS	text.	14.842	14.483	13.780	13.360	13.012	12.833	12.594 *)	- 2.248	- 15,1			
	cloth.	15.708	15.304	14.428	14.078	13.445	13.467	13.384 *)	- 2.324	- 14,8			
VALUE ADDED (mill EUA, CONSTANT PRICES 1973)	text.	10.986 *)	11.872	10.923	11.655	11.344	11.519 *)	12.468 *)	+ 1.482	+ 13,5			
	cloth.	5.562 *)	5.963	5.928	5.870	5.931	6.188 *)	6.611 *)	+ 1.049	+ 18,9			
VALUE ADDED PER PERSON (EUA, CONSTANT PRICES 1973)	text.	5.946 *)	6.768	6.705	7.409	7.439	7.906 *)	8.811 *)	+ 2.865	+ 48,2			
	cloth.	4.361 *)	4.953	5.173	5.366	5.622	6.121 *)	6.598 *)	+ 2.237	+ 51,3			
VALUE ADDED (mill EUA, CURRENT PRICES)	text.	10.986 *)	12.711 *)	12.534	14.090	14.581	15.570 *)	17.400 *)	+ 6.414	+ 58,4			
	cloth.	5.562 *)	6.385	6.769	7.126	7.606	8.300 *)	9.190 *)	+ 3.628	+ 65,2			
VALUE ADDED PER PERSON (EUA, CURRENT PRICES)	text.	5.946 *)	7.249 *)	7.675	8.955	9.721 *)	10.832 *)	12.470 *)	+ 6.524	+ 109,7			
	cloth.	4.361 *)	5.374 *)	6.008	6.560	7.264 *)	8.189 *)	9.077 *)	+ 4.716	+ 108,1			
INVESTMENT 2) (mill EUA, 1970 PRICES)	text.	1.271	1.181	905	919	835	850 *)	870 *)					
	cloth.	292	240	201	215	217	230 *)	240 *)					

e) estimate.

Source : response to the GATT Textiles Questionnaire and EUROSTAT.

1) Only enterprises of 20 or more employees included.

2) Subject to slight revision.

APPENDIX B

E E C:

TRENDS IN PRODUCTION, CONSUMPTION, EMPLOYMENT

AND EXTERNAL TRADE (1973 = 100)

INDEXES

	Production		Consumption	Imports Extra	Exports Extra	Employ- ment
	Textiles	Clothing	Clothing	T + C	T + C	T + C
1973	100,0	100,0	100,0	100,0	100,0	100,0
1974	95,6	94,3	100,5	131,5	109,3	94,7
1975	88,3	94,6	100,7	140,6	97,1	88,8
1976	96,9	99,5	102,1	175,4	112,0	85,4
1977	94,2	97,6	102,8	161,4	116,5	82,6
1978	91,5	94,0	104,6	172,6	115,1	79,0
1979	96,4	98,0	106,6	205,4	115,9	77,4
1980	95,3*	93,9*		212,2		(74,6)

* 10 months extrapolated

TRENDS IN COMMUNITY IMPORTS

Unité : 1.000 Tonnes

SOURCE	1973	1974	1975	1976	1977
E X T R A	826	1.086	1.161	1.449	1.333
INDUSTRIALISED COUNTRIES	254	334	306	356	332
COUNTRIES COVERED BY TEXTILE POLICY	572	752	855	1.093	1.001
of which					
AGREEMENT COUNTRIES	n.d.	n.d.	n.d.	651	598
PREFERENTIAL COUNTRIES (including ACP)	n.d.	n.d.	n.d.	n.d.	301

	1977	1978	1979	1980
	1.333	1.426	1.697	1.753
	331	354	472	526
	1.001	1.072	1.225	1.227
	598	598	697	709
	301	366	419	395

CHANGE											
	1974 / 1973	1975 / 1974	1976 / 1975	1977 / 1976	1977 / 1973	1978 / 1977	1979 / 1978	1980 / 1979	1980 / 1977		
E X T R A	+ 31,5	+ 6,9	+ 24,8	- 8,0	+ 61,4	+ 7,0	+ 19,0	+ 3,3	+ 31,5		
INDUSTRIALISED COUNTRIES	+ 31,5	- 8,4	+ 16,3	- 6,8	+ 30,7	+ 6,6	+ 33,3	+ 11,4	+ 58,9		
COUNTRIES COVERED BY TEXTILE POLICY	+ 31,5	+ 13,7	+ 27,8	- 8,4	+ 75,0	+ 7,1	+ 14,3	-	+ 22,6		
of which											
AGREEMENT COUNTRIES	n.d.	n.d.	n.d.	- 8,2		-	+ 16,5	+ 1,7	+ 18,6		
PREFERENTIAL COUNTRIES (including ACP)	n.d.	n.d.	n.d.	n.d.		+ 21,6	+ 14,5	- 5,7	+ 31,2		

PENETRATION LEVEL

SOURCE	1973	1974	1975	1976		1977	1978	1979
E X T R A	20,9	32,9	34,6	37,4		38,0	39,4	41,3
INDUSTRIALISED COUNTRIES	n.d.	n.d.	n.d.	n.d.		8,2	8,8	10,3
COUNTRIES COVERED BY TEXTILE POLICY	n.d.	n.d.	n.d.	n.d.		29,7	30,6	31,0
of which								
AGREEMENT COUNTRIES	n.d.	n.d.	n.d.	n.d.		17,5	16,9	17,6
PREFERENTIAL COUNTRIES (including ACP)	n.d.	n.d.	n.d.	n.d.		9,0	10,6	10,8

n.d. not available.

The penetration level is calculated from imports of products corresponding to those used to determine the market. The imports taken into consideration are less than those covered in the first two tables on this page, imports of six categories of semi-raw materials having been eliminated (Cat. 41-42-46-51-54-55).

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