

# EFTA REPORTER

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## Textile and clothing industries in EFTA studied by Economic and Social Sub-Committee

The Economic and Social Sub-Committee of EFTA's Consultative Committee agreed on 20 January to collect detailed information on developments in the textile and clothing industries in the EFTA countries. The material is to serve as a basis for the first phase of a new study which the Consultative Committee proposed should be undertaken by the Sub-Committee.

The January meeting was a preliminary one and concerned the scope of the work to be done and the methods to be used. The Sub-Committee is to study industrial developments in EFTA countries, with special emphasis on the textile sector, and possible measures to secure or improve conditions for full employment, price stability and free trade. Mr. Ingvar S. Melin, Director of the Central Federation of Finnish Employers, is chairman of the Sub-Committee.

The two tables which follow are from a Secretariat note on the textile and clothing industries that was prepared for the meeting. They indicate a general deterioration in trade balances, particularly marked in clothing, and varied performance on the part of the individual EFTA countries.

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Production of all manufactures, textiles and clothing

Volume index figures for the EC and the EFTA countries. 1975=100

	<u>1980</u>	<u>1978</u>	<u>1973</u>	<u>1963</u>
<u>All manufactures:</u>				
EC	116	112	108	65
Austria	126	114	103	55
Finland	126	105	99	49
Norway	100	97	99	61
Portugal	147	128	104	42
Sweden	98	93	97	58
Switzerland	114	107	115	74
<u>Textiles:</u>				
EC	106	103	112	90
Austria	114	104	120	70
Finland	101	90	90	56
Norway	106	100	108	109
Portugal	136	115	114	n.a.
Sweden	79	81	110	95
Switzerland	120	115	122	107
<u>Clothing:</u>				
EC *	n.a.	97	104	89
Austria	105	94	102	68
Finland	118	99	95	63
Norway	74	80	115	146
Portugal	n.a.	112	107	n.a.
Sweden	55	55	107	125
Switzerland	118	118	110	92

Sources: UN: Yearbook of Industrial Statistics; OECD: Indicators of Industrial Activity; for Portugal: national statistics

\* Including leather and footwear

## TEXTILES AND CLOTHING

Imports, exports and trade balance in million US dollars

	1980			1973	1963
	IMPORTS	EXPORTS	TRADE BALANCE	TRADE BALANCE	TRADE BALANCE
<u>TEXTILES</u>					
EC	23,392.0	24,101.0	709.0	2,069.0	1,074.6
AUSTRIA	1,172.4	1,074.4	-98.0	-50.7	-30.0
FINLAND	627.9	196.6	-431.3	-201.4	-68.1
ICELAND	37.1	11.8	-25.3	-15.6	-8.5
NORWAY	489.0	122.0	-367.0	-168.4	-83.2
PORTUGAL	315.4	605.8	290.4	204.7	69.7
SWEDEN	978.0	422.0	-556.0	-318.3	-190.7
SWITZERLAND	1,190.8	1,534.3	343.5	116.4	44.5
EFTA	4,810.6	3,966.9	-843.7	-433.3	-266.3
<u>CLOTHING</u>					
EC	20,232.6	14,097.0	-6,135.6	-889.5	226.6
AUSTRIA	941.5	579.9	-361.6	-33.1	24.8
FINLAND	219.7	728.6	508.9	153.0	-5.1
ICELAND	32.9	25.6	-7.3	-5.6	-2.1
NORWAY	709.2	71.9	-637.3	-179.4	-35.3
PORTUGAL	14.0	632.1	618.1	159.0	14.0
SWEDEN	1,344.3	294.6	-1,049.7	-262.0	-61.2
SWITZERLAND	1,455.6	365.8	-1,089.8	-374.6	-44.4
EFTA	4,717.2	2,698.5	-2,018.7	-542.7	-109.3
EC	43,624.6	38,198.0	-5,426.6	1,179.5	1,301.2

Source: OECD Series C and B

EFTA countries' interest in proposed EC trademark system

The EFTA countries want to talk with the European Community about trademark law. They informed the EC Commission in December of their interest in exchanging views on the proposed trademark system now being worked out in the Community and in taking part in discussions on a harmonisation of national trademark law within the European free trade system.

The closeness of the commercial ties between the EFTA countries and the EC and their wish to avoid trade barriers explain the EFTA initiative.

As proposed by the Commission the system includes both the creation of a Community trademark and a harmonisation by stages of some important elements of national trademark law in the EC countries. The co-existence of Community and national legislation would allow manufacturers to obtain protection for their trade marks either

in the EC as a whole or just in the countries they are interested in. The Commission's proposals have been discussed in the EC's Economic and Social Committee and will be considered by the European Parliament before being submitted to the EC Council for its decision.

A group of trademark experts from the EFTA countries has been closely following developments in the EC in this field. It noted last September that individuals and firms in non-Community countries would be able to apply for Community trademarks according to the Commission's proposals, a point of fundamental importance for industry in the EFTA countries. The experts found, however, that some provisions (on legal costs and representation in connection with the registration of trademarks, for example) could have a discriminatory effect. They also suggested that some questions about the relationship between the system proposed and present international agreements in this field should be explored.

The experts observed that a degree of harmonisation on a European scale would be of advantage to trademark owners in the EFTA countries as well as in the EC since it would cut costs, simplify the administration of trademark rights and marketing measures and thus promote trade in branded goods within the European free trade system.

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#### Portuguese Development Fund : first five years

Nearly 200 loans totalling more than Escudos 7 billion (U.S.\$ 102 m. approx.) have been approved by the EFTA Industrial Development Fund for Portugal in a period covering most of its first five years of operation (1 February 1977-15 January 1982). This is nine per cent more than the total commitment to the Fund of the seven contributing States - reflecting reinvestment of interest and capital repayments of loans.

Capital raised from other sources brings the total investment of approved projects to nearly Esc. 15 billion (U.S.\$ 215 m. approx.). The projects involve the creation of 2,914 new jobs and, as a result of modernisation and increased productivity, are estimated to secure an additional 37,548 work posts.

The largest shares of Fund loans in the first five years have gone to the foodstuffs and beverages industry (34.8 per cent), equipment manufacture (13.5 per cent), mining and quarrying (8.3 per cent) and the manufacture of textiles and clothing (8.1 per cent). But, as may be seen from the following table, a fairly wide range of Portuguese industry is covered in the pattern of lending.

About 77 per cent - Esc. 11.4 billion (U.S.\$ 166m. approx.) - of expenditure related to these investments will be

used for purchases in EFTA countries (including Portugal).

EFTA Fund

Distribution of loans by branch of activity

(approvals from 1st February 1977 to 15th January 1982)

(Amounts in thousand escudos)

Branches of activity	Approvals		Projects	
	Number	Amount	Total investment	Number of jobs created
Agriculture and livestock	17	285,082	501,645	162
Fishing	1	40,000	60,000	13
Mining and quarrying	14	585,500	1,690,273	299
Foodstuffs and beverages	55	2,441,161	4,091,474	500
Manufacture of textiles and wearing apparel	15	571,552	1,047,629	226
Manufacture of wood and wood and cork products	10	178,412	354,168	122
Manufacture of furniture	1	100,000	295,000	79
Manufacture of paper and printing	4	280,971	393,090	6
Manufacture of basic industrial chemicals	1	4,730	5,265	7
Manufacture of drugs and medicines	2	95,000	137,126	41
Tyre and tube industries	1	93,271	450,000	-
Manufacture of plastic products	12	187,288	244,055	64
Manufacture of glass and glass products	4	127,003	676,619	65
Manufacture of other non-metallic mineral products	9	163,100	305,153	162
Iron and steel basic industries	3	73,811	127,380	34
Non-ferrous metal basic industries	4	227,625	514,847	26
Manufacture of fabricated metal products	13	284,786	661,416	355
Manufacture of non-electric equipment	3	25,170	29,300	23
Manufacture of electric equipment and heavy engineering	20	920,647	1,643,782	594
Building of fishing and leisure boats	1	100,000	240,000	63
Motor-cycle manufacturing	1	20,000	21,130	-
Watch and clock manufacturing	1	24,000	81,731	-
Land transport	5	110,485	231,642	64
Air transport	1	28,000	28,000	-
Industrial estates	1	50,000	1,033,900	9
<b>Total</b>	<b>199</b>	<b>7,017,594</b>	<b>14,864,625</b>	<b>2,914</b>

### Iceland's import levies on chocolates and biscuits

Iceland proposes to phase out, in the twelve months to 1 March 1983, the levies it charges on imports of confectionery, chocolates and biscuits. The EFTA Council authorised the use of the levies for 18 months - to 4 March 1982 - and has the power to permit a temporary extension. Preliminary reactions indicated that its EFTA partners had understanding for the problems affecting the Icelandic industry in the wake of the liberalisation of trade in the European free trade system. Council approval of the extension is expected as the Reporter goes to press.

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### Ireland may join the Hallmarking Convention

Ireland is likely to join the international Hallmarking Convention in the near future, bringing the number of countries participating in it to six. Norway, which has signed but not ratified the Convention, is in the process of clarifying various matters connected with the organisation of a control system before the presentation to Parliament of legislation which would enable it to join the Convention initiated by EFTA. The present contracting parties are Austria, Finland, Sweden, Switzerland and the United Kingdom.

General satisfaction with the operation of the Hallmarking Convention was expressed at a meeting of the Standing Committee in Geneva on 26 and 27 January. The Committee noted that some 720,000 articles of precious metals had been marked with the Convention marks in 1981, a slight increase compared with the previous year. Switzerland, as usual, had more articles marked than any other contracting nation: about 541,000 articles, of which 313,000 were watch cases. In Finland the number of articles totalled about 151,000.

It was generally agreed during the meeting that national assay offices should try to make manufacturers more aware of the advantages of the Convention with regard to exports of articles made of gold, silver and platinum.

Other matters dealt with by the Committee related to co-ordination of national assay and marking practices concerning necklaces, pendants incorporating small gold or silver ingots, and powder compositions used in the manufacturing of chains and the marking of light articles.

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## FORTHCOMING MEETINGS

March 1982

- 2 - 3 PIC (Pharmaceutical Inspection Convention) Working Group on packaging and labelling. Vienna.+
- 9 Joint meeting between delegations from the Consultative Committee and the Economic and Social Committee of the Community. Brussels.
- 10 - 11 First part of 46th meeting of the Consultative Committee.
- 15 Committee of Origin and Customs Experts.
- 17 - 18 5th meeting of the EFTA-Spain Joint Committee.
- 23 - 24 PIC Working Group on Basic Standards. Bern.+

All meetings take place in Geneva unless otherwise indicated.

Meetings of the Councils at official level are not listed here; they usually take place once a fortnight.

+ Not an EFTA meeting, but the EFTA Secretariat provides services.

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