

**news release**  
BACKGROUND NOTE**communiqué**EUROPEAN COMMUNITY: LARGEST MARKET FOR TEXTILESImports rise sharply, output falls

The European Community is the largest and fastest growing market for textile products.

Meanwhile, the output of its own textile and clothing industries is falling, partly because of reduced exports and lower domestic consumption in 1974-75, but mainly because of sharply increased imports, especially from developing countries. Community workers, particularly women, are steadily losing jobs, investment and modernization are falling off, and the prosperity of parts of the Community is threatened. The Community remains committed to growing free trade in this sector; at the same time, it seeks to ensure a fair deal for its textile producers and their workers.

With Canada and its other major trading partners, the Community is therefore currently reviewing the future of the "Multifibres Arrangement" - an international agreement that expires at the end of this year - which seeks to promote the orderly expansion of world trade in textiles.

This background note sets out some of the facts about the clothing and textile industries in the Community.

TRADE

Between 1973 and 1975 the Community's imports of textile goods and clothing increased in value by 41.8% (25% for textiles and 61% for clothing). Its exports rose 13.4%. During the first six months of 1976 imports rose 19.5%, compared with the same period of 1975. For other developed countries overall growth in imports was 8% (-6% for textiles, +26% for clothing).

The Community accounted for 72% of the total increase in imports by developed countries over 1973-75; its share of imports by developed countries increased from 33% to 39%.

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Press and Information Service

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January 11, 1977DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES  
DELEGATION DE LA COMMISSION DES COMMUNAUTÉS EUROPÉENNES

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INCREASE IN COMMUNITY IMPORTS, BY ORIGIN, 1973-75

	<u>Textiles</u>	<u>Clothing</u>
TOTAL	24.2	60.9
From developed countries	32	36.6
From less developed countries	19.2	67
From Socialist countries	20.5	46.4

Community imports per capita in 1975 were \$28.7, compared with \$17.7 for the U.S.A. and \$11.9 for Japan. These figures are all the more striking as Community consumption of textiles and clothing is much lower than in the U.S.A. (Kg 15.8 and 24.9 per capita respectively in 1973) and Community expenditure on clothing fell 1% both in 1974 and 1975.

MARKET PENETRATION

The share of imports in total Community consumption in 1975 was 20% for cotton yarn, 40% for cotton cloth, 54% for men's shirts, 40% for women's shirts and blouses, 30% for trousers and 25% for knitted pullovers.

PRODUCTION

Between 1973 and 1975 Community production fell as follows: cotton yarns 12.3%; cotton clothes 14.7%; men's shirts 19.5%; wool clothes 21%. These falls were caused by lower domestic consumption and reduced exports, but above all by the sharp rise in imports.

Between 1973 and 1975, Community production of clothing fell 19%, compared with 6% for other developed countries. Textile production fell by 8% in both Community Member States and other developed countries.

PRODUCTION OF TEXTILES (million tons)

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
European Community	3.9	4.3	4.0	3.6
Other developed countries	14.7	15.5	14.6	13.5

PRODUCTION OF CLOTHING (million tons)

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
European Community	1.86	1.64	1.60	1.51
Other developed countries	7.0	7.6	7.0	6.6

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## EMPLOYMENT

The substantial fall in Community production of textiles has seriously affected employment.

Since January 1973 Community textile and clothing firms have shedded 430,000 jobs. Unemployment rates in clothing are running at approximately double the Community unemployment rate as a whole, and are likely to rise.

Some social groups and regions are hurt more than others because textile and clothing firms tend to be concentrated in poorer areas. Women, who are a majority of the work force in this sector, have suffered especially from the frequent factory closures and insolvencies.

Apart from the immediate consequences, the textile sector's difficulties are discouraging investment and modernization, and therefore indirectly endangering the Community's prosperity.

The above figures indicate that the Community has taken upon itself a totally unprecedented import effort, from which developing countries have been the primary beneficiary. Where market penetration is already so high, growth rates such as the Community has experienced recently are unsustainable in the longer term.

In view of the serious problems of the textile sector of world trade, the Community believes that full liberalization of all trade in textiles is inconceivable after the "Multifibres Arrangement" expires at the end of the year. The Community therefore favours the renewal, in an improved form, of the M.F.A. In examining the future of the "Multifibres Arrangement", the Community believes that the main issues hinge around the orderly expansion of textiles trade, its equitable development, and the avoidance of those disruptive effects which undermine confidence and are the major obstacles to gradual liberalization, to adaptation to world competitive conditions and to realizing the economic and social needs of developing countries in this sector. The Community does not contest the objectives of gradual liberalization and the adjustment and adaptation of production.\* But the Community emphasizes that if the needs of developing supplying countries are to be realized to the maximum extent possible, orderly and equitable conditions for existing producers and their workers must be adequately ensured.

\* The E.C.'s clothing and textile sectors are major beneficiaries of aid from the European Social Fund aid. In 1975 and of a total budget of approximately \$471 million, about \$164 million was allocated to retraining programmes for textile and clothing workers, beside workers leaving agriculture, migrant workers and the handicapped.