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SOME ASPECTS OF U.S. TEXTILE IMPORT POLICY RELATING TO SELECTED DEVELOPING ASIAN COUNTRIES

By

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ABSTRACT

This paper highlights some aspects of the practice of discrimination by the United States of America in its import policy for regulating the imports of "textiles" (including textiles and clothing) from selected developing Asian Countries under bilateral agreements within the framework of the current Multi Fiber Arrangement (MFA). We have selected five such countries for special study, namely, Hong Kong, China (Taiwan), Republic of Korea, India and Thailand. These countries have been selected for illustrating the effects of the relative degree of restrictions imposed by the U.S. in its current bilateral agreements with three different types of suppliers from the so-called "low cost" developing countries. The first three countries represent the category of "major suppliers", the fourth one represents "middle level suppliers" and the last one represents the category of "new" or "marginal suppliers".

This paper presents the preliminary findings of the research on this subject being conducted by the author. It is divided into three sections. Section I briefly provides the background to the evolution of the U.S. textile import policy particularly towards Asian countries and the performance of the U.S. economy relating to the "textiles" sector as well as the effects of changes in the U.S. policies on its imports from the selected developing Asian countries. The period covered is 1973 to 1980. Section II presents a critical analysis of some of the effects of discriminatory U.S. textile import policy surveyed in Section I. A few concluding remarks are offered for further examination in Section III relating to the future policy options on the MFA in general and the U.S. Textile import policy in particular.

On the basis of the evidence presented, this paper concludes that in implementing MFA-II (covering the period 1978-81), the U.S. has made it more restrictive than MFA-I (covering the period 1974-77). The developing Asian countries belonging to the categories of "major suppliers" and "middle level suppliers" have been systematically discriminated against by the U.S. in recent years. This has caused considerable dislocation to their economies which is neither adequately recognised nor compensated by the U.S. (and other countries practising such discrimination). Considering the improved performance of the U.S. textile and apparel industries in recent years, the paper urges the U.S. Government to liberalise restraints bilaterally and also help to get a more liberal MFA extended with mechanisms to strengthen its truly multilateral character. A few suggestions are made for this purpose.

SOME ASPECTS OF U.S. TEXTILE IMPORT POLICY RELATING TO SELECTED DEVELOPING ASIAN COUNTRIES*

by

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This paper highlights some aspects of the practice of discrimination by the United States of America in its import policy for regulating the imports of "textiles" from selected developing Asian Countries under its bilateral agreements within the framework of the current Multi Fiber Arrangement (MFA)[1]. We have selected five such countries for special study, namely, Hong Kong, China (Taiwan), Republic of Korea, India and Thailand. We have selected these countries for special study for illustrating the effects of the relative degree

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[1] "Textiles" cover imports of textiles and clothing (apparel) mainly of Cotton, Wool and Man-made Fibers. This paper deals with the period since 1973 with special reference to the more recent years.

of restrictions imposed by the U.S. in its current bilateral agreements with different types of suppliers of "textiles" from the so-called "low-cost" developing countries. The first three countries for our special study represent the "major suppliers", the fourth one represents "middle level suppliers" and the last one represents the group of relatively "new" or "marginal suppliers" among the developing countries from the Asian region.

This paper is basically exploratory in nature and presents the preliminary findings of the research being conducted by the author. The central purpose of this paper is to raise issues for debate and further in-depth research rather than to present final conclusions and detailed recommendations on a comprehensive package of desirable policy changes for the future. For convenience, it is divided into three sections. Section I briefly provides the background to the evolution of the U.S. textile import policy particularly towards Asian countries and the performance of the U.S. economy relating to the "textiles" sector in recent years as well as the effects of the recent changes in the U.S. policies on its imports of textiles from selected developing Asian countries. Section II presents a critical analysis of some of the effects of discriminatory U.S. textile import policies surveyed in Section I. A few concluding remarks are offered for further examination in Section III relating to the future policy options on the MFA in general and the U.S. textile import policy in particular.

I

U.S. TEXTILE IMPORT CONTROL POLICIES TOWARDS ASIAN COUNTRIES

Controls on imports of textiles from low-cost supplying countries (primarily Asian Countries) have now a long history behind them. The United States seriously began such controls on imports of cotton textiles when it extracted "Voluntary" Export Restraints from Japan in 1956. The U.S. took initiative in multilateralising such bilateral restraints under the auspices of the General Agreement on Tariffs and Trade (GATT) through a series of agreements despite their being a clear violation of the existing GATT rules. These agreements started with the "Short Term Agreement on Cotton Textiles" covering the period from October 1, 1961 to September 30, 1962. This was converted into a "Long Term Agreement" immediately thereafter and it culminated into the Arrangement Regarding International Trade in Textiles in 1973 with the coverage extended comprehensively to textiles and products made of cotton, wool and man-made fibers. This Arrangement, popularly called the Multi Fiber Agreement (MFA) has been extended with a protocol of understandings as MFA-II for the next four years (1978 to 1981)[2]. The MFA provides for the negotiation of specific bilateral

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[2] For a recent study of the working of the MFA-I and the nature of the MFA-II with special reference to the imports of textiles from the developing member countries of the MFA from South Asia, see Charan Wadhva and Vasant Mote, 'International Trade in Textiles with Special Reference to South Asia', a study prepared for the Trade Policy Research Centre, London (U.K.). This study can be made available on request.

agreements between the member countries and also lays down other rules for the implementation of the Arrangement. It provides for an overall rate of growth of textile trade of 6 per cent per annum.

The United States has been regulating the flow of its imports of "textiles" from selected "major" suppliers from the developing countries primarily from Asia during the period of MFA-I and MFA-II. The primary objective of U.S. textile import policy relating to selected developing Asian countries has been to achieve an "orderly trade expansion" in this "unique" sector without "market disruption" (or "threat thereof") by an uncontrolled surge in imports originating from the countries with much lower wage rates.

Profile of Growth of U.S. Textiles and Apparel Industry during MFA Period

The period of MFA-I nearly coincided with continuing recessionary conditions (generally called "stagflation") in the major industrial countries of the world, including the U.S. This country also experience certain recessionary conditions during the period of MFA-II. This led to a slowing down of the annual rate of growth of consumer expenditure in real terms in general and on clothing items in particular as shown below:[3]

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[3] These fitures are available in Demand, Production and Trade in Textiles and Clothing, Report by the Secretariat, General Agreement on Tariffs and Trade, COM. TEX/W/84, 3 December 1980. (N.A. stands for 'Not Available'.) We have relied on this source for data cited in the next paragraph.

Rate of change in Volume over previous year:	MFA-I Period 1974	1975	1976	1977	MFA-II Period 1978	1979
(i) Consumer Expenditure	-0.9	1.8	5.9	4.9	4.5	2.6
(ii) Expenditure on Clothing	-0.8	3.6	4.9	4.4	7.3	N.A.

The average annual real rate of growth of total consumer expenditure was 3.1 per cent and that of expenditure on clothing (apparel) in the U.S. was 4.0 per cent for the period 1973-79. This slowing down of growth of demand naturally affected production. The U.S. textile and apparel industry experienced grave recession during 1974 and 1975 when output decreased by 7 per cent for textiles and 3 per cent for apparel industry in 1974 and by 7.5 per cent and 5 per cent respectively for 1975. Textiles output was stagnant in 1977 and apparel output was stagnant in 1978 compared to the previous year's level. While textile output has been showing positive rates of growth in 1976 (at 9.5 per cent), 1978 (at 2 per cent) and 1979 (at 5 per cent), clothing industry showed positive growth in 1973-79 period only in 1976 (at 16.5 per cent after recessionary years of 1974 and 1975) and 1977 (at 6.5 per cent). The apparel output declined by 2.5 per cent in 1979 and by an estimated 6 per cent during the first half of 1980 (during which textile output was constant) over the first half of 1979. The textile and apparel industries in the U.S. have been experiencing growimg unemployment for several years now due primarily to productivity increase by the growth of capital-intensive technology. This situation continued to prevail throughout the period of the MFA. Thus for the period 1973-79, employment in the U.S. textile industry as well as apparel industry declined at the rate of 2 per cent per annum. However, these industries presented a mixed outlook generally favourable to growth in value terms during the period 1974-79 as shown in Tables 1 and 2 in terms of several indicators such as value of shipments, value added, productivity, new capital expenditures as well as prices (and profits) realized by producers. The consumer expenditure on clothing has also shown modest rates of growth in nominal terms (at the rate of around 4 to 5 per cent per annum) since 1976.

Profile of Growth of Imports during MFA-I

Contrary to the trends in the growth of output and employment in the U.S. textile and apparel industry described above, the imports of these products increased rapidly during the period of MFA-I. A profile of the rates of growth of imports of textiles and apparel in the U.S. during this period is provided in Tables 3 to 8. These tables are self-explanatory and throw light on the changes in the value, volume (in million square yards equivalent), composition and major sources of imports belonging to both the groups of "controlled" suppliers and "uncontrolled" suppliers. In addition, Table 3 provides data on the value of exports and the net "sectoral" balance of trade during the period of MFA-I (1974-1977) as well as later years (MFA-II). The relatively sharp increase in imports in 1976 and 1977 during the MFA-I period may be noted.

Towards Greater Protectionism in Post-1977 Period:

As a result of relatively sharp increases in imports of textiles and apparel in general and for some specific categories in particular during 1976 and 1977 in an environment of relatively stagnant domestic demand and rising unemployment in these industries, producers, Labor Unions and Congress Representatives from the Constituencies where these industries are concentrated strongly lobbied for amending and renewing bilateral agreements for imposing stricter quotas on the imports of textiles and apparel products particularly from the low-cost developing Asian countries. These industries also demanded a more restrictive MFA as the replacement of MFA-I. With the Presidential Election due around that time, the political voice of the major Constituents of the electorate could not be taken lightly by the U.S. Administration.

The response of the United States Government was to make more effective use of its bilateral agreements for tightening the imports of various sensitive product categories of textiles and apparel from several low-cost developing countries (especially Asian countries) keeping in mind the rate of growth of domestic demand. Efforts were made to fix specific quantitative limits on certain categories which were only subject to consultation level limit. The use of flexibility provisions was also reduced below the original levels agreed to in the bilateral agreements. The United States, in fact, adopted the strategy of concluding five year bilateral agreements with major suppliers beginning with Hong Kong on August 8, 1977 much before even the fate of the multilateral instrument (MFA) was to be decided . Simultaneously the U.S. Government strengthened its monitoring and implementation machinery to enforce new restrictions more effectively. At the insistence of the European Economic Community (E.E.C.), the MFA was eventually renewed for the next four years (1978-81) on somewhat more restrictive grounds incorporated in the Protocol of extension as additional "understanding". One of the key elements of these understandings was the "Reasonable departures" clause under which "pressing import problems" of an importing participant of the MFA were to be resolved bilaterally "...........with a view to reaching a mutually acceptable solution.... which does include the possibility of jointly agreed reasonable departures from particular elements in particular cases". These reasonable departures were to be of "temporary" nature and the participants were expected to "return in the shortest possible time to the framework of the Arrangement". The U.S. was apparently happy to accept such an exte ded MFA as an instrument of multilateral policy within which it could negotiate and coerce developing supplier countries to accept on balance more restrictive bilateral agreements through appropriate amendments.

In continuation of its moves mentioned above, the United States Administration announced a new major Textile Program (popularly called "White Paper") on February 15, 1979 for assisting the "beleagured textile and apparel industry" partly by intensifying the degree of protection already provided by the MFA and the bilateral agreements and amendments concluded under that. The following two major measures were envisaged under this Program:

(i) Controlling "surges": This measure provides that where quotas are underutilised in one year, action would be taken in the following year to ensure that there would be no "surge" of imports resulting from the combination of fuller utilization of quota and the flexibility provisions.

(ii) Controlling growth of imports: Where there is no likelihood of "surge", the growth rate of imports would be evaluated annually and adjusted on the basis of the growth rate of the domestic market.

In addition to taking action against established "large" low-cost supplier countries, the White Paper also provides for action to be taken against "sharp and disruptive growth in.....: imports from any new major supplying country" (emphasis added).

Action was indeed taken against Hong Kong, Republic of Korea and China (Taiwan) by calling them to negotiating table several times throughout the period 1978 to date to amend bilateral agreements which were on balance more restrictive. Hong Kong was forced to set up elaborate administrative machinery to institute strict "Export Authorization System". The restrictions imposed on Hong Kong involved lowering down of effective ceiling of aggregate textile and apparel products in 1979 (-1.1 per cent over 1978 aggregate limit) and stricter limits to growth and flexibility provisions of several sensitive categories. Further restrictions were imposed by the U.S. on Hong Kong for the 1980 exports. These involved "in respect of exports in 1980 of ten categories of apparel, giving up carryover and carryforward and a reduction in swing margin from between 6% and 7% to 5%. In quantitative terms, the demands involved a total reduction in access rights amounting to 31 million square yards equivalent".[4] The U.S. secured similar restrictive modifications to the bilateral agreements with South Korea and China (Taiwan).

Even "middle level" supplier like India was brought under the network of increased import quota controls on balance by the U.S.through bilateral agreements including various amendments while implementing MFA-II (compared to MFA-I)[5]. This was done not as much by reducing aggregate limits as by imposing specific changes in the limits of some of the sensitive items. Thus U.S. resorted to freezing or reducing effective ceilings on several categories or by bringing restraints on some new categories. These are illustrated by the following examples:

The aggregate effective limit for Group-II (Apparel, Made-up Goods and Miscellaneous Products) in 1979 was permitted to grow only by 2.2 per cent over 1978 and was reduced by 7.7 per cent in 1980 over 1979.

The following rates of change are illustrative of restrictions placed on effective limits for specific categories: Cotton Sheeting and

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[4] Hong Kong's Textile and Clothing Industries Comment on the MFA (Myths, Facts, Application), Background paper presented at the Hong Kong Textile and Clothing Industries' Joint Conference, Hong Kong, November 1980, p.9.

[5] The more restrictive nature of the bilateral agreement between USA and India for 1978 (first year of MFA-II) compared to the bilateral agreement for 1977 (and earlier years under MFA-I) is discussed in detail in Charan D.Wadhva, "Some Aspects of the Textile Trade Agreement Between the United States of America and India", a paper presented at the Conference on 'The New Perspective of India - United States Economic Cooperation', New Delhi: August 20-25, 1979 (organised by the Association of Indians in America).

Duck as well as other Coats and Terry Towels (0.0 in 1979 over 1978 and also in 1980 over 1979; Fabric speciality (-66.7 per cent in 1980 over 1979), Trousers, MB (-25.0 per cent in 1980 over 1979); and Dresses (-98.6 per cent). To a certain extent, the reduction in quotas for some categories reflected non-fulfilment of quotas by India for previous period but this was by no means the most important cause. The more important reason for such actions was limiting the growth of more sensitive items (where import penetration rate was high) and/or where domestic demand was not rising at a high rate.[6]

Thailand's example illustrates the case of "new" or "marginal" supplier who got relatively more liberal treatment under bilateral agreements in the textile import policy of the U.S. towards selected Asian Countries. This reflected the official policy of special treatment for such "new" or "marginal" suppliers. The U.S. House of Representatives had recently adopted a resolution to this effect. Parts of it read as follows:

"Within the framework of global analysis, special attention should be devoted to <u>truly</u> developing countries......Substantial growth potential can and should be allowed for (such) developing countries.....if the newly industrialised countries are restricted to import growth rates somewhat below the rate of U.S. market growth."[7] (italics added).

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[6] The only exception has been relatively liberal treatment given to India on what are called "India Items" (made of cottage and small scale industries and other folklore items) which are subject to special "elephant" stamping procedure for visa on their imports into the U.S. until 1977, these were almost totally unrestricted for imports.

[7] As cited in <u>Hong Kong's Textile and Clothing Industries Comment on the MFA</u>, <u>op. cit.</u>, p.15.

However such a policy did not deter the United States from recently extending the coverage of controls through bilateral agreements on "small" developing countries uncontrolled hitherto (such as Sri Lanka on the basis of growth rates of imports or growth in market share for selected sensitive categories.

<u>Performance of U.S. Imports and Effects on Selected Supplier Countries in MFA-II Period:</u>

The more restrictive U.S. textile import policies relating to selected developing Asian Countries described above did have a substantial effect on the imports in overall terms as well as from selected sources in the post MFA-II period. This can be seen from Tables-3 to 8. Table 8 presents the comparative performance in aggregate terms (volume) of three "major suppliers", namely Hong Kong, Republic of Korea and China (Taiwan). A detailed (selected category-wise) analysis of comparative performance of imports into the U.S. for 1979 from five selected developing Asian countries, namely, Hong Kong Republic of Korea, China (Taiwan), India and Thailand can be made with the help of Tables-9,10,11,13 and 15. The performance of a "middle level" supplier (India) to the U.S market over the years 1978 to 1980 is spotlighted in Tables-12,13 and 14.

As may be seen from Table-3, the value of imports of textiles alone from all sources was held in 1979 at the previous year's level (at $2.11 billions). The value of all imports of clothing (apparel) into the U.S. increased only by 4.6 per cent in 1979 (compared to 33.0 per cent increase in 1978 over the previous year). The value of total imports of textiles and clothing into the U.S. increased only by 3.3 per cent in 1979 over 1978. In terms of physical volume, Table 5 shows a 20 per cent decline in total of such imports over the previous year. With substantial increase in the value of exports of textiles and apparel from the U.S. in 1979 (by 43.2 per cent over 1978) partly spurred by the U.S. Government's Program of assistance, the deficit in the net sectoral balance of trade of the U.S. declined from $4.65 billion in 1978 to $3.70 billion in 1979 (see Table 3). The rate of growth of U.S. imports of textiles and apparel in 1980 has also been controlled and reveals lower rate compared to some of the earlier years of the MFA period.[8] Despite these reductions achieved, the U.S. industry wants further restrictions to be imposed on "major supplier" countries like Hong Kong, Republic of Korea and China (Taiwan) during the coming years.[9]

The effect of new U.S. textile import restrictions has been most strongly felt by all three major supplying countries (Hong Kong, Republic of Korea and China (Taiwan)) as was intended. Thus as Table 8 shows,

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[8] Thus, according to the press reports issued by the American Textile Manufactures Institute, Washington D.C., the estimated value of U.S. textile and apparel imports increased to $9.1 billion in 1980 from $8.1 billion in 1979 (+12.3 per cent). In terms of quantity, the comparable increase was to 4.9 million square yards equivalent from 4.6 million square yards equivalent (or by +6.5 per cent). The 1980 volume thus was much below the 5.7 million square yards equivalent level in 1978. Financial Express (Bombay), January 1, 1981.

[9] Ibid.

Hong Kong's aggregate imports of "textiles" to the U.S. in volume terms fell by 12.5 per cent in 1978, 21.3 per cent in 1979 and 8.5 per cent in 1980. The comparable changes (over previous year) for Republic of Korea were: -18.8 per cent in 1978, and -11.0 per cent in 1979 and for China (Taiwan) were: -6.0 per cent in 1978 and -8.6 per cent in 1979.[10] Quotas could not be filled by all three countries for several product categories in 1979 as seen from Tables 9, 10 and 11. Imports from India to the U.S. fell in volume in aggregate terms by 1 per cent in 1979 and by 4 per cent in 1980. India's performance in quota utilisation was generally poorer than of other countries being studied and in fact deteriorated for several product categories over the years 1978 to 1980 (see Tables 12,13 and 14). Besides the effect of new restrictions, this state of affairs of India is partly due to the prevalence of recessionary conditions in the U.S. It is, however, largely due to internal problems of India (including more lucrative domestic demand and less effective policy and administrative measures to monitor, review and promote such exports and problems with the system of internal distribution of quotas).[11] Thailand appears to have benefitted from the relative increase of restraints imposed by the U.S. on the "major suppliers" from the developing Asian region. Thanks mainly to the "generous" quotas given to Thailand by developed importing countries (including

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[10] Based on data made available by the U.S.Department of Commerce.

[11] Some of these reasons are diagnosed in my paper, "Some Aspects of the Textile Trade Agreement Between the United States of America and India,", op.cit.

the U.S.), the total exports of textiles from Thailand increased by 27.5 per cent in 1979 over 1978 (to U.S. $443.5 million). The 1978 figure itself was a high record. Thailand's exports of "textiles" remained buoyant in the first half of 1980 for which latest data is available.[12]

II

A CRITIQUE OF U.S. TEXTILE IMPORT POLICIES UNDER MFA

The following observations are offered for a critical appraisal of the U.S. textile import policies with special reference to the selected developing Asian countries under MFA discussed in Section I:

(1) There appears to be little doubt that in implementing the MFA, the United States has paid scant regard to the Arrangement's multilateral character with certain safeguards. The U.S. has converted the MFA primarily into a series of bilateral agreements which are frequently renegotiated. There has been a proliferation of amendments to the bilateral agreements with selected developing Asian countries during the MFA-II period which have on balance proved to be more restrictive in nature for majority of these countries than the bilateral agreements (with amendments) concluded during the MFA-I period. All these restrictions have been concluded under Article 4 of the MFA, to minimise the possibility of market disruption (actual or threat thereof). The U.S.

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[12] Textile Asia, Vol.XI, No.9, September 1980, p.164.

administration has never provided any concrete proof of market disruptio nor any details of the estimated costs of market disruption actually caused (or likely to be caused) by imports from the so-called low-cost Asian countries.

(2) The case for further restrictions on imports due to high import penetration ratios causing or likely to cause market disruption has been exaggerated at least for the aggregate volume limits. Thus a close study of the U.S. Trade Statistics in volume terms for the period 1974 to 1979 reveals that retained production (defined as domestic production minus exports) as a percentage of apparent consumption (defined as retained production plus imports) of textiles and apparel has never been lower than 87 per cent. Thus U.S. producers do get a high market share of the U.S. market (compared to imports which have claimed the highest share of only 13 per cent of apparent consumption in the U.S. in 1978).[13]

(3) The net effect of all adjustments in bilateral agreements with most of the developing Asian countries in the MFA period, particularly during the first two years of MFA-II (1978 and 1979) has been mostly one way, namely, towards tightening restrictions on the imports of both textile mill products and especially apparel products. The U.S. textile and apparel industries have not been continuously faring badly in their performance during each of the years of the MFA period. This can be seen from data on various indicators like production, employment, gains in

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[13]The year-to-year calculations of this ratio for the period 1974 to 1979 are published in Appendix-I of the Hong Kong's Textile and Clothing Industries Comment on the MFA, op.cit, p.21.

productivity, prices realized by producers (which have not been dampened by competition from "cheap" imports), fresh capital expenditures, exports and the like provided in Tables 1 and 2. These were reported in Section-I of this paper. The assymetry effect may be noted here. The improvements recorded by the domestic textile and apparel industries in recent years have not been adequately reflected in liberalisation of imports of selected product categories of textiles and apparel.

(4) There appears to be a clear discriminatory bias against developing countries in general and Asian countries in particular during the MFA period. Even small countries like Sri Lanka which were uncontrolled till 1980 have been recently controlled. Whereas imports of textiles and apparel from the developing Asian countries are being restricted more and more in recent years, imports from the developed market economics (industrial countries of the Western Europe) and several other semi-industrialised countries like Greece, Portugal and Spain and some other countries continue to be outside the network of those controlled under the MFA. It may be noted that the U.S. producers of selected "sensitive" products (where import penetration is high) usually concentrate on the upper two-thirds of the higher price and more sophisticated segment of the market. The real competition in this segment is only from the other developed countries and not from "low-cost" developing countries The latter compete among themselves for the relatively lower-priced (about one-third) segment of the market. Thus is value terms, as may be seen from Table 4, throughout the 1973-79 period, developed countries

have held a more dominant share of total imports of textile products in the U.S. market (always more than 50 per cent). This is, of course, not true for the labour-intensive apparel industry where the share of the developed countries in total value of imports has been declining and is currently around 13 per cent. In Volume terms, the share of six "uncontrolled" developed countries namely, U.K., Italy, France, Canada, Federal Republic of Germany and the Netherlands in total U.S. imports of textile and apparel has ranged from 10 to 15 per cent (see Table 7). Some of these countries have indeed registered "sharp" increases in some years in the volume of their exports to the U.S. during the MFA period - even faster than those recorded by some of the "major" supplier developing Asian countries (as may be seen by comparing Tables 6 and 7). Yet the U.S. has made no special policy to control imports from such countries. The mutuality of interest with other developed countries and the fear of retaliation by these stronger partners in international trade can be significant reasons for not resorting to discrimination against them for such imports.

(5) The invoking of "sectoral" balance of trade argument for tightening imports of textiles and apparel from the selected developing Asian countries does not make much sense. As a recent UNCTAD study has reemphasized, a very substantial portion of this type of deficit (over 80 per cent) of developed countries (like the U.S) is met by "reverse flows" in the form of exports of related products such as textile machinery,

dyes etc.[14] The United States usually has an overall surplus in its balance of trade. Pursuing this type of argument of sectoral and country or region specific deficit to the U.S. - EEC trade in textiles, we may note that EEC had a trade deficit in textiles with the U.S. of $3.6 billion in 1979. Even in terms of market share analysis, the U.S. had emerged as a major exporter of textiles to the EEC. The U.S. share of the EEC market had increased sharply within two recent years from 8.8 per cent in 1977 to 14.3 per cent in 1979 for non-textured yarn and from 0.4 per cent to 7.9 per cent for textured yarn for the same period.[15] By same criterion of increasing "import penetration", should the EEC not bring USA in its network of bilateral agreements for restricting such exports temporarily (to be made a regular feature thereafter as in the case of some of the developing Asian countries)?

(6) The United States has been quite successful in managing its imports of textiles and apparel at relatively lower levels of import penetration compared to the EEC through its bilateral and multilateral diplomacy since 1971 when "multi fiber" quotas were introduced for the first time. Extending the period of analysis to 1971-79, Keesing and Wolf have pointed out in a recent paper that since 1972, the combined U.S. imports of textile products in million square yards equivalent fell and remained below their 1971 level. They have found that this

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[14] Implications for Developing Countries of Recent Developments in International Trade in Textiles, Report by the UNCTAD Secretariat, Geneva : United Nations Conference on Trade and Development, TD/B/C.2/204, 24 June 1980, p.v.

[15] News item as reported in the Economic Times (Bombay), February 10, 1981.

position was achieved during the 1971-79 period because an increase in apparel imports at about 2.7 per cent per year was more than offset by a fall in textile imports at the rate of about 8 per cent per year.[16] The U.S. was able to see through the importance of controlling "base levels" of imports from major "low-cost" supplier countries early in the game. It therefore imposed comparatively strict quotas against Hong Kong, Republic of Korea and China (Taiwan). The quota levels fixed and implemented were considerably effective in halting the rate of growth of imports from these three countries when we consider the period 1971 to 1979. Keesing and Wolf, have noted that this was so as the combined exports of these three countries to the U.S. during 1971-79 increased in equivalent square yards at only slightly over 1 per cent per annum whereas comparable exports from other developing countries to the U.S. increased at over 8 per cent per annum resulting in an average annual growth rate of only 3.7 per cent for all developing countries to the U.S. for the same period.[17]

(7) The political dimension of the MFA and the bilateral agreements with the low-cost textiles supplying countries is no less important; in fact, political factors (political power backed by economic power) provide the major explanation for the relatively smooth operations by the U.S. in extracting and implementing restrictive bilateral agreements with the selected developing Asian countries. The MFA has been used by

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[16] Donald Keesing and Martin Wolf, "International Trade in Textiles and Clothing", (paper presented at the Brussels International Conference on Trade in Textiles and Clothing, sponsored by the International Chamber of Commerce, Paris and the Trade Policy Research Centre, London), _Textile Asia_, Vol.XI, No.7, July 1980, p.123.

[17] Donald Keesing and Mortin Wolf, _Ibid_, p.123

the U.S. as a political tool for its discriminatory textiles import policies. It is a convenient instrument which can be used by the U.S. Administration at its own initiative without prior approval by the Congress. The Congress also likes it as much as industry does because imports from selected sources are restrained without any compensations to be financed from the Treasury. Thus vocal political interests at home are satisfied. The governments of the restrained countries can publicy pronounce that the restraining country is fully responsible for imposing restrictions. Through periodic negotiations, reviews and amendments of bilateral agreements, the U.S. Administration can to some extent play favourites with pressure groups at home and abroad. Because of its dominant bargaining position, the U.S. has been relatively free to use the policy of fixing bilateral quotas. The quotas have been more in the nature of mandatory restraints than of voluntary nature. Such restraints have been imposed by the U.S. in the past not only for the textiles but for several other products as well.[18] Surveying the voluntary and mandatory quota arrangements, Robert Stern aptly commented that it is "most disturbing that there is no effective restraint on this kind of policy either nationally or within GATT".[19] The GATT has

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[18]For an analysis of the differences between quantitative restrictions in the form of Import Quotas and "Voluntary Export Restraints" (VERs) and the experience of U.S. in using VERs, see C.Fred Bergsten, "On the Non-Equivalence of Import Quotas and 'Voluntary' Export Restraints", in C.Fred Bergsten, (ed), Toward a New World Trade Policy: The Maidenhead Papers, Lexington, Mass: Lexington Books (D.C.Heath and Company), 1975, Chapter 15.

[19]Robert M.Stern, "Tariffs and Other Measures of Trade Control: A Survey of Recent Developments", Journal of Economic Literature, Vol.XI, No.3, September 1973, p.871.

been virtually made to keep its hands off such Arrangements by giving its implicit permission to conclude the Textiles Arrangement under its auspices. This was done primarily at the initiative of the United States. It is a tribute to the success of American bilateral diplomacy that no major complaint has been lodged by a developing country against the U.S. in the Textiles Surveillance Board (T.S.B.) in recent years.

(8) The short term objective of the MFA was to achieve orderly expansion of world trade in textiles without at the same time causing actual or possible threat of market disruption by imports of particular products from particular sources so as to reduce the short-run ("temporary") costs of adjustments. This objective has been met satisfactorily. However, the long term objective of the MFA was to ensure structural adjustments by permitting relocation of textiles and especially clothing industries among the developed and the developing countries in line with the principle of dynamic comparative advantage. This principle favors shift of labor-intensive products (such as clothing) away from developed to developing countries and permitting freer trade in the long run in such products. The U.S. Government has not made much progress in hastening such structural readjustments despite its controls on imports of textiles and clothing from low-cost developing countries for twenty years by now. This failure to appropriately restructure these industries internationally, as a recent UNCTAD report has pointed out, "merely transfers the burden of structural adjustment to other trade partners, in particular, the exporting developing countries".[20]

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[20] Implications for Developing Countries of Recent Developments in International Trade in Textiles, op.cit., p.iv.

(9) Then there is the question of calculating the costs of increased quantitative restrictions on imports of textiles and clothing under the MFA to the U.S. and whether they are justified considering their benefits. There is also the further question of whether the U.S. has succeeded in arranging the most favourable restrictions from the U.S. point of view. The comparative static effects of Quantitative Restrictions (QRs) or VERs, having the same effect on the level of imports under market conditions of perfect competition have been analysed geometrically by Bergsten in a partial equilibrium framework assuming that all foreign suppliers are covered (Figure 1) and that only major suppliers are covered and some others are excluded (Figure 2).[21] The principal elements to be quantified in estimating the net welfare costs of such import restrictions are: (i) the loss in consumers surplus; (ii) the gain in producers' surplus; (iii) the extent of sharing of "tariff equivalent revenue" between foreign suppliers and U.S. importers (trade channels); and (iv) Production and Consumption deadweight losses. The above analysis needs to be modified to take care of the dynamic effects of VERs like the possible reduction in the degree of inter se competition among the exporters in the restrained country(ies) and their attempts to export either through transhipments or relocation of their production or marketing ventures to other "non-controlled" or "lesser controlled" countries who have unutilised quotas for exports to the restraining countries. This task requires an independent study which

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[21] C. Fred Bergsten, "On the Non-Equivalence of Import Quotas and "Voluntary" Export Restraints," op. cit., p. 246 and p.252.

is beyond the scope of the present paper.[22] It is pertinent to observe here that the major cost of such restrictions to the U.S. is borne by the U.S. consumers. The consumers in the U.S., as anywhere else, are least organised politically and hence least vocal. Import restrictions under the MFA add to the inflation whose effects are faced by the consumers. An important dimension of the Consumers' angle which is relatively inadequately brought out relates to the effect of such restrictions on the poorer sections of the consumers. Since imports from developing countries which are restrained generally come in the relatively low-priced segment of the market and are mainly consumed by the households with lower and middle level incomes, such restrictions are likely to hurt the interests of the relatively weaker sections of the society as consumers.[23]

(10) The Costs of the increased restraints under MFA-II to the selected developing Asian countries have been quite high. The three "major" suppliers from this region are highly export-oriented in "textiles" (especially clothing) due to their comparative advantage in these products. "Textiles" are a major industry in these countries employing a sizeable

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[22] There is very little empirical work in the literature on this subject for U.S.A. One such study is : Stephen P.Magee, "The Welfare Effects of Restraints on the U.S. Trade", Brookings Paper on Economic Activity. Vol.3, 1972, pp.671-4. Any such empirical study on the U.S. textiles imports has to deal with the price effects of restrictions and with the relevant price and/or income elasticities of demand for such imports. Two recent studies on this subject are: (i) Robert M.Stern et. al. (eds), Price Elasticities in International Trade: An Annotated Bibliography, London: MacMillan (for the Trade Policy Research Centre), 1976, pp. 14-26; and (ii) U.S. International Trade Commission (Office of Economic Research), Foreign Trade Elasticities for Twenty Industries, Washington D.C., 1975.

[23] This point is empirically illustrated by Glen Jenkins in the Canadian case in his study cited in Textile Asia, Vol.XI, No.9, September 1980, p.19.

proportion of their labor force. By any statistical measure, the importance of this industry is much greater for these countries than for the developed countries like the U.S. Thus any new import restraints hurt these major suppliers badly. This can be illustrated with reference to Hong Kong which has almost no domestic base and has been hit hardest by the new import restraints imposed by the U.S.A. (and E.E.C. and Nordic Countries) under MFA-II. It is estimated that over the last 20 years, Hong Kong's exports of textiles and clothing accounted for over 40 per cent of the value of its exports of domestic origin and their contribution to the net output of manufacturing was over 45 per cent in the 1970's. These industries employed 41.5 per cent of the workforce of the manufacturing sector of Hong Kong.[24] Partly as a result of lower exports, Hong Kong's textile industry has been facing serious dislocation recently. It is reported that the index of production in spinning and weaving industries in September 1980 recorded its lowest level since the first quarter of 1975. Employment in the spinning, weaving and finishing mills is reported to have dropped to less than 90,000 persons from 100,000 persons in the first nine months of 1980, "hitting a 10 year low".[25] Serious dislocation has also been caused to "middle level suppliers" like India by the increased restraints on its exports of textiles and clothing to the U.S. (and other markets). Besides the current adverse impact of such new restraints by substantially reducing the exports and

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[24] _Hong Kong's Textile and Clothing Industries Comment on the MFA, op. cit._, p.3.

[25] As reported in a news item in _Financial Express_ (Bombay), March 10, 1981, p.2.

adversely affecting the employment situation in India, they have virtually deprived this country (and similar other countries) of the potential avenue of increasing foreign exchange earnings to finance plans for accelerating their economic development. Thus, India which had hopes around 1976 of increasing its garment exports (envisaged as "dynamic" sector) from around Rs. 200 crores to nearly Rs.1,000 crores by 1980-81 could hardly realise around Rs. 350 crores in 1979 from such exports. The value of India's exports of garments to the U.S. fell from Rs. 109 crores in 1979 to about Rs. 97 crores in 1980.[26] As Bergsten has pointed out, these restraints "carry especially high costs for those "middle countries" who have become significant enough to be covered under VERs but unlike most leading suppliers, still have the internal dynamism and the market scope to grow a good deal more."[27]

(11) The costs of serious dislocation caused to "major" and "middle level" suppliers from developing countries by increased restraints on imports of textiles and clothing to the U.S. (and other developed markets) have not been compensated by any official policies. The only compensation available through market channels has been the possibility of realizing higher prices in the market of the country imposing restraints by reaping part of the scarcity premium. But as Robert Stern has commented, this is "some small compensation" for the exporting country compared to the total costs of such restrictions to such a country.[28] The developing

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[26] As reported in the Financial Express (Bombay), March 6, 1981, p.1

[27] C.Fred Bergsten, op.cit., p.257.

[28] Robert M.Stern, "Tariffs and Other Measures of Trade Control", op. cit., p.870.

countries presumably accepted these restraints in return for an assurance of access to a certain size of the market and a certain rate of growth say on an annual basis (if not four-yearly basis) within which they could operate through the interplay of market forces, thus reducing the variance of sales figures. This premise has not been fulfilled as the developed countries have resorted to frequent changes in limits even within a year.

(12) It is not clear as to how much the avowed policy of "socialism" in designing and administering the quotas in favour of the "new" or "marginal" developing countries and against the established developing countries by the U.S. has helped the former group of countries. The data in terms of changes in value and volume can give conflicting picture in this regard. Thus, whereas exports of "textiles" from Thailand representing "marginal supplier" countries in value terms have been reported to have increased substantially in 1979 (and this is likely to be true of its exports to the U.S. in 1979 as well), there has actually been a decline of its total exports to the U.S. in volume terms by 19 per cent in 1979 (over 1978) as shown in Table 6. Again, as Table 6 reveals, Thailand's exports of all "textiles" to the U.S. had shown a decline in volume terms by 28 per cent in January-July 1980 over the corresponding period in 1979. Similarly, Malaysia, another "marginal supplier" to the U.S. market had also recorded no increase in its total exports of "textiles" in volume terms in 1979 over 1978 and in fact registered a decline of 21 per cent in January - July 1980 over the corresponding period of 1979. Moreover, part of the increase in the exports

of "marginal" Asian suppliers may be due to the producers from the "major supplier countries" shifting their production ventures to such "marginal" supplier countries or by transhipments thus gaining a part (may be a substantial part) of the increased export earnings of the "marginal suppliers". Fragmentary evidence suggests that this has indeed been happening. The quota system has lured some producers in the "major supplier" countries to sub-contract production in "lesser controlled' countries and in shipping goods to the U.S. on false certificates of origin.[29] This has raised difficult administrative problems of monitoring and policing the activities of business units and instituting legal cases against offenders by the Governments of the restrained countries. This is also true to some extent for some "middle level supplier" countries. These countries are administratively even less equipped to handle such problems. Having an eleborate machinery for export control does add to the costs of such exports to the developing countries. In addition, the problem of trading of quotas in the internal market of restrained countries remains uncontrolled. Most of the developing Asian countries indeed have suffered from reductions in the growth rates of their exports of all textiles to the U.S. market under MFA-II period. It appears that the greater "benefit" of restraints on developing Asian countries has gone to the countries of the

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[29] For example, a garment factory in Hong Kong was fined HK $40,000 by the Court for declaring China - made jeans as made in Hong Kong. U.S. authorities had detected this transaction and finally debited the amount involved (1,000 dozen pairs jeans) to Hong Kong's quota. See <u>Textile Asia,</u> Vol. XI, No.7, July 1980, p.94.

Eastern Trading Area and the group of the "uncontrolled" countries. A careful study of the data provided in Table 4 shows that the Eastern Trading Areas have steadily increased their share in the value of U.S. imports of textiles from 1.3 per cent in 1973 to 4.7 per cent in 1979 (a three fold rise) and in clothing items from 0.9 per cent to 4.4 per cent (more than fourfold rise) in the same period. The corresponding figures of increases for the group of developing countries have been from 37.3 per cent to 45 per cent for textiles and from 69 per cent to 83 per cent for clothing. It may also be seen from Table 6 that the combined imports of all "textiles" to the U.S. in volume from 7 developing Asian countries (namely, Hong Kong, India, Republic of Korea, Philippines, Pakistan, Singapore, and China - Taiwan) declined over previous year's figures by 7.8 per cent in 1977 and by 11.3 per cent in 1979. However, as Table 7 shows, the comparable combined imports from 6 developed "unctontrolled" countries (namely, U.K., Italy, France, Canada, Federal Republic of Germany and the Netherlands) increased by 43.3 per cent in 1976, by 21.4 per cent in 1977 and by 1.5 per cent in 1978. Thus, it appears that some of the "uncontrolled" countries enjoyed higher rates of growth in their imports of all textiles to the U.S. market compared to developing Asian countries during some of the years of the MFA period.

III

CONCLUSIONS AND RECOMMENDATIONS

The inescapable conclusion of the above analysis is that in implementing MFA-II, the U.S. has made it more restrictive than MFA-I for the selected developing Asian countries. The MFA (and its predecessor Arrangements) were a derogation from the original framework of the GATT. The MFA-II by implementation has proved to be a further derogation from the MFA-I in the case of U.S.[30] The U.S. along with other developed member countries of the MFA have not found it possible to give up such Arrangements (originally designed to be "temporary" in nature) even after twenty years of operating them. The developing countries in general and the developing Asian countries in particular are being systematically discriminated against under this arrangement. This has caused considerable dislocation to their economies which is neither adequately recognised nor compensated by the U.S. (and other countries practising such discrimination). The multilateral safeguards provided under the MFA particularly through the institution of the Textiles Surveillance Board have proved to be ineffective in protecting the interests of the developing countries who have been facing increased discriminatory restrictions. The U.S. has virtually converted the MFA

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[30] The same conclusion has been reached in the report of UNCTAD considing the implementation of MFA-II by all the developed member countries of the MFA. See, Implications for Developing countries of Recent Developments in International Trade in Textiles, op. cit., p.34.

into a series of bilateral agreements. These have been frequently renegotiated to its advantage due to its greater political and economic power. There is also a talk in the U.S. by vested interests to bring some other labor-intensive products under MFA-type arrangements. If true, this does not augur well for the future growth of exports from the developing countries.

As for the future, the U.S. Government is urged not to succumb to the U.S. industry's call of further tightening of the MFA when the current MFA-II expires on December 31, 1981. In fact, considering the recent improvements in the performance of U.S. economy in general and textile and apparel industries in particular, the U.S. can afford to be more liberal in future. It can also take further concrete steps to help the restructuring of these industries internationally through a long term plan.

Simultaneously, the developing countries must take a united stand in negotiating the future of the MFA as a truly multilateral instrument. This must be based on multilateral discipline on bilateral agreements. The developed countries will continue to need an MFA type instrument to regulate their imports of "textiles" from the developing countries and will not like to go back to the framework of the GATT as far as trade in this sector is concerned. The best hope for the developing countries is to stand together to seek strengthening of the original MFA by proposing the following major reforms:

(1) The term "market disruption" (or threat thereof) should be operationally defined clearly. The countries planning to invoke restraints under this clause should agree to submit themselves to the multilateral discipline before taking action bilaterally. A proper and adequate (say one year) notice period should be given through Textiles Surveillance Board (TSB) to the country likely to be affected. The country planning to impose restraints must prove its case and get the approval of the T.S.B. that such a case holds and the action planned is justified. The T.S.B. should be constituted of independent exports (judges) without affiliation to any Government. The verdict of the T.S.B. should be accepted by all parties as being final. All proposed bilateral agreements must be examined by the T.S.B. and approved <u>before</u> they are made effective.

(2) A link must be evolved between imposing short term restraints and the program of structural re-adjustments of the textile and clothing industries in a phased manner. This may be done through "four" yearly plans (coinciding with the period of the "MFA" or its replacement). These should be in line with the principle of dynamic comparative advantage. The T.S.B. should monitor, review and reformulate such plans at least on an annual basis. In case of default or lack of progress in this respect, the concerned developed country imposing restraints should pay specific compensations at a graduated scale according to the degree of the injury/dislocation caused to the concerned developing country and according to the time involved for continuing such restrictions.

The T.S.B. must appoint independent experts to carefully evolve such a scheme as well. The decisions of the T.S.B. must be mandatory for all parties.

(3) Last but not the least, the developing countries must negotiate for "orderly expansion of trade" in "textiles" within the integrated framework of "tariff" and "non-tariff" restrictions under the GATT. The rules of the GATT themselves (particularly Article 19) need to be reformed to reflect the interests of the developing countries more adequately.

The reforms proposed above would, of course, require greater understanding and full cooperation from the developed countries. The real question is: Would this be forthcoming from the more powerful partners in international trade and diplomacy?

TABLE : 1

PERFORMANCE OF U.S. TEXTILE MILL PRODUCTS, 1973-79

(Values in millions of dollars except as noted and percentage change over previous year)

Item	1973	1974	1975	1976	1977	1978	1979
1. Value of shipments(% change)	31073	32789 (5.5)	31064 (-5.3)	36389 (17.1)	40823 (12.2)	43888 (7.5)	46900 (6.9)
2. Value added (% change)	13017	13159 (1.1)	12045 (-8.5)	14495 (20.3)	15825 (9.2)	17520 (10.7)	18291 (4.4)
3. Value added per production hour($)(% change)	7.44	8.29 (11.4)	8.72 (5.2)	9.55 (9.5)	9.90 (3.7)	11.00 (11.1)	11.66 (6.0)
4. Total Employment (000) (% change)	980.3	931.5 (-5.0)	835.1 (-10.3)	875.9 (4.9)	867.1 (-1.0)	864.5 (-0.3)	855.9 (-1.0)
5. Year to Year percent change in average hourly earnings (Dec.to Dec.)	8.5	6.8	8.5	7.8	7.5	8.2	8.3
6. Capital expenditures (% change)	1121	1169 (4.3)	997 (-14.7)	1088 (9.1)	1235 (13.5)	1396 (13.0)	1463
7. Year to Year percent change in producers price index (December to December)	NA	NA	NA	3.7	3.9	3.0	4.3
8. Value of Exports (% change)	1163.5	1703.8 (46.4)	1532.7 (-10.0)	1855.2 (21.0)	1857.3 (0.0)	2073.4 (11.6)	3027.2 (46.0)
9. Value of Imports (% change)	1541.1	1597.1 (3.6)	1211.9 (24.0)	1626.3 (34.2)	1764.8 (8.5)	2212.0 (25.3)	2190.0 (-1.0)

Source: U.S. Industrial Outlook 1979 and 1980 (U.S.Department of Commerce)

TABLE : 2

PERFORMANCE OF U.S. APPAREL AND OTHER TEXTILE PRODUCTS, 1974-79

(Values in millions of dollars except as noted and per cent change over previous year)

Items	1974	1975	1976	1977	1978	1979
1. Value of shipments (% change)	30632	31430 (2.6)	34759 (10.6)	40079 (15.3)	43215 (7.8)	46690 (8.0)
2. Value added (% change)	14943	14749 (-1.3)	16860 (14.3)	19452 (15.4)	20912 (7.5)	22602 (8.1)
3. Value added per production hour ($) (% change)	7.33	7.80 (6.4)	8.41 (7.8)	9.57 (13.8)	10.25 (7.1)	11.46 (11.8)
4. Total Employment (000) (% change)	1316.7	1214.2 (-7.8)	1270.5 (4.6)	1331.6 (4.8)	1334.3 (0.2)	1313.1 (-1.6)
5. Year to Year percent change in average hourly earnings. (December to December)	9.6	5.2	8.3	6.8	8.2	7.6
6. Capital expenditures (% change)	391.4	380.6 (-2.8)	422.7 (11.1)	447.5 (5.9)	-	-
7. Year to Year percent change in producers price index. (December to December)	NA	NA	NA	NA	4.0	5.1
8. Value of Exports (% change)	332.7	340.6 (2.4)	434.2 (27.5)	524.1 (20.7)	551.0 (5.1)	819.0 (48.6)
9. Value of Imports (% change)	2095.4	2318.1 (10.6)	3256.5 (40.5)	3649.7 (12.1)	4833.3 (32.4)	5075.0 (5.0)

Source: U.S. Industrial Outlook 1980 (U.S. Department of Commerce)

TABLE : 3

TRADE IN TEXTILES AND CLOTHING* OF THE U.S.:1973 TO 1979

(Values in Billions of dollars and Percent Change Over Previous Period)

	1973	1974	1975	1976	1977	1978	1979
I. EXPORTS, f.o.b.							
Textiles	1.22	1.80	1.62	1.97	1.96	2.22	3.18
(% change)		(47.5)	(-10.0)	(21.6)	(0.0)	(13.3)	(43.2)
Clothing	0.29	0.42	0.42	0.56	0.67	0.72	0.76
(% change)		(44.8)	(0.0)	(33.3)	(19.6)	(7.5)	(33.3)
Textiles and Clothing	1.51	2.12	2.04	2.53	2.63	2.94	4.14
(% change)		(40.4)	(-3.8)	(24.0)	(4.0)	(11.8)	(40.8)
II. IMPORTS, f.o.b							
Textiles	1.58	1.63	1.23	1.65	1.79	2.11	2.11
(% change)		(3.2)	(-24.5)	(34.2)	(8.5)	(17.9)	(0.0)
Clothing	2.17	2.32	2.55	3.61	4.12	5.48	5.73
(% change)		(6.9)	(9.9)	(41.6)	(14.1)	(33.0)	(4.6)
Textiles and Clothing	3.75	3.95	3.78	5.26	5.91	7.59	7.84
(% change)		(5.3)	(-4.3)	(39.2)	(12.4)	(28.4)	(3.3)
III. BALANCE (I - II)							
Textiles	-0.36	6.17	0.39	0.32	0.17	0.11	1.07
(% change)		(2097.0)	(-93.7)	(-17.9)	(-46.9)	(-35.3)	(872.7)
Clothing	-1.88	-1.90	-2.13	-3.05	-3.45	-4.76	-4.77
(% change)		(5.3)	(12.1)	(43.2)	(13.1)	(38.0)	(0.0)
Textiles and Clothing	-2.24	-1.83	-1.74	-2.73	-3.28	-4.65	-3.70
(% change)		(-18.3)	(-4.9)	(56.9)	(20.2)	(41.8)	(-20.4)

*SITC Division 65 (Textiles) and 84 (Clothing)

Source: United Nations: Commodity Trade Statistics, Series D

TABLE : 4

U.S. IMPORTS OF TEXTILES AND CLOTHING BY AREAS

(Values in Billion dollars and percentage change over the previous year)

Year	TEXTILES				CLOTHING			
	Total	Industrial Areas	Developing Areas	Eastern Trading Areas	Total	Industrial Areas	Developing Areas	Eastern Trading Areas
1973	1.58	0.96	0.59	0.02	2.17	0.66	1.49	0.02
1974	1.63 (31.6)	0.84 (-12.5)	0.74 (25.4)	0.04 (100.0)	2.32 (6.9)	0.56 (-15.1)	1.74 (16.8)	0.02 (0.0)
1975	1.23 (-24.5)	0.69 (-17.8)	0.49 (-33.8)	0.04 (0.0)	2.55 (9.9)	0.51 (-8.9)	2.01 (15.5)	0.03 (50.0)
1976	1.65 (34.1)	0.86 (25.0)	0.73 (32.9)	0.07 (75.0)	3.61 (41.6)	0.63 (23.5)	2.91 (44.8)	0.07 (133.3)
1977	1.79 (8.5)	0.98 (14.0)	0.74 (0.0)	0.06 (-14.3)	4.12 (14.1)	0.71 (12.7)	3.30 (13.4)	0.11 (57.1)
1978	2.24 (25.1)	1.23 (25.5)	0.91 (23.0)	0.09 (50.0)	5.42 (3.6)	0.86 (21.1)	4.37 (32.4)	0.18 (63.6)
1979	2.11 (-5.8)	1.06 (-13.8)	0.95 (4.4)	0.10 (11.1)	5.73 (5.7)	0.74 (14.0)	4.73 (8.2)	0.25 (38.9)

Source: GATT: International Trade (Annual Report): Various Issues.

TABLE : 5

U.S. COTTON, WOOL AND MAN-MADE FIBER TEXTILE IMPORTS: 1975 TO 1980

(Million Equivalent Square Yards)

Product Group	Fiber	1975	1976	1977	1978	1979	1980* (Jan.-July)
I Yarn	Cotton	46	105	51	122	48	47
	(% change)		(128)	(-51)	(139)	(-61)	(24)
	Wool	5	10	11	10	6	5
	(% change)		(100)	(10)	(-9)	(-40)	(25)
	Man-Made	504	708	997	841	384	186
	(% change)		(40)	(41)	(-16)	(-54)	(-28)
	Total	555	823	1059	973	439	237
	(% change)		(48)	(29)	(-8)	(-55)	(-21)
II Fabric	Cotton	570	947	654	933	696	431
	(% change)		(66)	(-31)	(43)	(-25)	(0)
	Wool	13	17	23	25	21	12
	(% change)		(31)	(35)	(9)	(-16)	(-20)
	Man-made	384	450	480	318	399	283
	(% change)		(17)	(7)	(8)	(-23)	(+15)
	Total	967	1414	1157	1476	1116	726
	(% change)		(46)	(-18)	(28)	(-24)	(5)
III Apparel	Cotton	542	732	804	942	935	601
	(% change)		(35)	(10)	(17)	(-1.0)	(11)
	Wool	51	67	88	98	84	46
	(% change)		(31)	(31)	(11)	(-14)	(10)
	Man-Made	1487	1779	1729	1862	1653	1078
	(% change)		(20)	(-3)	(8)	(-11)	(11)
	Total	2080	2578	2621	2902	2671	1724
	(% change)		(24)	(2)	(11)	(-8)	(11)

...contd...

TABLE : 5 (CONTD.)

Product Group	Fibre	1975	1976	1977	1978	1979	1980* (Jan.-July)
IV Madeup & Miscellaneous	Cotton	125	176	166	229	214	128
	(% change)		(41)	(-6)	(38)	(-7)	(-2)
	Wool	12	12	12	11	11	6
	(% change)		(0)	(0)	(-8)	(-0)	(0)
	Man-Made	92	137	145	171	188	110
	(% change)		(49)	(6)	(18)	(10)	(-3)
	Total	229	325	323	411	413	244
	(% change)		(42)	(-1)	(27)	(0)	(-2)
TOTAL IMPORTS	Cotton	1282	1961	1676	2226	1893	1206
	(% change)		(53)	(-15)	(33)	(-15)	(5)
	Wool	77	106	134	144	122	69
	(% change)		(38)	(+26)	(7)	(-15)	(5)
	Man-Made	2468	3074	3352	3392	2624	1656
	(% change)		(25)	(9)	(1)	(-23)	(4)
	Total	3827	5141	5162	5762	4639	2932
	(% change)		(34)	(0)	(12)	(-20)	(5)

*January to July 1980 over corresponding period of 1979.

Source: Computed from the U.S. Department of Commerce data as reproduced in the Textile Import Trends (Various Issues). Published by the American Textile Manufacturers Institute, Inc., Washington D.C. 20036.

TABLE : 6

MAJOR SOURCES OF IMPORTS OF U.S. COTTON, WOOL, AND MAN-MADE FIBER "TEXTILES" (INCLUDING APPAREL ETC.)

(Million Equivalent Square Yards Supplied)

Imports from	1975	1976	1977	1978	1979	1980* (Jan.-July)
1. Hong Kong	636	887	838	959	812	471
(% change)		(+39)	(-6)	(+14)	(-15)	(+2)
2. India	95	223	160	150	133	97
(% change)		(+135)	(-28)	(-6)	(-10)	(+7)
3. Korea (Rep.)	440	613	553	560	503	377
(% change)		(+39)	(-10)	(+1)	(-11)	(+27)
4. Phillippines	110	128	141	146	162	93
(% change)		(+16)	(+10)	(+4)	(+11)	(-1)
5. Pakistan	66	141	64	176	178	84
(% change)		(+114)	(-55)	(+175)	(0.0)	(-33)
6. Singapore	73	88	64	119	114	68
(% change)		(+21)	(-27)	(+86)	(0.0)	(-4)
7. China (Taiwan)	522	638	687	727	612	480
(% change)		(+22)	(+8)	(+6)	(-16)	(+36)
8. Thailand	-	-	-	80	65	31
(% change)					(-19)	(-28)
9. Malaysia	-	-	-	30	30	15
(% change)					(0.0)	(-21)
10. China (Mainland)	139	154	68	201	231	173
(% change)		(+11)	(-43)	(128)	(-15)	(+45)
11. Total	1942	2716	2507	2837	2514	1670
(% change)		(+40)	(-7.8)	(13.2)	(-11.3)	(+11.7)

*January to July 1980 over corresponding period of 1979.

Source: Same as for Table-5.

TABLE : 7

U.S. COTTON, WOOL AND MAN-MADE TEXTILE IMPORTS FROM "UNCONTROLLED" COUNTRIES

(Figures in Million Square Yards Equivalent and percentage changes over previous period)

Country	1975	1976	1977	1978	1979	1980* (Jan.-July)
1. U.K.	64	118 (84)	131 (11)	140 (7)	89 (-36)	37 (-36)
2. Italy	95	153 (61)	194 (27)	239 (23)	134 (-44)	86 (-5)
3. France	57	89 (56)	114 (28)	124 (9)	76 (-39)	37 (-33)
4. Canada	50	58 (16)	86 (48)	110 (28)	68 (-38)	70 (89)
5. F.R.Germany	153	160 (5)	203 (27)	137 (-33)	96 (-30)	55 (-7)
6. Peru					90 (-84)	41 (-24)
7. Netherlands	41	81 (98)	72 (-11)	62 (-14)	10 (0)	10 (43)
8. Sri Lanka					25 (-4)	24 (100)
9. Costa Rica					19 (-42)	11 (0)
10. Portugal					23 (-57)	10 (-38)
11. China (Peoples Rep.)	139	154 (11)	88 (-42)	201 (128)	-	-
12. All others					209 (-51)	103 (-20)
13. Total(of above)					841 (-43)	483 (-9)

*Percentage change for January-July 1980 is over January - July 1979.

Source: Same as for Table : 5

TABLE : 8

COMPARATIVE PERFORMANCE OF QUOTA UTILISATION BY MAJOR DEVELOPING ASIAN COUNTRIES EXPORTING TEXTILES OF COTTON

WOOL AND MAN-MADE FIBERS TO THE U.S. 1973-74 TO 1980

(Million Square Yards equivalent; and percent changes appropriately)

Year	Country	Agreement Period From	Agreement Period To	Unad-justed limit	Adjus-ted limit	Col(5)/ Col(4)	Imports and per cent change over previous year	Col(7)/ Col.5 Other-wise col(7)/ col(4)	Remarks (Coverage)
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)+
1973	Hong Kong	October 1,1972	September 30,1973	477.1			466.2	97.7	Cotton, Wool and Man-made.
	Korea	October 1,1972	September 30,1973	50.9			37.2	73.1	Cotton
		October 1,1972	September 30,1973	12.9			9.4	72.9	Wool
		October 1,1972	September 30,1973	375.3			330.8	88.1	Man-Made
			Total	439.1			377.4	85.9	Total
	China,Taiwan	January 1,1973	December 31,1973	99.2	104.8	(5.7)	76.9	73.4	Cotton
		October 1,1972	September 30,1973	4.8			3.0	62.5	wool
		October 1, 1972	September 30,1973	511.9			431.3	84.3	Man-made
			Total	615.9	621.5	(0.9)	511.2	82.3	Total
1974	Hong Kong	October 1,1973	September 30,1974	510.5			550.1 (18.0)	107.8	Cotton,Wool and Man-made
	Korea	October 1,1973	September 30,1974	53.4	56.1	(5.1)	40.8 (9.7)	72.8	Cotton
		October 1,1973	September 30,1974	13.0	13.1	(0.0)	9.1 (-3.2)	69.5	Wool
		October 1,1973	September 30,1974	405.3	406.8	(0.4)	295.1 (-10.8)	72.5	Man-made

...contd....

TABLE : 8 (CONTD.)

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)
1974 contd.	Korea (Rep.)		Total	471.7	476.0	(0.9)	345.0 (-8.6)	72.5	Total
	China, Taiwan	January 1,1974	December 31,1974	104.2	113.4	(8.8)	82.2 (6.9)	72.5	Cotton
		October 1,1973	September 30,1974	4.8			2.6 (-13.3)	54.2	Wool
		October 1,1973	September 30,1974	583.6			405.1 (-6.1)	69.4	Man-made
			Total	692.6	701.8	(1.3)	489.9 (-4.2)	69.8	Total
1975	Hong Kong	October 1,1974	September 30,1975	835.3	577.1	(-30.9)	463.7	80.4	Total
	Korea, Rep.	October 1,1974	September 30,1975	504.7			393.8	78.0	Total
	China, Taiwan	January 1,1975	December 31,1975	813.0			709.8	87.3	Total
1976	Hong Kong	October 1,1975	September 30,1976	887.5			233.9 (-49.6)	26.4	Total
	Korea Rep.	October 1,1975	September 30,1976	536.3	595.3	(11.0)	550.3 (39.7)	92.4	Total
	China, Taiwan	January 1,1976	December 31,1976	719.3			682.1 (-3.9)	94.8	Total
1977	Hong Kong	October 1,1976	December 31,1977	1193.4			1056.7 (351.8)	88.5	Total
	Korea, Rep.	October 1,1976	December 31,1977	725.2	760.2	(4.8)	683.0 (24.1)	89.8	Total
	China, Taiwan	January 1,1977	December 31,1977	758.9	791.1	(4.2)	744.6 (9.2)	94.1	Total
1978	Hong Kong	January 1,1978	December 31,1978	957.7			924.2 (42.5)	96.5	Total

...contd...

TABLE : 8 (CONTD.)

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)
1978 contd.									
	Korea, Rep.	January 1,1978	December 31,1978	582.1	623.7		554.8 (-18.8)	89.0	Total
	China,Taiwan	January 1,1978	December 31,1978	758.9	792.8	(7.2)	699.9 (-6.0)	88.0	Total
1979	Hong Kong	January 1,1979	December 31,1979	1015.2			727.6 (-21.3)	71.7	Total
	Korea, Rep.	January 1,1979	December 31,1979	620.0			494.0 (-11.0)	79.7	Total
	China,Taiwan	January 1,1979	December 31,1979	804.5			640.0 (-8.6)	79.6	Total
1980**	Hong Kong	January 1,1980	December 31,1980	1076.1			665.8 (-8.5)	61.9	Total
	Korea, Rep.	January 1,1980	December 31,1980	660.3	732.9	(11.0)	585.8 (18.6)	79.9	Total
	China,Taiwan	January 1,1980	December 31,1980	852.8			679.3 (6.1)	79.7	Total

@ Totals not strictly comparable because of difference in period involved.

\+ Coverage for all countries from 1975 to 1980: Cotton, Wool and Man-Made fibers and products of all these fibers.

** Provisional

Source: U.S. Department of Commerce

TABLE : 9

PERFORMANCE OF HONG KONG IN UTILISING LIMITS ON IMPORTS OF "TEXTILES" INTO THE U.S. MARKET, 1979

(In Million Units)*

Class	Unit	Unadjusted level	Type of Adjustment**	Adjusted level	Imports charged	Percent filled	(5)/(3) as%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate:	SYE	1015.2			794.9	78.3	
Group-I:	SYE	278.1			118.9	42.7	
(Yarns and Fabrics of Cotton and Man-Made Fabrics)							
Specific Levels:							
313:Sheeting, Cotton	SYD	119.3			36.1	30.2	
317:Twill & Sateen Cotton	SYD	47.2			21.8	46.1	
319: Duck,Cotton	SYD	61.4			29.2	47.5	
Group-II:	SYE	631.7			490.0	77.5	
(Apparel of Cotton and Man-Made Fabrics)							
331: Gloves	DPR	3.2	U	3.1	2.6	84.9	96.9
333/334/335:Coats	DOZ	0.41	U	0.40	0.30	70.7	97.6
335: Coats, WGI	DOZ	0.26			0.26	97.4	
338PT/339PT: Knit Shirts, MB,W	DOZ	1.8			1.4	78.5	
340: N-Knit Shirts,MB	DOZ	2.3	F,U	2.3	2.3	100.5	100.0
341: N-Knit Blouses,WGI	DOZ	2.3	U	2.2	2.2	97.6	95.7
347/348:Trousers,MB	DOZ	5.3	F,U	5.5	5.5	99.8	103.8
350: Dressing Gowns	DOZ	0.09			0.06	64.8	
351:Nightwear	DOZ	1.0			0.7	68.2	
638/639:Knit Shirts, MB, W	DOZ	3.9			3.2	82.0	
640: N-Knit Shirts,MB	DOZ	0.7			0.6	87.0	

...contd...

TABLE : 9 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
641: N-Knit Blouses WGI	DOZ	0.64	F		0.68	101.0	
649: Brassiers etc.	DOZ	1.1			0.6	54.8	
Group-III: Total (All Made-ups and Miscellaneous Articles)	SYE	62.8	F	72.2	66.1	91.5	115.0
Group-IV: Total (Wool Textiles and Apparel)	SYE	42.6			33.8	79.3	
443: Suits, MB	DOZ	0.008			0.006	79.0	
445/446: Sweaters, MB,WGI	DOZ	1.140	F	1.20	1.18	98.2	105.3

*Following abbreviations are used for units:

SYE = Square Yards Equivalent

SYD = Square Yards

DPR = Dozen Pairs

DOZ = Dozen

**Type of Adjustment codes

C = Carryover granted

CF = Carryforward granted

F = Flexibility granted

N = Consultation level increase

U = Carryforward used

O = Other

OS = Overshipment

Source: U.S.Department of Commerce

TABLE : 10

PERFORMANCE OF KOREA (REP.) IN UTILISING LIMITS ON IMPORTS OF "TEXTILES" INTO THE U.S. MARKET, 1979

(In Million Units)

(1) Class	(2) Unit	(3) Unadjusted level	(4) Type of adjustment	(5) Adjusted level	(6) Imports charged	(7) Percent filled	(8) (5)/(3) as%
Aggregate:	SYE	620.0			480.0	77.3	
Group-I: (Yarns and Fabrics of Cotton and Man-made Fibers)	SYE	124.3			90.9	73.1	
319:Duck Fabric	SYD	23.0			1.3	5.6	
313: Sheeting	SYD	8.5			8.6	101.2	
315:Print Cloth	SYD	7.0			6.99	99.9	
612:Fabric Cont.N-Cell,NK	SYD	21.0			19.5	92.7	
613: Fabric N-Cont.,N-Cell,NK	SYD	6.0			5.4	90.8	
604: Yarn,Non-Cont., Non-Cell	SYE	1.0			1.0	100.0	
Group-II: (Apparel of cotton and Man-made Fibers)	SYE	481.1			375.6	78.0	
333/334/345:Suits and Coats	DOZ	0.081	U	0.080	0.078	96.7	98.8
335:Coats, WGI	DOZ	0.047	U	0.046	0.046	100.0	97.9
338/339 Knit Shirts, Blouses,MB,WGI	DOZ	0.44			0.40	90.5	
340:N-Knit Shirts,MB	DOZ	0.14			0.12	80.6	
341:N-Knit Blouses,WGI	DOZ	0.09			0.07	79.8	
633/634/635:Coats,MB,WGI	DOZ	1.2			1.0	82.0	
638/638:Knit Shirts,MB,W	DOZ	4.9			2.9	60.1	
641:N-Knit Blouses,WGI	DOZ	0.9			0.8	88.2	
345: Sweaters	DOZ	0.03			0.02	85.0	
350: Dressing Gowns	DOZ	0.02			0.018	90.0	
649: Brassiers etc.	DOZ	0.22			0.20	92.4	

...contd...

TABLE : 10 (CONTD.)

(1) Class	(2) Unit	(3) Unad-justed level	(4) Type of adjust-ment	(5) Adjus-ted level	(6) Imports char-ged	(7) Percent filled	(8) $\frac{(5)}{(3)}$ as%
651: Nightwear	DOZ	0.03			0.04	150.4	
Group-III:	SYE	14.6			13.2	90.5	
440: N-Knit Shirts, Blouses	DOZ	0.20			0.19	94.4	
443: Suits, MB	DOZ	0.027			0.026	99.0	
444: Suits: WGI	DOZ	0.038	U	0.036	0.036	100.0	94.7

Source and Notes: Same as for Table-9.

TABLE : 11

PERFORMANCE OF CHINA(TAIWAN)IN UTILISING LIMITS ON IMPORTS OF "TEXTILES" INTO THE U.S. MARKET, 1979

(In Million Units)

Class	Unit	Unad-justed level	Type of adjust-ment	Adjus-ted level	Imports char-ged	Percent filled	(5)/(3) as %
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate:	SYE	804.5			637.2	79.2	
Group-I:	SYE	175.9			71.6	40.7	
313: Sheetings	SYD	41.1			28.5	69.2	
363: Terry Towels	Nos.	0.003	N	0.004	0.0039	98.3	133.3
604: Yarn, Non-cont., Non-Cell	SYE	1.0			0.986	98.6	
665: Floor Coverings	SFT	10.0			0.2	2.0	
Group-II:	SYE	623.6	F	667.2	560.6	84.0	107.0
331: Gloves	DPR	0.44	OS	0.42	0.41	97.0	95.5
333/334/335: Coats,MB WGI	DOZ	0.09	F	0.10	0.097	96.4	111.1
335: Coats, WGI	DOZ	0.059	F	0.064	0.064	100.0	108.5
338/339: Knit Shirts and Blouses,MB,W	DOZ	0.46	OS,F	0.48	0.48	100.0	104.3
340: Knit Shirts MB	DOZ	0.60	F	0.64	0.63	98.5	106.7
341: N-Knit Blouses,WGI	DOZ	0.35	F	0.37	0.366	99.0	105.7
347/348: Trousers	DOZ	0.79	F	0.84	0.84	100.0	106.3
633/634/635: Suit-type Coats	DOZ	1.32	N,OS	1.31	1.07	81.4	99.2
638: Knit Shirts MB	DOZ	1.43	U,F,O,N	1.60	1.60	100.0	111.9
639: Knit Shirts,Blouses WGI	DOZ	5.0	O,OS	4.9	4.7	95.9	98.0
640: N-Knit Shirts MB	DOZ	3.0			2.6	88.0	
641:N-Knit Blouses,WGI	DOZ	0.62	F	0.66	0.62	93.6	106.5
337: Play Suits	DOZ	0.08	N	0.10	0.0935	93.5	125.0

...contd...

TABLE : 11 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
345: Swaters	DOZ	0.03			0.028	90.1	
351: Nightwear	DOZ	0.09	N	0.10	0.09	90.2	111.1
631: Gloves Knit	DPR	2.11			2.10	99.8	
637: Play suits	DOZ	0.14	N	0.155	0.145	93.7	110.7
659 PT: Knit Headwear	SYB	0.9	N	22.7	22.6	99.5	2522
659 PT: Swimwear	SYE	3.26			12.3	92.9	
649: Brassiers	DOZ	0.15			0.9	58.9	
Group-III:	SYE	5.1	F	5.2	4.96	95.3	102.0
445/446: Seaters MB, WGI	SYE	1.8	F	1.9	1.89	97.3	105.6
442: Skirts	DOZ	0.1	N	0.15	0.13	86.4	150.0
444: Suits, WGI	DOZ	0.002			0.0015	83.1	

Source and Notes: Same as for Table : 9

TABLE : 12

PERFORMANCE OF INDIA IN UTILISING LIMITS ON IMPORTS OF TEXTILES INTO THE U.S. MARKET, 1978

Class	Unit	Conversion factor	Original Limit (level)	Type of adjustment	Adjusted level+	Imports into USA	Percentage Utilisation cols(7)/(6) or (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate	SYE	1.00	186,206,000			79,876,436	42.9
Group-I Yarns and Fabrics of Cotton, Wool and Man-Made Fibers (300-320, 400-429, 699-627)	SYE	1.00	150,803,000			39,497,301	26.2
313 Sheeting	SYD		50,000,000			9,072,935	18.1
610 Woven fabrics, cont. cellulosic	SYD	1.00	7,000,000			3,618,051	51.7
410 Woolen & Worsted	SYD	1.00	100,000			35,039	35.0
627 Specialty	lb SYE	7.80	128,205 1,000,000	C	384,615	26,001	67.6
Group-II: Apparel, Made-up Goods and Misc. Textile Products of Cotton, Wool and Man-Made Fibers (330-369-431-469,630-669)	SYE	1.10	35,403,000	C,CF, F.O	42,837,630	40,379,135	94.3

...contd...

TABLE : 12 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Other Group-II- continued							
362 Bedspreads and quilts	No. SYE	6.90	333,333 2,300,000			158,494	47.5
363 Terry and other pile	No. SYE	0.50	20,000,000 10,000,000			7,090,371	35.5
331 Gloves	DPR SYE	3.50	200,000 700,000			370,510	35.3
334 Coats, Other, M & B	Doz. SYE	41.30	16,949 700,000			6,283	37.1
335 Coats, WG & I	Doz. SYE	41.30	16,949 700,000			15,367	90.7
342 Skirts	Doz. SYE	17.80	39,325 700,000	0	84,270	84,270	100.0
351 Nightwear	Doz. SYE	52.00	13,462 700,000			5,204	38.7
359 Other cotton apparel	Lb. SYE	4.60	152,174 700,000	0	326,086	304,094	93.3
435 Coats, WG & I	Doz. SYE	54.00	1,852 100,000			667	36.0
447 Trousers, M & B	Doz. SYE	18.00	5,556 100,000			2,316	41.7

...contd....

TABLE : 12 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Other Group II-continued							
469 Other wool mfres.	Lb SYE	2.00	50,000 100,000			18,811	37.6
636 Dresses	Doz. SYE	45.30	15,453 700,000			11,500	72.4
640 Shirts,not knit, M&B	Doz. SYE	24.00	29,167 700,000			12,754	43.7
641 Blouses, not knit WG&I	Doz. SYE	14.50	48,276 700,000	0		18,506	38.3
659 Other apparel	Lb. SYE	7.80	89,744 700,000			32,371	36.1
Cotton Handloom Apparel 1/	Doz.		3,000,000			2,222,041	74.1
Combination Categories:							
336 Dresses	Doz.		168,190	F,CF	190,054	130,056	68.4
338/339/340 Knit shirts and Blouses and woven shirts	Doz.		919,351	0,CF	896,006	828,593	92.5
341 Woven blouses	Doz.		2,012,117	F,CF	2,193,208	2,193,208	100.0
347/8 Trousers	Doz.		106,148	F,CF	118,886	111,148	93.5

See Notes on the next page.

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TABLE : 12 (CONTD.)

Notes:

* Type of Adjustments:

F - Flexibility

CF- Carry forward

C - Carryover

O - Other

+ The following adjustments were made during the first year (1/1/78 to 31/12/78) of the Bilateral Agreement:

(1) Categories 342 and 465 adjusted by April 18, 1978 letter

(2) Group II goods permitted to exceed level, subject to individual category restraints, as long as they were exported by July 7, 1978 per exchange of letters dated July 10, 1978.

(3) Cat. 465 - Except T.S.U.S.A. Nos. 360.0505, 360.1005, 360.1505, 361.4205, 361.4405, 361.5418, and 361.5426 per letters of June 19, July 19 and July 25, 1978 letters.

(4) Cat. 359 increased by May 9, 1978 and July 18, 1978 letters

(5) Cat. 637 increased by August 30 and November 3, 1978 letters.

(6) 10.5 M. SYE deducted from Group II charges and 650,000 dozen added to handloom apparel charges according to the September 12, 1978 letter.

(7) 49,646 dozen blouses were removed from Cat. 641 and charged to cotton group handloomed.

(8) Category 338/9/40 reduced by swing taken in other combination categories.

@ Percentage (Quota) utilised = Col. (7)/Col.(4) in case there is no change in the original limit.

1/ Accompanied by an elephant shaped certificate

M & B = Men's and Boy's

WG & I = Women's, Girls' and Infants'

Source: Same as for Table-9.

TABLE : 13

PERFORMANCE OF INDIA IN UTILISING LIMITS ON IMPORTS OF "TEXTILES"

INTO THE U.S.MARKET 1979

(In Million Units)

Class	Unit	Unadjusted level	Type of adjustment	Adjusted level	Imports charged	Per-cent filled	(5)/(3) as%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate	SYE	199.2			79.1	39.6	
Group-I:	SYE	161.4			38.7	23.9	
313:Sheeting	SYD	50.0			7.7	15.3	
317: Twill & Sateen	SYD	24.0			4.8	19.9	
319: Duck	SYD	17.5			5.5	31.4	
320: Woven Fabric,Other	SYD	45.0			16.3	36.1	
610: Fabric Cont.Cell NK	SYD	7.0			1.8	25.3	
308:Yarn-Dyed Fabric,NES	SYD	1.0			0.29	28.7	
410:Woolen & Worsted Fab	SYD	0.1			0.084	84.6	
411:Tapestry & Upholstery	SYD	0.1			0.002	2.1	
627: Fabric Splty	SYE	1.0	N	3.0	0.81	26.8	300.0
Group-II:	SYE	37.9	F,CF	43.9	40.4	91.9	115.8
362: Bedspreads Quilts	Nos.	0.33			0.064	19.1	
363: Terry Towels	Nos.	20.0			11.7	58.2	
369: Other Cotton Mfrs.	SYE	12.0			8.0	66.6	
666: Other Furnishings	SYE	2.0	N	4.0	4.0	100.0	200.0
331: Gloves	DPR	0.2			0.12	57.6	
333: Suit Type Coats	DOZ	0.019			0.006	33.4	
334: Other Coats MB	DOZ	0.017			0.009	50.8	
335: Coats, WGI	DOZ	0.017	N	0.024	0.012	49.9	141.2
342: Skirts	DOZ	0.039	N	0.098	0.043	43.2	251.3
351: Nightwear	DOZ	0.013			0.002	12.1	
359: Other Apparel	SYE	0.7	N	2.0	0.82	40.9	285.7
435: Coats, WGI	DOZ	0.002			0.0007	39.2	
442: Skirts	DOZ	0.006	N	0.008	0.002	26.7	133.3

...contd....

TABLE : 13 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
447: Trousers MB	DOZ	0.006	N	0.008	0.006	71.8	133.3
469: Other Wool Mfrs	SYE	0.100			0.002	2.0	
635: Coats,WGI	DOZ	0.017			0.005	26.3	
636: Dresses	DOZ	0.700	N	1.1	0.52	47.5	157.1
640: N-Knit Shirts MB	DOZ	0.029			0.017	56.4	
641: N-Knit Blouses,WGI	DOZ	0.048	N	0.069	0.059	85.6	143.8
659: Other Apparel	SYE	0.7			0.11	15.6	
	INDIA/ELEPHANT						
Aggregate:	SYE				33.7	0.0	
Group-I:	SYE				33.7	0.0	
336: Dresses:	DOZ	0.18	C,O	0.189	0.060	31.5	105
338/339/340 Knit Shirts	DOZ	0.95	C,CF,O	0.999	0.729	72.9	105.2
341:N-Knit Blouses,WGI	DOZ	2.1	F,CF	2.14	2.14	100.0	101.9
347/348	SYE	1.98	CF	2.10	0.077	65.0	106.1

Source and Notes: Same as for Table-9.

TABLE : 14

PERFORMANCE OF INDIA IN UTILISING LIMITS ON IMPORTS OF "TEXTILES" INTO THE U.S. MARKET, 1980

(In Million Units)

Class	Unit	Unad-justed level	Type of adjust-ment	Adjus-ted level	Imports charged	Percent filled	(5)/(3) as%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate	SYE	213.2			75.9	35.6	
Group-I	SYE	172.7			35.4	20.4	
313: Sheeting	SYD	50.0			7.6	15.2	
317: Twill & Sateen	SYD	24.0			10.5	43.5	
319: Duck	SYD	17.5			6.8	38.8	
318: Yarn-Dyed Fabric, NES	SYD	1.0			0.88	88.0	
411: Tapestry and Upholstery	SYD	0.001			0.0003	32.4	
627: Fabric Splty	SYE	1.0			0.231	23.1	
Group-II	SYE	40.5			40.5	100.0	
362: Bedspreads Quilts	Nos.	0.33			0.03	8.8	
363: Terry Towels	Nos.	20.0			5.9	29.3	
369: Other Cotton Mfrs	SYE	12.0			3.8	31.9	
666: Other Furnishings	SYE	2.0	N	8.0	3.8	47.5	400.0
331: Gloves	DPR	0.2			0.05	23.0	
334: Other Coats MB	DOZ	0.017			0.003	17.9	
335: Coats: WGI	DOZ	0.017	N	0.024	0.022	89.0	141.2
342: Skirts	DOZ	0.039	N	0.098	0.079	79.8	251.3
351: Nightwear	DOZ	0.014	N	0.024	0.013	54.8	171.4
359: Other Apparel	SYE	0.7	N	4.00	1.95	48.7	571.4
435: Coats, WGI	DOZ	0.002			0.0001	23.9	
447: Trousers MB	DOZ	0.006			0.0052	92.7	
469: Other Wool Mfrs.	SYE	0.100			0.002	2.2	

...contd...

TABLE : 14 (CONTD.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
636: Dresses	DOZ	0.016			0.015	94.5	
640: N-Knit Shirts,MB	DOZ	0.029			0.023	78.2	
641: N-Knit Blouses,WGI	DOZ	0.048	N	0.069	0.058	84.5	143.8
659: Other Apparel	SYE	0.7			0.017	23.7	
	INDIA/ELEPHANT						
Aggregate:	SYE	-	-	-	0.036	0.0	
Group-I:	SYE	-	-	-	0.036	0.0	
336: Dresses	DOZ	0.193	C,F	0.227	0.175	76.9	117.6
338/339/340, Knit Shirts	DOZ	0.98	C,O	0.998	0.37	36.7	101.8
341:N-Knit Blouses,WGI	DOZ	2.1	CF,F,U	2.2	1.92	87.0	104.8
347/348:Trousers MB,WGI	DOZ	0.12	C,F	0.14	0.098	71.3	116.7

Source and Notes: Same as for Table-9.

TABLE : 15

PERFORMANCE OF THAILAND IN UTILISING LIMITS ON IMPORTS OF "TEXTILES" INTO THE U.S. MARKET, 1979

(In Million Units)

Class	Unit	Unadjusted level	Type of Adjustment	Adjusted level	Imports charged	Per-cent filled	(5)/(3) as %
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aggregate	SYE				55.0		
Group-I:	SYE				17.4		
319: Duck	SYD	5.0	OS	4.9	3.1	64.1	98.0
320: Woven Fabric,other	SYD	8.0	N,OS	7.9	5.2	86.0	98.8
369:Other Cotton Mfrs.	SYE	1.0			0.6	62.4	
604:Yarn,Non-cont., Non-Cell	SYE	1.0			0.81	80.5	
612:Fabric Cont. N-Cell,NK	SYD	1.0			0.3	29.4	
669:Other MMF Mfrs.	SYE	1.0			0.3	30.9	
Group-II:	SYE	56.7			37.6	66.2	
334/335 Coats,MB,WGI	DOZ	0.044	C,CF	0.047	0.051	108.1	106.8
338/339:Knit Shirts, Blouses	DOZ	0.48			0.42	87.0	
340:N-Knit Shirts,MB	DOZ	0.084			0.035	41.2	
347/348:Trousers	DOZ	0.15			0.154	102.9	
634/635:Other Coats,MB	DOZ	0.31			0.14	44.2	
639:K-Shirts,Blouses,WGI	DOZ	1.047	OS	1.043	0.72	68.8	99.6
641:N-Knit Blouses,WGI	DOZ	0.133	OS,CF,U	0.13	0.125	95.9	97.7
645/646:Sweaters	DOZ	0.8686	N,CF	0.0608	0.055	90.4	100.3
647/648:Trousers,MB	DOZ	0.34			0.21	60.1	
336:Dresses	DOZ	0.02			0.017	75.0	
640:N-Knit Shirts,MB	DOZ	0.042			0.017	41.6	
337:Playsuits	DOZ	0.028			0.008	28.4	
345:Sweaters	DOZ	0.019			0.016	84.7	

Source and Notes: Same as for Table 9.