Government of Canada | Gouvernement du Canada

Textile and Clothing Board | Commission du textile et du vêtement

REPORT ON TEXTILES AND CLOTHING 1986

Canada

TEXTILE AND CLOTHING BOARD
REPORT ON TEXTILES AND CLOTHING
1986

SEPTEMBER 30, 1986

Government of Canada
Gouvernement du Canada

Textile and Clothing Board
Commission du textile et du vêtement

Ottawa, Canada
K1A 0H5

September 30, 1986

The Honourable Michel Côté, P.C., M.P.
Minister of Regional Industrial Expansion
Ottawa, Ontario
K1A 0H5

Mr. Minister:

We have the honour of presenting the 1986 Report of the Board on the situation of the textile industries.

This Report, normally published annually, is an account of the performance of the textile and clothing industries in the previous year. However, it was not published last year, having been replaced by the Report of an Inquiry on Textiles and Clothing, published by the Board in October 1985.

Yours sincerely,

Otto E. Thur
Chairman

William L. Hawkins
Member

Jacques St-Laurent
Member

Canada

TABLE OF CONTENTS

LIST OF TABLES

Number		Page

REVIEW OF THE SITUATION IN THE TEXTILE AND CLOTHING INDUSTRIES IN 1985

1. GENERAL ECONOMIC SITUATION

In 1985, the seven most important industrial countries experienced a slowdown in economic growth in relation to 1984. The most important slowdown, important because of its major effect on world economy, occurred in the United States. In contrast, growth in Canada remained strong for the second consecutive year. Thus, in 1985, Canada ranked second among the seven major industrial countries in overall economic growth (close behind Japan) and in growth of manufacturing production (behind West Germany) (Table 1).

Table 1

GROWTH IN GROSS NATIONAL OR DOMESTIC PRODUCT AND IN MANUFACTURING PRODUCTION IN THE SEVEN MAJOR INDUSTRIAL COUNTRIES
Growth in per cent

	Gross National or Domestic Product		Manufacturing Production	
	1984/83	1985/84	1984/83	1985/84
Canada	5.0	4.5	7.4	4.9
United States	6.6	2.3	12.7	1.7
Japan	5.1	4.6	11.4	4.3
West Germany	2.7	2.3	3.1	6.1
France	1.6	1.0	2.1	−1.0
Italy	2.6	2.3	3.3	2.1
United Kingdom	1.9	3.3	4.1	3.0

SOURCE: Tables A-1 and A-2 of the Appendix.

The sound performance of the Canadian economy in 1985 must be attributed to the strong recovery in private domestic capital expenditures, and to a remarkable increase in consumer expenditures. Exports, which were the major growth factor in the Canadian economy in 1984, contributed only marginally to growth in 1985 (Table A-1 of the Appendix).

The recovery in domestic investments and the growth in consumer expenditures resulted from an overall improvement in the economy throughout 1984 and 1985: greater price stability, greater job security and interest rates substantially lower than in previous years. These conditions have continued to prevail in the first half of 1986. However, there has been some overall decline compared to 1985, because of a further drop in exports and weaker consumer demand for durable goods.

2. INTERNATIONAL COMPARISON OF TEXTILE AND CLOTHING PRODUCTION

The general growth in the economies of the industrial countries has not resulted in comparable growth in the textile and clothing industries. For many years, the textile and clothing industries in developed countries have had to contend with imports from low-cost countries. The goal of these industries is no longer growth but the retention of enough market share to remain profitable.

As shown in Table 2, none of the seven major industrial countries, in 1985, managed to reach the level of textile production that had been reached in 1979 or in 1980 (Table 2), although the textile industries of those countries had made considerable investment efforts to maintain peak labour productivity with the latest technology that was currently available. They also developed other uses for yarns and fabrics than for clothing or household goods. Textile products for other uses accounted for less than 10 per cent of total production before 1980. They now represent from 15 to 25 per cent.

A similar stagnation in production prevailed in the clothing industry. At best, production in 1985 was at about the same level as in 1979. At worst, it dipped more than 20 per cent below 1979. (Table 3).

Nonetheless, it must be noted that the textile and clothing industries in Canada have reacted with relative success. In 1984 and 1985, the production levels they achieved were close to those in 1979. There were no substantial declines in production such as those which occurred in primary textile production in the United Kingdom and in France, or in clothing in West Germany. Manifestly, Canadian textile and clothing producers have shown initiative in diversification by finding lines of production less threatened by import competition.

Japan was the other country which recorded the best results in terms of clothing production. While it had been believed that Japan followed a deliberate policy of reduction of production capacity for those sectors in structural decline, such as textiles and clothing, in fact, it considers textiles as a declining sector on the one hand and accords premiums for the elimination of excess production capacity in spinning and weaving, while on the other hand, it does not consider clothing as a declining sector. On the contrary, it expects its clothing industry to completely supplant artisan production in its domestic market and to effect a major expansion in export markets.

The comparison of international production of textiles and clothing demonstrates that Canada has been performing relatively satisfactorily. There has been no substantial drop in production in the last six years, except for the 1982 recession. There has been no major permanent contraction, as was the case for textiles and clothing in several other major developed countries.

Table 2

PRIMARY TEXTILE PRODUCTION IN THE MAJOR DEVELOPED COUNTRIES
Indices (1979 = 100)

	1979	1980	1981	1982	1983	1984	1985
Canada	100	95	97	79	96	96	97
United States	100	96	94	86	97	96	95
Japan	100	99	97	96	95	98	97
West Germany	100	98	91	87	87	90	92
France	100	95	88	84	84	85	85
Italy	100	105	104	102	94	101	102
United Kingdom	100	83	76	74	76	78	81

SOURCE: *Comitextil*, *Bulletin* 86/2-3.

Table 3

CLOTHING PRODUCTION IN THE MAJOR DEVELOPED COUNTRIES
Indices (1979 = 100)

	1979	1980	1981	1982	1983	1984	1985
Canada	100	99	98	90	95	100	101
United States (1)	100	97	92	93	98	94	91
Japan	100	94	93	98	95	96	101
West Germany	100	97	89	81	80	80	79
France (2)	—	—	—	—	—	—	—
Italy	100	99	92	93	88	96	93
United Kingdom	100	87	79	81	85	90	95

(1) Data for the United States are estimates by the Textile and Clothing Board, based on shipments in constant dollars. They may result in underestimation because they do not take inventory variations into account.
(2) No statistics are available on clothing for France.

SOURCE: *Comitextil*, *Bulletin* 86/2-3.

Under these circumstances, the question arises as to the cause of the uneasiness and frustration of the Canadian textile and clothing industries. There are probably three basic reasons for this situation.

Firstly, the industries in a country tend to compare themselves to the other different industries in that same particular country, and not to similar industries in other countries. They feel uneasy when their production stagnates while that of other industries is growing. When the basic business philosophy is one of constant growth year after year, stagnation is not considered as a success but as a regression.

Secondly, the continuing effect of overall pressures by low-cost imports on both prices and profits has been most significant. Continuing low profitability is a cause for both unease and frustration.

Thirdly, large production sectors such as textiles and clothing encompass a great variety of individual company situations. Some of these firms may be expanding and very profitable, while others may be encountering serious difficulties which threaten their very existence. One cannot conclude that because the whole industry appears healthy, all firms in the various sub-sectors are prospering.

3. PRODUCTION, CAPACITY UTILIZATION AND EMPLOYMENT IN THE CANADIAN TEXTILE AND CLOTHING INDUSTRIES

Since the last Board report published in October 1985, the overall picture of the evolution of the textile industry has been changed because of a revision of Statistics Canada data bearing retroactively on the year 1983. According to the new compilation, the production index for 1983 would now be at practically the same level as in 1981. Thus, according to the revised data, the textile industry would have recovered in only one year all the production losses experienced in the 1982 recession (Table 4): following a 19.5 per cent decrease in production between 1981 and 1982, a jump of 23.3 per cent would have occurred in 1983, instead of the regain of only 9.4 per cent reported until the Fall of 1985.

This revision in statistics influences the calculation of capacity utilization levels in the textile industry. Whereas last year, at about the same time, Statistics Canada was estimating a capacity utilization level of 82.5 per cent for 1983 and 80.4 per cent for 1984, the revised data result in capacity utilization levels of 94.4 per cent and 94.5 per cent respectively for these two years (Table 5).

Surprisingly, this major statistical revision has had no effect on employment data. Between 1982 and 1983, according to the revised data, a 23.3 per cent increase in production would correspond to an increase in employment of only one per cent (Table 6). An extraordinary 22 per cent increase in productivity per employee would have occurred between 1982 and 1983. If the distorting effect of the recession on productivity is eliminated, the increase in productivity would still have amounted to 12 per cent between 1981 and 1983. Similarly, productivity per hour worked would register increases of 11.5 per cent and 8 per cent respectively. Such large increases in productivity are most unlikely.

INDEX OF REAL DOMESTIC PRODUCT, 1981-85, AND PERCENTAGE CHANGE COMPARED TO THE PREVIOUS YEAR

Seasonally adjusted (1971 = 100)

Year/Month		Textiles		Clothing and Knitting		All Manufacturing Industries		Durable Goods		Non-durable Goods	
		Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change
1980		131.1		121.7		135.5		137.4		133.5	
1981		136.0	3.7	121.5	−0.2	136.9	1.0	139.0	1.2	134.8	1.0
1982		109.5	−19.5	111.5	−8.2	121.3	−11.4	117.8	−15.3	125.0	−7.3
1983		135.0	23.3	117.4	5.3	128.3	5.8	124.5	5.7	132.1	5.7
1984		135.1	0.1	123.3	5.0	138.8	8.2	140.3	12.7	137.2	3.9
1985		135.5	0.3	124.8	1.2	145.0	4.5	148.5	5.8	141.4	3.1
1985	January	126.2	−9.1	120.1	2.3	140.5	1.7	143.1	2.9	137.8	0.4
	February	134.0	−1.9	118.8	−0.2	141.1	4.8	143.8	5.6	138.3	4.0
	March	129.9	−5.6	120.4	0.2	141.1	3.8	144.0	4.8	138.2	2.8
	April	129.7	−4.7	122.1	−2.5	142.9	5.2	144.8	6.5	140.9	3.8
	May	134.5	−1.6	116.4	−2.4	142.7	4.5	146.6	8.7	138.7	0.3
	June	134.4	−4.1	119.4	−0.8	144.5	4.8	148.7	7.5	140.3	2.0
	July	141.2	1.2	130.1	2.0	147.6	3.0	151.4	3.9	143.8	2.1
	August	138.0	3.1	126.9	−1.4	147.8	4.2	152.8	4.9	142.6	3.3
	September	136.4	6.7	124.1	3.8	146.7	5.3	151.9	6.5	141.4	4.0
	October	142.5	10.4	133.7	7.1	148.4	7.3	151.9	8.9	144.7	5.6
	November	139.4	5.1	130.5	4.6	149.5	5.9	153.8	6.9	145.0	4.8
	December	140.2	5.7	138.9	4.8	148.6	4.1	150.9	4.1	146.2	4.1
1986	January	145.2	15.1	130.1	8.3	149.4	6.3	153.7	7.4	145.0	5.2
	February	145.3	8.4	129.8	9.3	151.6	7.4	156.3	8.7	146.7	6.1
	March	137.0	5.5	124.3	3.2	146.7	4.0	150.9	4.8	142.3	3.0
	April	153.9	18.7	132.0	8.1	152.1	6.4	157.1	8.5	147.0	4.3

SOURCE: Statistics Canada, Cat. Nos. 61-213 and 61-005.

Table 5

CAPACITY UTILIZATION IN THE TEXTILE AND CLOTHING INDUSTRIES AND IN ALL MANUFACTURING INDUSTRIES, 1981-85
Per cent

Year	Textiles		Clothing	All Manufacturing		
	Original	Revised		Durable Goods	Non-durable Goods	Total
1981	94.5	95.1	87.9	74.8	84.5	79.6
1982	74.8	76.4	81.0	61.1	76.5	68.7
1983	82.5	94.4	86.4	63.1	79.3	71.1
1984	80.4	94.5	91.2	69.6	81.2	75.3
1985	84.7	94.4	93.1	72.0	82.3	77.1
1986 (1st quarter)		99.6	95.6			78.2

SOURCE: Statistics Canada, Cat. Nos. 31-003.

In the first quarter of 1986, capacity utilization showed an increase because of the increase in production in the last months of 1985. Capacity utilization reached 99.6 per cent for textiles and 95.6 per cent for clothing. Such high percentages are unattainable in actual operations. They are only possible in the very specific instance when the statistical conventions adopted by Statistics Canada are applied in calculating capacity utilization(1). However, even with these reservations, capacity utilization levels appear to be biased upwards, particularly for textiles. If this were the case, it would have resulted either from an overestimate of actual production or from a systematic underestimation of capital stock.

Production of textiles and clothing in Canada remained relatively stationary in 1985. There was a marginal increase of 0.3 per cent for textiles and 1.2 per cent for clothing. At the same time, the increase in imports remained moderate, not exceeding four per cent for clothing overall (in units). After two years of record growth in clothing imports, 21.7 per cent in 1983 and 17.2 per cent in 1984, enough inventory had been accumulated to justify a decrease in activities. Thus, 1985 was a year of inventory adjustment.

By the end of 1985, the inventory liquidation had ended, and both production and imports of textiles and clothing experienced an increase. In the first four months of 1986, textile production increased by 1.2 per cent compared to

(1) Estimates of capacity utilization are statistical approximations based on an estimate of the "perpetual inventory of capital stocks" and on the capital stock/production ratio in constant dollars, while taking as maximum (100 per cent) production capacity the lowest capital/production ratio of previous periods.

the same four months in 1985, and clothing production increased by 7 per cent, while in the first six months of 1986, clothing imports increased by 11 per cent compared to the same period in 1985. Such a rapid increase in both domestic production and imports exceeded the increase in final market demand. A portion of this production has been used to rebuild inventories.

4. EMPLOYMENT AND HOURS WORKED

Since a major competitive disadvantage of the textile and clothing industries relates to wage costs, everything possible must be done to reduce the labour proportion of the overall production costs. It can only be done to the extent that technological advances will allow.

Under these circumstances, it is not surprising that in these two industries, years of employment decline are the rule and years of employment increase are the exception. In the last five years, that is since 1981, there were four years of employment decline in textiles and clothing industries while there were only two years of decline for all manufacturing industries (Table 6).

Table 6

EMPLOYMENT IN THE TEXTILE AND CLOTHING INDUSTRIES, PERCENTAGE VARIATIONS COMPARED TO THE PREVIOUS YEAR

	1981/1980	1982/1981	1983/1982	1984/1983	1985/1984	1985/1981	First four months 1986/1985
Textile Industry	−1.0	−13.2	1.0	−0.5	−0.3	−13.0	−1.0
Clothing Industry	−0.9	−5.8	−0.8	−6.7	0.6	−12.3	5.7
All Manufacturing industries	0.2	−7.8	1.7	−4.0	2.1	−8.0	3.2

SOURCE: Table A-3 of the Appendix.

Between 1981 and 1985 the number of jobs lost in the textile and clothing industries reached 23,300 (Table A-3 of the Appendix), or an average of more than 4000 jobs per year.

The increase in production since the end of 1985 has not stopped the erosion in employment in textiles. More plants are being closed and production is being concentrated in the more efficient plants.

In contrast, statistical data indicate that employment in the clothing industry has recovered substantially. This, however, may have resulted in part from a change in the survey methods employed by Statistics Canada. In fact, half of this increase in employment appears to be the result of a sampling change since January 1986.

The average number of hours worked per week (including overtime) dropped considerably in 1982 and has since increased gradually in textiles and in all manufacturing industries (Table 7).

Table 7

AVERAGE HOURS WORKED PER WEEK IN THE TEXTILES, CLOTHING AND KNITTING SECTORS AND IN ALL MANUFACTURING INDUSTRIES

Year	Textiles	Clothing	Knitting	All Manufacturing
1981	39.0	35.4	38.1	38.5
1982	38.0	34.3	37.6	37.7
1983	39.4	35.5	39.0	38.4
1984	39.5	35.3	38.8	38.5
1985	39.6	36.2	39.4	38.9

SOURCE: Statistics Canada, Cat. No. 72-002.

5. REGIONAL DISTRIBUTION OF TEXTILE ACTIVITIES

The production of textiles and clothing has traditionally been concentrated in the two large central provinces of Quebec and Ontario. However, there is some long-established textile production in Nova Scotia and British Columbia, and some clothing production in and around Winnipeg, Edmonton and Vancouver.

The regional structure of the textile industries is undergoing modification. During the last five years Quebec has lost its dominant position in primary textiles to the benefit of Ontario. Plant closings have affected Quebec more than Ontario because the Quebec plants in general were older than those in Ontario.

A similar modification is occurring in the clothing and knitting sectors. Quebec's absolute dominance has been eroded in favour of other regions, notably Ontario, and more recently, New Brunswick. According to the industry, the multiplicity of regulations in Quebec concerning wages and working conditions has induced a number of firms to move their plants elsewhere. Furthermore, new firms are regularly being started in Toronto and Vancouver, two cities increasingly recognized as fashion centres in Canada.

In turn, Quebec has reacted to this evolution by committing itself to easing the regulations, by creating productivity and fashion promotion centres and by generally supporting its clothing industry. However, it is still too early to see the effect of these measures on employment (Table 8).

Table 8

REGIONAL DISTRIBUTION OF THE TEXTILES, CLOTHING AND KNITTING SECTORS AS A PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES

	1981	1982	1983	1984	1985
Textiles					
Quebec	47.4	46.6	46.1	46.4	43.6
Ontario	45.5	46.0	46.9	46.6	48.4
Nova Scotia	2.2	2.0	2.3	2.3	2.3
Manitoba	1.0	1.5	X	X	X
British Columbia	1.8	2.0	X	X	X
Rest of Canada	2.1	1.9	(4.7)	(4.7)	(5.7)
TOTAL	100.0	100.0	100.0	100.0	100.0
Clothing					
Quebec	59.3	59.6	61.5	54.3	57.6
Ontario	26.7	27.3	25.6	32.0	29.2
Nova Scotia	0.2	0.2	X	X	X
Manitoba	7.4	7.1	6.8	6.7	7.5
British Columbia	3.3	3.1	X	X	X
Rest of Canada	3.1	2.7	(6.1)	(7.0)	(5.7)
TOTAL	100.0	100.0	100.0	100.0	100.0
Knitting					
Quebec	56.6	54.6	54.0	53.3	54.5
Ontario	35.1	37.7	38.1	38.0	35.8
Nova Scotia	X	X	X	X	X
Manitoba	X	X	X	X	X
British Columbia	X	X	X	X	X
Rest of Canada	(8.3)	(7.7)	(7.9)	(8.7)	(9.7)
TOTAL	100.0	100.0	100.0	100.0	100.0
Total Textile Industries					
Quebec	54.7	54.5	55.1	51.2	52.1
Ontario	34.5	35.0	34.7	38.2	37.0
Nova Scotia	0.9	0.8	0.8	0.9	0.9
Manitoba	4.2	4.4	3.6	3.4	3.9
British Columbia	2.4	2.3	X	X	X
Rest of Canada	3.3	3.0	(5.8)	(6.3)	(6.1)
TOTAL	100.0	100.0	100.0	100.0	100.0

X Not available.

SOURCE: Statistics Canada, Cat. Nos. 31-203 and 72-002.

6. INVESTMENTS AND PROFITS

Although production in the textile and clothing industries remained more or less stagnant in 1985, new investments in these industries increased substantially and should continue to increase in 1986 (Table 9).

Table 9

NEW INVESTMENTS IN THE TEXTILE INDUSTRIES AND IN ALL MANUFACTURING INDUSTRIES
Millions of dollars and indices (1981 = 100)

	Textile Industries		All Manufacturing Industries	
Year	Million Dollars	Indices	Million Dollars	Indices
1981	218.0	100.0	12,739.3	100.0
1982	179.1	82.2	11,492.5	90.2
1983	202.9	93.1	8,858.4	69.5
1984	241.2	110.6	8,886.7	69.8
1985	275.1	126.2	11,003.5	86.4
1986 (Intentions)	277.4	127.2	12,887.1	101.2

SOURCE: Table A-4 of the Appendix.

A comparison of actual or projected new investments by the textile industries and all manufacturing industries shows that, since the 1982 recession, the investment effort of the textile industries was very much superior to that of all manufacturing industries. In 1985 and in indicated plans for 1986, textile investments were more than 25 per cent higher than in 1981. In real terms, this means that new investments in the textile industries are about equal to the investments made in 1981, while those investments planned for all manufacturing industries for 1986 will still be 25 per cent below those in 1981.

The high level of investments in the textile industries must be attributed to the primary textile sector rather than to the clothing and knitting sectors (Table 10).

New investments in the primary textile sector accounted for 75 per cent of total textile investments in 1981, and the indicated intentions in 1986 are for 84 per cent. Over the same period, investments in the clothing sector declined from 17 per cent to 10 per cent, while in knitting, they declined from 8 per cent to 6 per cent.

During the years 1981-1986, the primary textile sector and textile activities in general did not experience an increase in demand any greater than in manufacturing industries as a whole. Therefore, increased demand for textile products does not explain the high level of investments.

Table 10

DISTRIBUTION OF NEW TEXTILE INVESTMENTS BETWEEN THE TEXTILES, CLOTHING AND KNITTING SECTORS

Per cent

Year	Textiles	Clothing	Knitting
1981	75.1	17.1	7.8
1982	80.2	10.9	8.9
1983	75.8	11.2	13.0
1984	77.4	12.0	10.6
1985	83.6	10.4	6.0
1986 (Intentions)	84.0	10.1	5.9

SOURCE: Table A-4 of the Appendix.

Since profits usually follow the trend in demand, the high investments are not justified by increased profits. Compared to the previous years 1979-1981, the 1981-1986 period has not been one of high profits (Table 11). On the contrary, profits were relatively low, particularly in the primary textile sector, where investments were increasing the most rapidly.

There are two probable explanations for the strength of new investment in the textile industries. The first is that producers are aware that their future is threatened by imports from low-cost countries. In bad times as well as in good times, they must defend themselves as best they can and invest in new equipment which will help them to save on labour costs and to improve their productivity. The larger and better known the firm, the steadier has been its investment effort. When equity and profits were insufficient, the major firms have had greater access to external financing sources than have small family firms. In this connection, the larger and better known firms are concentrated in the primary textile sector. This is probably why investments have been highest in this sector.

The second explanation consists in linking the investment effort with the launching of the program of the Canadian Industrial Renewal Board (CIRB). This program for the textile industries, initiated in 1981, allowed CIRB to subsidize investments aimed at rationalizing production and significantly reducing production costs. This program remained in force for five years, until March 31, 1986.

During the period of high inflation and accompanying high interest rates, this program of investment subsidization reduced the real cost of investments for the firms involved, making investment possible, although market demand did not require it. One of the major objectives of the program was to improve the producers' competitive ability, not to increase their production capacity. The only increases in production capacity acceptable to CIRB were those related to the higher productive capacity and the indivisibility of the new equipment. If

Table 11

NET PROFITS AFTER TAXES IN THE TEXTILE INDUSTRIES AND IN ALL MANUFACTURING INDUSTRIES

Per cent

<table>
<tr><th rowspan="2">Year</th><th colspan="4">Profits/Equity</th><th colspan="4">Profits/Total Income</th></tr>
<tr><th>Textiles</th><th>Knitting</th><th>Clothing</th><th>All manu-facturing</th><th>Textiles</th><th>Knitting</th><th>Clothing</th><th>All manu-facturing</th></tr>
<tr><td>1979</td><td>16.3</td><td>14.4</td><td>18.5</td><td>14.4</td><td>5.0</td><td>3.6</td><td>3.6</td><td>5.0</td></tr>
<tr><td>1980</td><td>13.7</td><td>15.1</td><td>16.4</td><td>13.3</td><td>4.2</td><td>3.7</td><td>3.2</td><td>4.7</td></tr>
<tr><td>1981</td><td>10.0</td><td>11.7</td><td>13.1</td><td>11.5</td><td>3.0</td><td>2.9</td><td>2.6</td><td>4.0</td></tr>
<tr><td>1982</td><td>1.7</td><td>6.7</td><td>8.8</td><td>3.5</td><td>0.6</td><td>1.7</td><td>1.8</td><td>1.3</td></tr>
<tr><td>1983 p</td><td>11.4</td><td>11.9</td><td>14.0</td><td>6.6</td><td>3.8</td><td>3.2</td><td>2.9</td><td>2.4</td></tr>
<tr><td>1984 e</td><td colspan="2">8.4</td><td>12.1</td><td>10.7</td><td colspan="2">2.9</td><td>3.2</td><td>4.1</td></tr>
<tr><td>1985 e</td><td colspan="2">5.3</td><td>14.9</td><td>9.7</td><td colspan="2">2.1</td><td>4.0</td><td>3.8</td></tr>
<tr><td>1986 I ef.</td><td colspan="2">2.7</td><td>3.9</td><td>2.1</td><td colspan="2">3.3</td><td>3.5</td><td>3.3</td></tr>
</table>

p = preliminary; e = estimates; ef = estimates, first quarter profits.

SOURCE: Statistics Canada, Cat. No. 61-207.

high performance, labour saving equipment implied a higher production volume than before, such increase in production capacity had to be accepted to allow the equipment to be operated efficiently.

When economic conditions were poor, as they were from 1982 to 1985, the stronger firms were more apt to benefit from a program such as CIRB. In fact, to benefit from the program, a firm had to have a long term investment plan, a thorough knowledge of the equipment available in the market, a marketing program and a sound financial structure. Firms meeting all these requirements were found more frequently in the textile sector and to a lesser extent in knitting, than in the clothing sector. It was not a coincidence that the largest investments were made in the textile sector.

Because of the general outlook in textile activities and of the rules applied by CIRB, the investments made tended to be defensive in character. An increase in production capacity is often linked to investments in new buildings. However, during the 1981-85 period, the share of new investments that went into buildings decreased steadily, and the share that went into equipment increased (Table 12). In other words, rather than build new plants or expand older ones, the producers improved the quality of their equipment to become more competitive.

During its existence, CIRB appears to have modified investment patterns. It remains to be seen if the high levels of textile investments during 1981-85 can be sustained in the future without contributions from a federal subsidy program.

It is possible that CIRB, by concentrating the attention of producers on state-of-the-art technology, has modified their behaviour in a permanent way and that investments on equipment will remain high in the future. It is more likely, however, that the effect of the CIRB program was temporary, that it accelerated investments during its years of existence, and that a slowdown in investments will likely follow. If, in the past four or five years, producers have made investments which they had planned to make over a seven- or eight-year time span, new investments could well moderate after 1986.

7. PRICES AND WAGES IN THE TEXTILE INDUSTRIES

Textile raw materials, both natural and synthetic fibres, have been in plentiful supply in world markets in recent years. As a result, prices in 1985 were low and stable, if not declining. The same trend has prevailed in 1986 (Table 13).

Because of the stability in prices of textile raw materials, increases in the prices of textile end products have been limited. In general, price increases have been determined by two additional sets of factors. There were the cost increases other than those for raw materials. Then there were the structural characteristics of the market for the product being made.

Table 12

RESPECTIVE SHARES OF NEW INVESTMENTS IN TEXTILE INDUSTRIES GOING TO BUILDINGS AND TO EQUIPMENT
Per cent

Year	Buildings	Equipment
1981	17.0	83.0
1982	16.4	83.6
1983	18.6	81.4
1984	16.0	84.0
1985	10.5	89.5
1986 (Intentions)	11.6	88.4

SOURCE: Table A-4 of the Appendix.

Table 13

VARIATIONS IN PRICES OF TEXTILE FIBRES
Indices (1981 = 100)

Year	Vegetable Fibres	Animal Fibres	Synthetic Fibres
1981	100	100	100
1982	85	93	100
1983	88	90	93
1984	94	91	96
1985	87	75	93
1985 (5 months)	88	76	93
1986 (5 months)	87	78	92

SOURCE: Statistics Canada, Cat. No. 62-011.

Among costs other than those for raw materials, there were the portion of salary and wage increases not compensated for by increases in productivity, the costs of other materials used including energy, financial costs and taxes, and levies of the various levels of government.

With respect to the structural characteristics of markets, the determining elements have been the level of competition between domestic producers and the degree of market penetration by imports, particularly those from low-cost countries. The prices which have tended to increase have been those of products made by a small number of producers, and which have been little affected by import competition. This has been often the case for those textile products destined for other than the clothing industry.

Price variations also depended upon the stage of production. If the price of the fibres remained stable, the yarn price also remained stable or increased slightly, the fabric price was somewhat higher, and the garment price higher still. The next two tables illustrate this relationship (Tables 14 and 15).

Table 14

YARN AND FABRIC PRICES

Indices (1981 = 100)

Year	Yarns				Fabrics			
	Cotton	Polyester/ Cotton	Synthetic	Filament	Cotton and Polyester/ Cotton	Worsted	Nylon	Double Knit
1981	100	100	100	100	100	100	100	100
1982	96	95	101	107	101	99	109	97
1983	95	94	101	107	109	97	111	99
1984	96	95	103	107	112	100	116	99
1985	97	96	103	109	112	100	118	97
1985 (5 months)			103	108		100	118	97
1986 (5 months)			103	110		100	119	97

SOURCE: Statistics Canada, Cat. No. 62-011.

Table 15

PRICES OF CLOTHING AND HOUSEHOLD GOODS
Indices (1981 = 100)

Year	Bedding	Towels	Curtains and Drapes	Men's Clothing	Women's Clothing	Hosiery
1981	100	100	100	100	100	100
1982	106	106	105	106	107	108
1983	105	111	110	110	110	112
1984	105	117	118	113	112	114
1985	105	121	122	115	112	116
1985 (5 months)	105	121	122	115	112	116
1986 (5 months)	108	123	123	116	115	117

SOURCE: Statistics Canada, Cat. No. 62-011.

Assuming 1981 prices equal 100, 1985 prices of fibres were approximately 10 to 20 per cent lower than in 1981 (Table 13), yarn prices were approximately 0 to 10 per cent higher, fabric prices were approximately 0 to 20 per cent higher (Table 14), and prices of clothing and household goods were approximately 10 to 25 per cent higher (Table 15).

Table 16

PRICES OF TEXTILE PRODUCTS FOR OTHER THAN APPAREL AND HOUSEHOLD USES
Indices (1981 = 100)

Year	Tire Fabrics		Paper-maker Felts	Tarpaulins	Bandages and Dressings	Cotton Bags
	Nylon	Polyester				
1981	100	100	100	100	100	100
1982	111	120	112	112	111	102
1983	116	133	114	118	121	105
1984	117	141	122	128	131	112
1985	122	151	130	131	136	122
1985 (5 months)	122	146	128	130	135	118
1986 (5 months)	123	154	132	135	141	125

SOURCE: Statistics Canada, Cat. No. 62-011.

With regard to products for other than apparel and household uses, price increases have often been greater, at 30 per cent and more. While there were few firms making each of these products, imports were negligible. As a consequence, any increase in costs immediately resulted in a corresponding price increase (Table 16).

With the exception of textile products for industrial or sanitary uses, textile products experienced moderate price increases. While industry selling prices for fabrics and clothing increased some 15 per cent between 1981 and 1985, prices of all manufactured end products increased 25 per cent during the same period.

The moderate rise in industry selling prices of textile products has resulted in a relatively moderate rise in consumer prices. For more than ten years, price increases for clothing have remained below those of the overall Consumer Price Index, and for the last five years, price increases for clothing have barely exceeded half the increase in the cost of living (Table 17).

Of all the product groups included in consumer expenditures, clothing is the one where prices have increased the least. The other groups: food, housing, transportation, health and personal care, recreation or tobacco and alcohol, have, each year, recorded price increases higher than those for clothing expenditures (Table 18).

Table 17

INCREASE IN THE CONSUMER PRICE INDEX FOR CLOTHING
Per cent

Product Group	1981/80	1982/81	1983/82	1984/83	1985/84
Men's clothing[(1)]	7.3	5.8	3.4	1.6	2.4
Boy's clothing[(1)]	8.0	6.5	4.1	2.3	2.7
Women's clothing[(1)]	6.3	4.2	4.1	2.7	2.7
Girls' clothing[(1)]	6.8	5.2	4.5	3.1	2.8
Apparel only (excluding footwear, accessories and services)	6.7	5.0	3.8	2.3	2.6
Overall consumer price index	12.5	10.8	5.8	4.4	4.0

(1) Includes footwear and accessories but excludes services.

SOURCE: Statistics Canada, Cat. No. 62-001.

Such an evolution in industry and retail selling prices has required a tight control on wage increases. In general, the textile industries have managed to restrain increases. With the exception of the primary textile sector which has had to negotiate major labour agreements during the worst of the inflation period and had to allow increases which reflected this inflationary impact, wages in the clothing and knitting sectors have risen less rapidly than in manufacturing industries overall (Table 19).

Table 18

INCREASES IN INDICES FOR PRICES OF PRODUCT GROUPS IN CONSUMER EXPENDITURES
Per cent

Product Group	1982/81	1983/82	1984/83	1985/84
Food	7.2	3.7	5.6	2.9
Housing	12.5	6.8	3.7	3.4
Clothing	5.6	4.0	2.5	2.8
Apparel only	(5.0)	(3.8)	(2.3)	(2.6)
Transportation	14.1	5.0	4.2	4.8
Health and personal care	10.6	6.9	3.9	3.6
Recreation, etc.	8.7	6.5	3.4	4.0
Tobacco and alcohol	15.5	12.6	8.2	9.5
TOTAL	10.8	5.8	4.4	4.0

SOURCE: Statistics Canada, Cat. No. 62-001.

Table 19

INCREASE IN AVERAGE HOURLY EARNINGS IN THE TEXTILE INDUSTRIES AND IN ALL MANUFACTURING INDUSTRIES
Per cent

Industry Sector	1981/80	1982/81	1983/82	1984/83	1985/84
Textiles	9.6	10.8	5.9	6.4	4.5
Clothing	8.5	8.3	5.1	1.2	3.8
Knitting	11.2	7.5	3.3	7.6	1.8
All Manufacturing	12.0	11.8	3.5	5.2	3.9

SOURCE: Table A-5 of the Appendix.

Table 20

AVERAGE HOURLY EARNINGS IN THE TEXTILE INDUSTRIES AS A PERCENTAGE OF AVERAGE HOURLY EARNINGS IN ALL MANUFACTURING INDUSTRIES
Per cent

Industry Sector	1981	1982	1983	1984	1985
Textiles	78.1	77.0	80.2	80.9	81.0
Clothing	58.9	56.4	57.4	54.4	55.4
Knitting	61.0	58.9	59.5	60.3	59.3
All manufacturing	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A-6 of the Appendix.

With slightly more rapid wage increases in the primary textile sector, average weekly earnings in that sector are now 81 per cent of earnings in all manufacturing, compared to 78 per cent in 1981. Earnings in the knitting sector have remained at about 60 per cent of those in all manufacturing, while average weekly earnings in clothing now amount to 55 per cent of earnings in all manufacturing, compared to 59 per cent in 1981. (Table 20).

8. EXTERNAL TRADE IN TEXTILE PRODUCTS

The exceptionally rapid rise in imports of textile products during 1983 and 1984 inflated both domestic and imported inventories. In 1985, stabilization of domestic production and import volume allowed excess inventories to be absorbed.

a) Balance of Trade in Textile Products

The significant slowdown in imports during 1985 curbed the deterioration of the trade balance in textile products. While the trade deficit had increased 33 per cent in 1983 and an additional 22 per cent in 1984, it only increased by 4.5 per cent, or about 130 million dollars in 1985 (Table 21).

During 1985, textile imports increased by 7 per cent, and clothing imports, by 3.9 per cent. Since, during the same year, the exchange rate of the Canadian dollar declined about 5 per cent against the currencies of the countries in the "group of 10" (the most important industrialized countries in terms of Canada's overall external trade), and since three quarters of the textile imports came from these countries, the import volume probably did not increase by more than 3 per cent in 1985.

The situation differed for clothing. Even with the depreciation of the Canadian dollar, the quantities of clothing which were imported increased more rapidly than their value. Such an occurrence could only happen if importers were buying larger quantities of clothing of low unit value than of high unit value.

However, as demonstrated in Table 21, the respite in import growth was short-lived. During the first five months of 1986, the value of textile imports increased 21 per cent compared to the same five months in 1985, while the value of clothing imports increased 24 per cent. The inventory liquidation has been completed. Import volumes should increase more than 10 per cent for textiles as well as for clothing.

This recent pattern demonstrated that the depreciation of the Canadian dollar not only failed to discourage imports but had the effect of increasing their price. Decisions to purchase fabrics or to assemble a garment collection were taken months in advance and could not be changed on relatively short notice. Furthermore, supply habits remained relatively steady for those products having experienced substantial price increases at each step in the supply

Table 21

BALANCE OF TRADE IN TEXTILES AND CLOTHING, 1980-1985

Million dollars

Period	Textiles(1)			Clothing(2)			Total Balance
	Imports	Exports	Balance	Imports	Exports	Balance	
1980	1,643.1	424.6	−1,281.5	777.5	230.2	−547.3	−1,765.8
1981	1,867.6	473.9	−1,393.7	954.4	263.7	−690.7	−2,084.4
1982	1,545.9	430.4	−1,115.5	985.2	241.9	−743.3	−1,858.8
1983	1,928.2	428.8	−1,499.4	1,195.9	219.6	−976.3	−2,475.7
1984	2,221.1	521.6	−1,699.5	1,611.3	290.3	−1,321.0	−3,020.5
1985	2,375.8	566.3	−1,809.5	1,674.1	326.1	−1,348.0	−3,157.5
1985 (Jan.-May)	958.1	188.6	−769.5	664.8	98.5	−566.3	−868.0
1986 (Jan.-May)	1,158.2	217.1	−941.1	824.5	107.5	−717.0	−1,658.1

(1) Including floor coverings, hosiery and knitted fabrics.

(2) Including knitted clothing.

SOURCE: Department of Regional Industrial Expansion, based on Statistics Canada data.

chain. Initially, these products were relatively low priced but were then substantially increased in price by the intermediaries.

Over the longer term, the response to the depreciation of the dollar will probably be a combination of three possible reactions. For those well-known branded products, retail prices will be increased in the same proportion as the depreciation, maintaining the distributors' margins. For the more standardized products, consumer resistance to price increases will determine the final result. The intermediaries' margins will be eroded according to the degree of resistance. Finally, for those products with close domestic substitutes, retailers will look at domestic supply sources provided that prices are below, or are, at the maximum, equal to the imported products.

It should also be noted that purchasing patterns will depend on expectations concerning future exchange rates. If the current dollar depreciation is expected to be followed by further depreciation, import purchases will be encouraged. This happened during the first half of 1986 when the Canadian dollar exchange rate fell an additional 7 per cent compared to the first half of 1985. If, following the current depreciation, expectations are that the new exchange rate will hold for an indefinite period, the adaptation to this new situation will take place over a period of 18 to 30 months. If, on the contrary, it is expected that the currently depreciated currency will move upwards in exchange rate, purchasing patterns will not be modified at all, in spite of the depreciation.

b) Sources of Imports

Canada has traditionally imported large quantities of yarns and fabrics to ensure the availability of a wide variety of raw materials essential to the clothing industry, thereby giving consumers a wider choice of textile end products. These imports have, for the most part, been from developed countries, offering qualities and constructions corresponding to the demands of Canadian consumers.

As the newly industrialized countries improved the quality and styling of their products, imports from these countries steadily increased. In 1982, developed countries were the source of 76 per cent of textile imports, "other" countries (Spain, Portugal, Yugoslavia and Israel) accounted for 10 per cent, and low-cost countries, 13 per cent. In 1985, imports from developed countries had fallen to 70 per cent of the total, while imports from "other" countries had risen to 13 per cent, and those from low-cost countries, to 17 per cent (Table 22).

The situation was reversed with regard to clothing imports. Low-cost countries were the dominant sources, accounting for 68 per cent of all clothing imports in 1982, falling to 64 per cent in 1985. "Other" countries have appreciably increased their share of the market from 11 per cent in 1982 to 14 per cent in 1984. The import share of developed countries remained stationary at 22 per cent in 1982 and 1985 (Table 23).

Table 22

CANADIAN IMPORTS OF TEXTILES(1) FROM MAJOR SOURCES

Sources	1982 Million dollars	1982 Per cent	1983 Million dollars	1983 Per cent	1984 Million dollars	1984 Per cent	1985 Million dollars	1985 Per cent
INDUSTRIALIZED COUNTRIES								
United States	879.4	56.9	1,066.5	55.3	1,125.5	50.7	1,145.1	48.2
Italy	67.6	4.4	92.4	4.8	130.4	5.9	145.5	6.1
Japan	106.7	6.9	114.6	5.9	120.9	5.4	120.3	5.1
United Kingdom	59.0	3.8	69.3	3.6	90.9	4.1	107.8	4.5
West Germany	38.5	2.5	52.0	2.7	70.1	3.2	82.8	3.5
France	27.7	1.8	34.6	1.8	45.3	2.0	52.0	2.2
Sub-total	1,178.9	76.3	1,429.4	74.1	1,583.1	71.3	1,654.3	69.6
LOW-COST COUNTRIES								
South Korea	47.3	3.0	62.9	3.3	84.3	3.8	117.1	4.9
China, P.R.	57.6	3.7	63.2	3.3	77.1	3.5	85.3	3.6
Brazil	35.0	2.3	45.1	2.3	66.3	3.0	67.4	2.8
Hong Kong	23.3	1.5	45.9	2.4	55.7	2.5	59.0	2.5
Taiwan	25.9	1.7	41.1	2.1	47.3	2.1	57.6	2.4
India	17.2	1.1	16.3	0.8	18.5	0.8	21.6	0.9
Sub-total	206.3	13.3	274.5	14.2	349.2	15.7	408.0	17.2
"OTHER" SOURCES	160.7	10.4	223.9	11.6	288.8	13.0	313.5	13.2
TOTAL ALL COUNTRIES	**1,545.9**	**100.0**	**1,928.2**	**100.0**	**2,221.1**	**100.0**	**2,375.8**	**100.0**

(1) Including floor coverings, hosiery and knitted fabrics.

SOURCE: Department of Regional Industrial Expansion, based on Statistics Canada data.

CANADIAN IMPORTS OF CLOTHING[1] FROM MAJOR SOURCES

Sources	1982 Million dollars	1982 Per cent	1983 Million dollars	1983 Per cent	1984 Million dollars	1984 Per cent	1985 Million dollars	1985 Per cent
INDUSTRIALIZED COUNTRIES								
United States	111.9	11.4	108.7	9.1	128.1	8.0	111.2	6.6
Italy	32.1	3.3	37.4	3.1	62.3	3.9	84.7	5.1
France	27.0	2.7	32.5	2.7	45.5	2.8	59.1	3.5
West Germany	12.3	1.2	16.1	1.3	28.4	1.8	46.8	2.8
United Kingdom	18.8	1.9	24.0	2.0	28.5	1.8	38.9	2.3
Japan	11.9	1.2	19.7	1.6	25.6	1.6	30.0	1.8
Sub-total	214.0	21.7	238.4	19.9	318.4	19.8	370.7	22.1
LOW-COST COUNTRIES								
Hong Kong	222.1	22.5	287.3	24.0	342.4	21.2	321.9	19.2
South Korea	192.0	19.5	218.7	18.3	286.8	17.8	271.3	16.2
Taiwan	155.9	15.8	204.4	17.1	247.7	15.4	244.5	14.6
China, P.R.	63.7	6.5	93.6	7.8	140.5	8.7	143.1	8.5
India	26.3	2.7	29.5	2.5	49.5	3.1	60.6	3.6
Thailand	6.1	0.6	10.4	0.9	27.0	1.7	27.8	1.7
Sub-total	666.1	67.6	843.9	70.6	1,093.9	67.9	1,069.2	63.9
"OTHER" SOURCES	105.1	10.7	113.6	9.5	199.0	12.3	234.2	14.0
TOTAL ALL COUNTRIES	**985.2**	**100.0**	**1,195.9**	**100.0**	**1,611.3**	**100.0**	**1,674.1**	**100.0**

[1] Including knitted garments.

SOURCE: Department of Regional Industrial Expansion, based on Statistics Canada data.

Among the low-cost countries, the traditional exporting countries (Hong Kong, South Korea and Taiwan) have had their dominant position eroded by new sources (People's Republic of China, India and Thailand). These changes in import sources were partly the result of more advantageous prices being offered by the new exporters, and partly the result of the relative availability of quotas with low growth provisions for the traditional exporting countries, and more generous growth provisions for newly exporting countries.

Clothing imports from the three major traditional exporting countries declined from 58 per cent in 1982 to 50 per cent in 1985. However, since the share of the fourth major exporting country (People's Republic of China) has increased, the four majors together now account for close to 60 per cent of the import share of the market for clothing.

Among the developed countries, the United States has lost considerable ground since 1982 due primarily to exchange rates. Its share of the market decreased from 11.4 per cent to 6.6 per cent, while the major countries of Western Europe, together with Japan, were the beneficiaries. Their collective share, which amounted to 10 per cent in 1982, exceeded 15 per cent in 1985.

During 1985, the currencies of the major Western European countries and of Japan appreciated rapidly, but this trend could end in 1986. Once again, the currency of the United States may appreciate less in relation to the Canadian dollar.

c) Imports of Clothing by Category of Importers

Importation is very profitable, with the result that the number of firms importing 1000 or more units of clothing have been increasing rapidly. In the seven-year period from 1978 to 1985, their number has increased from 1,328 to 1,944, which amounts to an increase of 6 per cent per year (Table A-10 of the Appendix).

With regard to the distribution of imports between the three main categories of importers, that is, traditional importers, retail stores and clothing manufacturers, the trends which had developed since 1978 were interrupted during the recession in 1982 and the recovery which followed in 1983. Up to the time of the recession, the traditional importers had seen their share of clothing imports decline in both quantity and value, while the import shares of retail stores and of clothing manufacturers had both increased. In 1982, the retail stores reduced their imports in both quantity and value, allowing traditional importers and manufacturers to take their place.

Since then, retail stores have reinforced their import position to approach the level that they had reached in 1981. In contrast, the shares of traditional importers and of clothing manufacturers have been stabilized (Tables 24 and 25). The traditional importers have ceased to give ground. While this is clear when looking at the value of imports, it is less so in terms of units imported.

Table 24

RELATIVE SHARES OF CLOTHING IMPORTS BY CATEGORY OF IMPORTERS
Per cent of units imported

Category of importers	1978	1979	1980	1981	1982	1983	1984	1985
Importing firms	67.6	65.0	62.1	59.1	59.6	58.2	60.0	57.6
Retail stores	13.8	15.3	16.9	19.4	16.8	16.5	17.2	18.2
Clothing manufacturers	18.6	19.7	21.0	21.5	23.6	25.3	22.8	24.2
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A-7 of the Appendix.

Table 25

RELATIVE SHARES OF CLOTHING IMPORTS BY CATEGORY OF IMPORTERS
Per cent of value of imports

Category of importers	1978	1979	1980	1981	1982	1983	1984	1985
Importing firms	60.3	57.6	52.0	50.0	51.2	51.6	53.3	52.6
Retail stores	18.8	19.6	23.0	24.7	21.1	21.3	23.0	23.8
Clothing manufacturers	20.9	22.8	25.0	25.3	27.7	27.1	23.7	23.6
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A-8 of the Appendix.

While clothing manufacturers' share of imports has tended to stabilize at around 24 per cent in terms of units and at 25 per cent in terms of value, in 1982, that share was 23.6 per cent in units and 27.7 per cent in value. While manufacturers previously imported products of high unit value, close to that of retail stores, they have tended in recent years to import products at a unit value close to the overall average. Even with the inflation of 1981-1984, the average unit value of imports by manufacturers has not varied. It had been $5.46 in 1981 and it was still $5.46 in 1985 (Table 26).

In 1985, only the retail stores imported products with a relatively high unit value, that is, 43 per cent higher than traditional importers and 34 per cent higher than manufacturers. In 1981, the unit value of imports by retail stores was 50 per cent higher than for imports by traditional importers, but only 7 per cent higher than the value of imports by manufacturers. Manifestly, manufacturers now import a high proportion of standard products of relatively low unit value, while previously, more of this market segment went to the traditional importers.

Table 26

WEIGHTED AVERAGE UNIT VALUE OF IMPORTS BY CATEGORY OF IMPORTERS, 1978-1985
Dollars

Category of importers	1978	1979	1980	1981	1982	1983	1984	1985
Importing firms	2.86	3.43	3.73	3.95	4.21	4.37	5.01	5.12
Retail stores	4.37	4.98	6.07	5.94	6.12	6.38	7.53	7.33
Clothing manufacturers	3.60	4.48	5.30	5.46	5.73	5.27	5.87	5.46

SOURCE: Table A-9 of the Appendix.

d) Import Restraints and Their Utilization

In 1985, utilization of import restraints by low-cost countries was relatively high for yarns and fabrics, quite low for household and miscellaneous textiles, but very high for clothing and special textile products (work gloves, handbags, hosiery).

At no time since 1980 had the restraints for primary textiles (yarns and fabrics) been utilized to such a high degree, that is, to more than 80 per cent (Table 27). In contrast, end products of the textile industry (household and miscellaneous textiles) were imported in moderate quantities only, with restraint utilization rates varying from 34 to 78 per cent, much lower than in 1984.

The situation differed for clothing. Utilization rates of restraints have exceeded 90 per cent since 1983 (Table 28).

With average utilization rates that exceeded 98 per cent in 1984 and 93 per cent in 1985, several restraints on individual products have been utilized at 100 per cent or more. Carryovers were few in 1984 because utilization rates were higher than in 1985, but substitution and carry forward provisions allowed imports to go beyond the restraint levels.

Among exporting countries, it was the major ones which utilized their restraints at 100 per cent: Hong Kong at 102.7 per cent, Taiwan at 100.4 per cent, South Korea at 100.1 per cent and the People's Republic of China at 97.8 per cent (Table 29).

In contrast, the socialist countries of Eastern Europe have made little use of the restraints at their disposal. Utilization rates for these countries ranged from 14 to 66 per cent. Furthermore, restraints were little utilized by the countries with which Canada has recently concluded bilateral agreements (Brazil, Bangladesh). In effect, the initial restraint level was generally higher than these countries' exports to Canada prior to the agreement. Nonetheless, by the second year of the agreement, these countries generally managed to fully utilize their restraint levels. Thus, the agreement concluded with Mauritius in 1984 specified a restraint level that was utilized up to 50 per cent in 1984, but reached 98 per cent utilization in 1985.

RESTRAINT LEVELS AND UTILIZATION RATES, TEXTILE PRODUCTS
Tons

Products	1982 Restraint Level	1982 Permits Issued Against Restraint	1982 Restraint Utilization Rate (per cent)	1983 Restraint Level	1983 Permits Issued Against Restraint	1983 Restraint Utilization Rate (per cent)	1984 Restraint Level	1984 Permits Issued Against Restraint	1984 Restraint Utilization Rate (per cent)	1985 Restraint Level	1985 Permits Issued Against Restraint	1985 Restraint Utilization Rate (per cent)
Yarns	2,423	2,025	83.6	2,773	2,085	75.2	3,132	2,273	72.6	3,375	2,945	87.3
Fabrics	7,330	3,856	52.6	11,283	8,523	75.5	11,882	8,197	69.0	12,525	10,661	85.1
Sheets and pillowcases	1,838	548	29.8	1,925	986	51.2	2,015	1,037	51.5	2,116	823	38.9
Towels	2,156	1,619	75.1	2,376	2,581	108.6	2,527	2,681	106.1	2,687	2,108	78.5
Other household products	1,007	524	52.0	1,372	540	39.4	1,454	737	50.7	1,545	671	43.4
Misc. textiles: cordage, rope, twine; coated fabrics	2,300	604	26.3	2,510	949	37.8	2,740	789	28.8	2,991	1,025	34.3
TOTAL	**17,054**	**9,176**	**53.8**	**22,239**	**15,664**	**70.4**	**23,750**	**15,714**	**66.2**	**25,239**	**18,233**	**72.2**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

Table 28

RESTRAINT LEVELS AND UTILIZATION RATES BY PRODUCT, CLOTHING

Thousand units

Products	1982			1983			1984			1985		
	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)
1. Outerwear	3,054	2,852	93.4	3,154	3,009	95.4	3,213	3,258	101.4	3,394	3,253	95.8
2. Pants, shorts, overalls, coveralls	21,142	20,162	95.4	22,992	24,471	106.4	25,101	24,660	98.2	25,320	24,191	95.5
3. Shirts, tailored collar, men's and boys	14,249	13,606	95.5	15,349	14,435	94.0	15,947	15,997	100.3	16,629	16,706	100.5
4. Blouses, shirts, T-shirts and sweatshirts	52,204	41,911	80.3	52,954	46,981	88.7	55,420	54,161	97.7	60,556	54,641	90.2
5. Sweaters, pullovers and cardigans	25,180	20,566	81.7	25,523	23,387	91.6	26,146	23,749	90.8	27,472	26,148	95.2
6. Sleepwear	4,951	4,060	82.0	5,159	5,071	98.3	5,377	5,540	103.0	5,629	5,455	96.9
7. Dresses, skirts, coordinates	10,069	6,678	66.3	10,752	9,836	91.5	15,842	15,366	97.0	17,577	15,118	86.0
8. Underwear	10,946	10,068	92.0	11,533	11,888	103.1	12,192	12,866	105.5	14,641	13,740	93.8
9. Swimwear, foundation garments	4,881	2,489	51.0	5,128	3,728	72.7	6,190	7,903	127.7	6,514	6,454	99.1
10. Coats, jackets, rainwear	7,744	5,865	75.7	8,013	6,918	86.3	8,882	7,594	85.5	9,701	7,999	82.5

Continued on next page.

RESTRAINT LEVELS AND UTILIZATION RATES BY PRODUCT, CLOTHING

Thousand units

Products	1982 Restraint Level	1982 Permits Issued Against Restraint	1982 Restraint Utilization Rate (per cent)	1983 Restraint Level	1983 Permits Issued Against Restraint	1983 Restraint Utilization Rate (per cent)	1984 Restraint Level	1984 Permits Issued Against Restraint	1984 Restraint Utilization Rate (per cent)	1985 Restraint Level	1985 Permits Issued Against Restraint	1985 Restraint Utilization Rate (per cent)
11. Fine suits, sport-coats	526	412	78.3	549	354	64.5	562	368	65.5	575	420	73.0
12. Non-specific[1]	2,820	2,099	74.4	8,499	7,574	89.1	9,064	9,459	104.4	9,666	9,735	100.7
TOTAL	**157,764**	**130,767**	**82.9**	**169,507**	**157,650**	**93.0**	**183,937**	**180,921**	**98.4**	**197,674**	**183,861**	**93.0**

[1] Non-specific: Includes clothing aggregates from India and Macau, and children's clothing imports from the Philippines.

SOURCE: Textile and Clothing Board, based on data supplied by the Department of External Affairs.

Table 29

RESTRAINT LEVELS AND UTILIZATION RATES BY COUNTRY, CLOTHING

Thousand units

Country	1982			1983			1984			1985		
	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)	Restraint Level	Permits Issued Against Restraint	Restraint Utilization Rate (per cent)
Taiwan	37,989	37,113	97.7	39,053	39,340	100.7	40,151	40,087	99.8	41,284	41,434	100.4
Hong Kong	38,027	31,781	83.6	38,965	37,668	96.7	39,893	38,728	97.0	40,754	41,860	102.7
South Korea	30,847	29,828	96.7	31,642	31,211	98.6	32,465	32,439	100.0	33,318	33,362	100.1
China, P.R.	22,145	16,319	74.0	23,252	23,395	100.6	28,692	34,870	121.5	30,176	29,507	97.8
Philippines	7,350	3,725	50.7	7,811	5,741	73.5	8,304	6,786	81.7	8,830	6,432	72.8
India	5,369	3,969	73.9	6,223	5,028	80.8	6,596	6,590	100.0	6,992	6,957	99.5
Thailand	2,230	1,112	49.9	2,291	2,609	113.7	4,225	3,939	93.2	6,299	5,640	89.5
Singapore	2,367	1,320	55.8	3,658	2,350	64.2	3,877	2,736	70.5	4,746	2,007	42.3
Malaysia	1,991	1,095	55.0	2,065	822	39.8	3,211	3,266	101.7	4,655	3,060	65.7
Pakistan	—	—	—	3,671	2,112	57.5	3,891	2,693	69.2	4,125	3,039	73.7
Romania	3,505	1,407	40.1	3,674	1,988	54.1	3,853	2,540	65.9	4,040	2,373	58.7
Poland	2,805	1,417	50.5	2,946	1,296	44.0	3,094	1,546	50.0	3,251	1,056	32.5
Sri Lanka	666	435	65.3	985	940	95.4	1,619	1,467	90.6	2,393	1,909	79.8
Indonesia	—	—	—	680	1,394	205.0	1,150	1,172	101.9	2,220	1,905	85.8
Macau	1,200	839	70.0	1,272	1,284	100.9	1,348	1,317	97.7	1,429	1,355	94.8
Brazil	—	—	—	—	—	—	—	—	—	855	578	67.6
Bulgaria	791	102	13.9	810	201	24.8	831	453	54.5	852	564	66.2
Czechoslovakia	440	273	62.0	465	267	57.4	492	177	36.0	520	71	13.7
Bangladesh	—	—	—	—	—	—	—	—	—	474	333	70.3
Mauritius	—	—	—	—	—	—	202	102	50.5	417	407	97.6
Hungary	41	31	75.6	41	4	10.4	42	14	32.0	44	11	25.0
TOTAL	**157,764**	**130,767**	**82.9**	**169,507**	**157,650**	**93.0**	**183,937**	**180,921**	**98.4**	**197,674**	**183,861**	**93.0**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

Table 30

RESTRAINT LEVELS AND UTILIZATION RATES, WORK GLOVES, HANDBAGS AND HOSIERY

Thousand units

	1982			1983			1984			1985		
Products	**Restraint Level**	**Permits Issued Against Restraint**	**Restraint Utiliza-tion Rate (per cent)**	**Restraint Level**	**Permits Issued Against Restraint**	**Restraint Utiliza-tion Rate (per cent)**	**Restraint Level**	**Permits Issued Against Restraint**	**Restraint Utiliza-tion Rate (per cent)**	**Restraint Level**	**Permits Issued Against Restraint**	**Restraint Utiliza-tion Rate (per cent)**
Work gloves	26,686	14,454	54.2	29,993	24,092	80.3	31,212	29,137	93.4	32,964	30,471	92.4
Handbags, textile	5,221	3,244	62.1	5,474	3,871	70.7	5,742	3,788	66.0	6,027	3,398	56.4
Hosiery	12,000	11,838	98.7	13,064	15,543	119.0	16,156	14,935	92.4	17,571	15,794	89.9
TOTAL	**43,907**	**29,536**	**67.3**	**48,531**	**43,506**	**89.6**	**53,110**	**47,860**	**90.1**	**56,562**	**49,663**	**87.8**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

For special textile products (work gloves, handbags of textiles and hosiery), utilization rates of the restraints have been high, with the exception of handbags where they attained only 56 per cent (Table 30).

Overall, imports in 1985 were less of a threat to the domestic industry than in the two previous years. However, this does not necessarily prove that the competitive ability of the Canadian textile industry against low-cost countries has improved. It simply reflects the effect of the high inventories that were accumulated in 1983 and 1984. In the first half of 1986, these high inventories have been liquidated and imports have already resumed their growth.

9. APPARENT MARKETS FOR TEXTILE AND CLOTHING PRODUCTS

Stagnant domestic production, combined with moderately growing imports, have resulted in further erosion of the market share held by Canadian producers.

Compared to previous years, the loss of market share has been significant in the case of yarns and fabrics. The market share of Canadian yarn producers declined from 63 per cent in 1984 to 58 per cent in 1985, while the domestic fabric producers have seen their market share decline from 44 per cent in 1984 to 37 per cent in 1985 (Table 31 and Table A-11 of the Appendix).

These important share losses in yarns and fabrics were mainly attributable to the single sector of cotton and polyester/cotton, and to a single event, the disappearance of one of the two major producers of the sector, Wabasso Inc. Because of this closing, the production of cotton yarns declined by 24 per cent, that of polyester/cotton yarns, by 15 per cent, and that of cotton and polyester/ cotton fabrics, by 19 per cent.

The permanent closing of the Wabasso facilities also reduced the production capacity and the subsequent production of household textile products. However, the market for these particular products contracted in 1985, and the closing did not have a major impact on market shares held by Canadian producers.

With respect to special textile products, market shares varied little in 1985. Domestic producers of hosiery maintained their position at a high level of 71 per cent. With regard to the other products, the Canadian producers have more or less maintained their respective shares, but at lower levels varying from 20 to 35 per cent according to the particular product (Table 32 and Table A-12 of the Appendix).

Table 31

SHARES OF APPARENT MARKETS FOR PRIMARY TEXTILES HELD BY NET DOMESTIC SHIPMENTS AND IMPORTS, 1981-1985

Per cent

	Net Domestic Shipments					Imports				
Products	**1981**	**1982**	**1983**	**1984**	**1985**	**1981**	**1982**	**1983**	**1984**	**1985**
All Yarns(1)	74	72	64	63	58	26	27	36	37	42
Acrylic yarns (worsted spun)	60	61	61	62	60	40	39	39	38	40
All fabrics(2)	52	50	50	44	38	48	50	50	56	62
Cotton and polyester/cotton fabrics, corduroys and denims	50	47	45	37	28	50	53	55	63	72
Woollen and worsted fabrics	47	43	44	40	38	53	57	56	60	62
Sheets	71	81	79	73	*	29	19	21	27	*
Pillowcases	62	70	72	71	*	38	30	28	29	*
Towels and washcloths	53	59	53	49	53	47	41	47	51	47

* Confidential.

(1) Excludes cotton spun acrylic yarns, and spun yarns of rayon, nylon and polyester.

(2) Excludes coated fabrics.

SOURCE: Department of Regional Industrial Expansion.

Table 32

SHARES OF APPARENT MARKETS FOR "SPECIAL" TEXTILE PRODUCTS HELD BY NET DOMESTIC SHIPMENTS AND IMPORTS, 1981-1985

Per cent

	Net Domestic Shipments					Imports				
Products	**1981**	**1982**	**1983**	**1984**	**1985**	**1981**	**1982**	**1983**	**1984**	**1985**
Hosiery	71	72	71	71	71	29	28	29	29	29
Cordage, rope and twine	29	33	35	32	35	71	67	65	68	65
Handbags of textiles	37	33	26	19	20	63	67	74	81	80
Work gloves	38	34	32	29	26	62	66	68	71	74

SOURCE: Department of Regional Industrial Expansion, and Textile and Clothing Board.

Apparent markets for clothing have remained relatively stable. Following an increase of 7 per cent in 1984, the total apparent market for clothing increased by only 2 per cent. Retail sales of clothing rarely fluctuate that widely. In fact, the "apparent market" is not a measure of sales to consumers, it is a measure of shipments and imports, with no account being taken whether the goods have actually been sold to consumers or have served to increase inventories.

Table 33

VARIATIONS IN APPARENT MARKETS, NET DOMESTIC SHIPMENTS AND IMPORTS OF CLOTHING, 1983-1984 AND 1984-1985(1)

Per cent

Clothing Category	Apparent Market		Domestic Shipments		Total Imports		Imports from Restrained Sources	
	84/83	85/84	84/83	85/84	84/83	85/84	84/83	85/84
Foundation garments	neg	–4	–2	–7	13	11	10	3
Underwear	3	7	neg	3	18	25	3	33
Structured suits and jackets	10	–9	2	–11	56	neg	56	–3
Pyjamas and sleepwear	7	9	4	6	14	15	13	16
Pants, shorts, overalls, coveralls	1	1	–2	5	5	–7	5	–11
Winter outerwear	3	–14	9	–18	–8	–6	–4	–10
Athletic suits or sets	–3	–7	–10	7	7	–25	25	–25
Children's and infants' wear	2	4	–2	neg	11	11	8	9
Other men's shirts	19	–19	9	–21	43	–14	49	–15
Women's sportswear, dresses	7	6	–5	8	33	3	33	1
Leather coats and jackets	30	–40	–7	–31	99	–48	104	–50
Rainwear	18	–32	–8	–3	35	–47	36	–47
T-shirts and sweatshirts	14	–6	6	neg	21	–10	18	–10
Unstructured suits	55	7	–21	49	141	–9	156	–11
Swimwear	38	–8	23	–28	53	10	55	8
Jackets, overcoats and topcoats	29	–3	4	–6	–86	–2	44	–3
Sweaters	11	4	9	–5	8	9	5	7
Women's blouses and skirts	2	2	–3	–20	5	14	4	14
Men's tailored collar shirts	14	10	–3	–19	27	26	27	22
Total of all clothing categories	**7**	**2**	**neg**	**neg**	**17**	**4**	**16**	**3**

neg. – Negligible.

SOURCE: Textile and Clothing Board.

Table 34

SHARES[1] OF APPARENT MARKETS FOR CLOTHING HELD BY NET DOMESTIC SHIPMENTS AND IMPORTS, 1983-1985

Per cent

Clothing Category	Net Domestic Shipments 1983	1984	1985	Total Imports 1983	1984	1985
Foundation garments	86	84	81	14	16	19
Underwear	84	82	79	16	18	21
Structured suits and jackets	85	79	77	15	21	23
Pyjamas and sleepwear	78	76	75	22	24	25
Pants, shorts, overalls, coveralls	64	63	66	36	37	34
Winter outerwear	64	68	65	36	32	35
Athletic suits or sets	60	56	64	40	44	36
Children's and infants' wear	68	65	63	32	35	37
Other men's shirts	69	63	61	31	37	39
Women's sportswear, dresses	67	59	60	33	41	40
Leather coats and jackets	66	47	54	34	53	46
Rainwear	39	31	44	61	69	56
T-shirts and sweatshirts	44	41	43	56	59	57
Unstructured suits	53	27	38	47	73	62
Swimwear	52	46	36	48	54	64
Jackets, overcoats and topcoats	37	30	29	63	70	71
Sweaters	32	31	29	71	69	71
Women's blouses and shirts	39	37	29	61	63	71
Men's tailored collar shirts	44	37	27	56	63	73
Total of clothing categories	**62**	**59**	**57**	**38**	**41**	**43**

(1) In descending order of Net Domestic Shipments in 1985.

SOURCE: Textile and Clothing Board.

Domestic shipments contributed little to this 2 per cent increase in the apparent market for clothing. Imports accounted for all the market expansion, with an overall increase of 4 per cent (Table 33).

With stable domestic shipments and growing imports, the market share held by domestic producers has continued to decline. In 1985, their share amounted to 57 per cent, compared to 59 per cent in 1984 and 62 per cent in 1983. Conversely, the share of imports reached 43 per cent in 1985, against 41 per cent in 1984 and 38 per cent in 1983 (Table 34).

As indicated in Table 34, the domestic manufacturers' share declined between 1984 and 1985 in twelve product groups and increased in seven.

Since Canadian clothing production generally tends to be concentrated in the medium to higher price range, while imports, particularly those from low-cost countries, are dominated by items of low unit price, the deterioration of the domestic producers' situation has been even more pronounced in terms of units than in terms of value. Nonetheless, the trend has been similar, but at different levels.

Between 1980 and 1985, the share of imports in the apparent market for clothing rose from 27 per cent in 1980 to 43 per cent in 1985 in terms of units, and from 17 per cent in 1980 to 28 per cent in 1985 in terms of value (Table 35).

To underline the similarity of the trend in both units and value, it can be seen that the share of the Canadian clothing market held by importers increased, between 1980 and 1985, by 54 per cent in units and 65 per cent in value. It can also be deduced from Tables A-13 and A-14 of the Appendix that the trend of imports from low-cost countries has been similar to that of total imports from all sources. Between 1980 and 1985, the market share held by imports from low-cost countries increased 58 per cent in units and 69 per cent in value.

There is thus little comfort to be found in the comparison of imports in terms of value rather than volume. Certainly, the levels are different, but the trends are identical. The Canadian manufacturers are steadily losing their market share, whether it is calculated in units or in value.

Table 35

SHARES OF THE APPARENT MARKET FOR CLOTHING HELD BY NET DOMESTIC SHIPMENTS AND BY IMPORTS, 1980, 1983-1985

Per cent

	Net Domestic Shipments				Imports			
	1980	1983	1984	1985	1980	1983	1984	1985
In terms of value of clothing	83	77	72	72	17	23	28	28
In terms of units of clothing	73	62	59	57	27	38	41	43

SOURCE: Tables A-13 and A-14 of the Appendix.

10. FINAL DEMAND FOR TEXTILE PRODUCTS

Relative to income, there is little elasticity in the consumer demand for textile products. An increase in consumers' income will not incite them to allocate a greater proportion of that increased income to clothing. At best, they will maintain the same proportion.

As shown in Table 36, during the last five years, the proportion of total consumer expenditures going for the purchase, maintenance and alterations of clothing has decreased slightly in terms of current dollars, and marginally in terms of constant dollars (Table 36).

Table 36

SHARE OF TOTAL CONSUMER EXPENDITURES REPRESENTED BY THE PURCHASE AND MAINTENANCE OF CLOTHING

Per cent

	1981	1982	1983	1984	1985
Expenditures in current dollars	5.66	5.43	5.27	5.22	5.19
Expenditures in constant dollars	7.58	7.60	7.48	7.47	7.48

SOURCE: Tables A-15 and A-16 of the Appendix.

The difference in relative levels of expenditures in current dollars and in constant dollars is simply a measure of the increased volume of clothing products obtained by the consumer in terms of constant dollars, due to the minor increase in clothing prices when compared to other goods and services consumed.

During the five years from 1981 to 1985, consumer demand for clothing goods and services increased an average of 6.4 per cent in current dollars and 2.2 per cent in constant dollars (calculated on the basis of data in Tables A-15 and A-16 of the Appendix). The smallest increase occurred at the beginning of the period, in 1982, and the largest, during 1985. In 1982, clothing expenditures rose 4 per cent in current dollars, but declined 2 per cent in constant dollars. In contrast, the increase in current terms in 1985 reached 9 per cent, and in real terms, more than 5 per cent. Since domestic production and imports went up 1 per cent and 4 per cent only in 1985, the difference could only have come from a decrease in inventories.

This inventory liquidation came to an end in late 1985. As mentioned earlier in this report, textile production increased at a rate of 12 per cent in early

1986, clothing production at 7 per cent and clothing imports at 11 per cent. Since it is unlikely that consumer demand will exceed or even reach a growth rate of more than 5 per cent in 1986, these rates obviously exceed that final demand.

Consumer demand approximating this high level in 1985 substantially increased the sales of the various categories of retailers. During 1985, retail sales of clothing rose 9.2 per cent in current dollars and 6.2 per cent in constant dollars (Table A-17 of the Appendix). There are two reasons for the difference between the growth rates of retail sales and of consumer demand: firstly, retail sales rose only for department stores and specialized clothing stores (both chain and independent) which did not include other stores selling clothes (sporting goods stores, drugstores, groceries, etc.); secondly, retail sales of clothing covered sales of clothing only, while consumer expenditures included not only the purchase but also the maintenance of clothing.

As in the preceding years, chain stores that specialized in clothing were the ones whith the largest increase in sales in 1985. Sales increases in department stores and in independent clothing stores, although substantial, were insufficient to avoid an erosion of their respective market shares (Table 37).

Table 37

DISTRIBUTION OF CLOTHING SALES BY TYPE OF STORE, 1981-85

Per cent

Type of stores	1981	1982	1983	1984	1985
Department stores	41.9	43.4	40.2	39.9	39.4
Specialized clothing stores:					
– chain	29.8	30.2	35.1	36.9	37.7
– independent	28.3	26.4	24.7	23.2	22.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A-17 of the Appendix.

As seen in Table 37, sales of the specialized clothing store chains have been moving ever closer to the clothing sales of department stores. If this trend continues for two or three years, the sales of chain stores should overtake those of department stores.

The success of chain stores has been the result of their specialization. Instead of offering a wide range of clothing products, chain stores have tended to specialize in clothing by gender and by price point. The consumer knows that the store name corresponds to a type of clothing and a price point. Chain stores can therefore offer a comprehensive choice of garments at comparable prices, while the less specialized stores will offer several price points but a necessarily more limited assortment.

The chains aim at specific segments of the market, and clearly identify the characteristics of those segments. Thus, they take less risk and can serve their particular segments while maintaining strict control over inventory levels. In contrast, the other two retail organizations attempt to serve several market segments, they are not able to identify those segments as precisely, and hence they must maintain larger inventories. With higher inventories, their financial costs are higher, and their subsequent liquidation costs more extensive.

The differences in inventory levels are significant. The ratio of average monthly inventories over average monthly sales shows that department store inventories represent 3.4 months of sales, those of chain stores, 1.7 months, and those of independent stores, 2.9 months (Table 38). In other words, the department stores have been holding twice as much inventory as the chain stores, and 1.8 times as much as the independent stores.

Table 38

RATIO OF AVERAGE INVENTORY OVER AVERAGE SALES FOR VARIOUS TYPES OF CLOTHING STORES

Per cent

Type of stores	1981	1982	1983	1984	1985
Department stores	3.30	3.10	3.28	3.41	3.42
Specialized clothing stores:					
– chain	1.96	2.12	1.86	1.76	1.66
– independent	3.17	3.09	2.83	2.88	2.93
Total	**2.86**	**2.80**	**2.67**	**2.68**	**2.64**

SOURCE: Table A-17 of the Appendix and Statistics Canada, Cat. No. 63-014.

11. CONCLUSION

Overall, 1985 turned out to be a relatively favourable year for textile and clothing industries. The levels of activity were stable at a fairly high level, employment stabilized, and production capacities were utilized at higher rates. Industry selling prices and consumer prices have recorded only minor increases.

The year 1985 was a year of adjustment in inventories which were considered excessive after the considerable rise in imports in 1983 and 1984. As a result, imports in 1985 increased only moderately, without creating major disturbances in the markets for textile products.

Final consumer demand was brisk throughout the year. This demand helped absorb inventory surpluses and opened the way for the additional expansion which began to be felt in the last months of 1985 and continued into the first months of 1986.

The increase in domestic production and the strong rise of imports during the first half of 1986 appears, at least in part, to be directed to rebuilding inventories. There is a probability that the second half of the year may bring a slowdown in demand. If this slowdown were to affect domestic production as well as imports, there would be no major disturbance. However, should the burden of the slowdown fall only on domestic production while imports continue to increase as rapidly as during the first half of 1986, serious disruption could be experienced before the end of the year.

APPENDIX

Table A-1

GROSS NATIONAL OR GROSS DOMESTIC EXPENDITURE AND ITS COMPONENTS IN MAJOR INDUSTRIAL COUNTRIES(1), 1982-85, AT CONSTANT PRICES

Percentage change from previous year

GNE/GDE Component	Canada				United States				United Kingdom				France			
	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984
Consumers' expenditures	−2.0	3.1	3.7	5.2	1.3	4.6	4.4	3.3	0.8	3.9	1.9	2.8	3.4	1.0	0.7	1.5
Government expenditures	1.2	0.1	3.4	1.9	2.0	1.0	4.3	5.9	0.7	1.8	1.4	0.5	3.5	0.7	−0.1	−0.2
Private domestic capital expenditures	−11.5	−6.1	−0.5	8.1	−6.7	7.8	17.6	7.4	6.7	5.2	7.9	0.9	−0.5	−2.2	−1.9	−7.0
Exports of goods and services	−1.6	6.4	19.5	4.5	−7.8	−3.5	6.2	−2.9	1.0	2.6	7.2	6.0	−2.6	4.4	6.7	3.1
Imports of goods and services	−11.2	8.1	14.4	6.7	1.4	10.6	22.8	2.4	3.9	5.8	9.5	3.0	6.8	−0.6	2.3	5.0
Gross National or Gross Domestic Expenditure	**−4.4**	**3.3**	**5.0**	**4.5**	**−2.1**	**3.4**	**6.6**	**2.3**	**1.8**	**3.6**	**1.9**	**3.3**	**1.8**	**0.7**	**1.6**	**0.8**

continued on next page

GROSS NATIONAL OR GROSS DOMESTIC EXPENDITURE AND ITS COMPONENTS IN MAJOR INDUSTRIAL COUNTRIES(1), 1982-85, AT CONSTANT PRICES

Percentage change from previous year

GNE/GDE Component	West Germany				Italy				Japan			
	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984
Consumers' expenditures	−1.4	1.1	0.6	1.6	0.5	0.3	1.8	n.a.	4.3	3.2	2.8	2.7
Government expenditures	−1.0	0.3	2.4	2.1	2.6	2.5	2.7	n.a.	0.8	0.8	1.0	−1.6
Private domestic capital expenditures	−4.7	3.1	0.8	−1.4	−5.2	−3.8	4.1	n.a.	2.6	0.3	7.7	10.4
Exports of goods and services	4.6	−0.2	8.1	7.2	0.4	3.3	7.0	n.a.	3.5	4.2	17.5	5.9
Imports of goods and services	2.2	0.8	5.5	4.5	1.5	0.11	9.6	n.a.	2.6	−5.1	11.1	0.6
Gross National or Gross Domestic Expenditure	**−1.0**	**1.6**	**2.7**	**2.3**	**−0.5**	**−0.4**	**2.6**	**n.a.**	**3.3**	**3.2**	**5.1**	**4.6**

n.a. – Not available.

(1) Gross Domestic Expenditure for France, Italy and the U.K., and Gross National Expenditure for other countries. (For France, only the first three quarters of 1985 are used in this calculation.)

SOURCE: OECD, *Main Economic Indicators*, December 1984, June 1985, April 1986; *Quarterly National Accounts*, No. 4 (1985).

Table A-2

INDUSTRIAL PRODUCTION AND MANUFACTURING PRODUCTION IN MAJOR INDUSTRIAL COUNTRIES, 1982-85

Percentage change from previous year

Country/region	Industrial Production				Manufacturing Production			
	1982/81	1983/82	1984/83	1985/84	1982/81	1983/82	1984/83	1985/84
Canada	−10.0	5.6	8.4	4.9	−10.9	5.6	7.4	4.9
United States	−8.7	6.3	10.9	2.7	−8.7	8.5	12.7	1.7
Japan	0.0	4.0	10.5	5.2	0.0	4.0	11.4	4.3
France	−2.0	1.0	2.0	n.a.	−1.0	0.0	2.1	−1.0
West Germany	−3.0	1.1	3.1	6.1	−3.1	1.1	3.1	6.1
Italy	−3.1	−2.1	3.2	1.0	−4.1	−2.1	3.3	2.1
United Kingdom	2.1	3.0	1.0	4.9	0.0	3.2	4.1	3.0
E.E.C.	−2.0	1.0	3.1	3.0	−2.1	0.0	4.2	3.0
OECD Europe	−1.0	1.0	3.1	3.0	−1.0	1.1	3.1	3.0
OECD North America	−7.8	5.3	11.0	2.7	−8.8	7.4	12.9	2.6
OECD Total	**−4.0**	**3.1**	**7.0**	**2.8**	**−4.0**	**3.1**	**8.1**	**3.7**

n.a.: Not available.

SOURCE: OECD, *Indicators of Industrial Activity*, 1984-IV, 1985-IV and 1986-I.

EMPLOYMENT IN TEXTILE AND CLOTHING INDUSTRIES, 1981-85 AND PERCENTAGE CHANGE FROM PREVIOUS YEAR

Year/month		Textiles Empl. ('000)	Textiles % Change	Clothing and Knitting Empl. ('000)	Clothing and Knitting % Change	Total Textile Activities Empl. ('000)	Total Textile Activities % Change	All Manufacturing Industries Empl. ('000)	All Manufacturing Industries % Change
1980		71.1		117.3		188.5		1850.4	
1981		70.5	−1.0	116.3	−0.9	186.8	−0.9	1853.7	0.2
1982		61.2	−13.2	109.6	−5.8	170.8	−8.6	1708.9	−7.8
1983		61.8	1.0	108.7	−0.8	170.5	−0.2	1738.6	1.7
1984		61.5	−0.5	101.4	−6.7	162.9	−4.5	1669.7	−4.0
1985		61.2	−0.5	102.3	0.9	163.5	0.4	1703.9	2.0
1985	January	61.6	1.0	98.0	−9.3	159.6	−5.6	1629.8	−2.2
	February	62.7	5.9	100.9	5.4	163.6	5.6	1654.0	3.2
	March	60.9	2.4	102.2	6.2	163.1	4.8	1655.0	3.3
	April	61.1	1.2	96.2	−4.4	157.3	−2.3	1677.1	1.9
	May	60.7	0.5	102.7	4.6	163.4	3.0	1713.6	1.8
	June	62.0	0.8	105.0	3.7	167.0	2.6	1752.9	2.3
	July	61.0	1.2	106.0	3.4	167.0	2.6	1751.9	2.5
	August	62.4	0.5	107.0	−0.2	169.4	0.1	1752.4	2.2
	September	62.2	−0.5	105.5	0.4	167.7	0.1	1739.6	2.0
	October	60.5	−6.9	101.2	−5.9	161.7	−6.3	1716.0	1.0
	November	60.4	−5.6	104.7	7.2	165.1	2.1	1721.2	3.1
	December	58.8	−6.1	97.8	1.0	156.6	−1.8	1683.4	3.6
1986	January	60.2	−2.2	104.5	6.7	164.7	3.2	1697.4	4.2
	February	60.1	−4.2	106.1	5.1	166.2	1.6	1703.5	3.0
	March	61.3	0.7	102.7	0.5	164.0	3.5	1705.6	3.1
	April	62.3	2.0	106.8	11.0	169.1	7.5	1724.0	2.8

SOURCE: Statistics Canada, Cat. Nos. 31-203 and 72-002.

Table A-4

INVESTMENT EXPENDITURES(1) (IN CURRENT DOLLARS) IN TEXTILE, CLOTHING AND KNITTING SECTORS AND IN TOTAL MANUFACTURING, 1981-1986

Sector/Type of investment		Investment (in millions of current dollars)						Index (1981 = 100)					
		1981	1982	1983	1984	1985	1986	1981	1982	1983	1984	1985	1986
TEXTILES													
New investments	– buildings	20.9	22.0	24.4	25.3	23.5	27.8	100.0	105.3	116.7	121.1	112.4	133.0
	– machinery and equipment	142.9	121.7	129.3	161.4	206.6	205.1	100.0	85.2	90.5	112.9	144.6	143.5
Total investments	– buildings	39.9	37.3	39.3	41.5	40.1	44.0	100.0	93.5	98.5	104.0	100.5	110.3
	– machinery and equipment	221.3	204.9	217.2	258.6	313.5	317.0	100.0	92.6	98.1	116.9	141.7	143.2
CLOTHING													
New investments	– buildings	13.1	4.9	4.1	4.3	3.7	3.2	100.0	37.4	31.3	32.8	28.2	24.4
	– machinery and equipment	24.1	14.6	18.7	24.7	24.9	24.8	100.0	60.6	77.6	102.5	103.3	102.9
Total investments	– buildings	15.8	7.3	7.5	7.7	7.2	6.7	100.0	46.2	47.5	48.7	45.6	42.4
	– machinery and equipment	32.0	21.8	27.5	32.6	33.6	33.3	100.0	68.1	85.9	101.9	105.0	104.1
KNITTING													
New investments	– buildings	3.1	2.5	9.2	8.9	1.6	1.3	100.0	80.6	296.8	287.1	51.6	41.9
	– machinery and equipment	13.9	13.4	17.2	16.6	14.8	15.2	100.0	96.4	123.7	119.4	106.5	109.4
Total investments	– buildings	5.1	3.7	11.1	11.2	3.2	2.5	100.0	72.5	217.6	219.6	62.7	49.0
	– machinery and equipment	19.8	18.3	24.1	23.3	20.2	20.4	100.0	92.4	121.7	117.7	102.0	103.0
ALL TEXTILE SECTORS													
New investments	– buildings	37.1	29.4	37.7	38.5	28.8	32.3	100.0	79.2	101.6	103.8	77.6	87.1
	– machinery and equipment	180.9	149.7	165.2	202.7	245.3	246.1	100.0	82.8	91.3	112.1	136.2	135.5
Total investments	– buildings	60.8	48.3	57.9	60.4	50.5	53.2	100.0	79.4	95.2	99.3	83.1	87.5
	– machinery and equipment	273.1	245.0	268.8	314.5	367.3	370.7	100.0	89.7	98.4	115.2	134.5	135.7
TOTAL MANUFACTURING													
New investments	– buildings	3,074.3	2,908.7	1,895.9	1,823.5	2,200.3	2,449.1	100.0	94.6	61.7	59.3	71.6	79.7
	– machinery and equipment	9,665.0	8,583.8	6,962.5	7,063.2	8,803.2	10,438.0	100.0	88.8	72.0	73.1	91.1	108.0
Total investments	– buildings	3,925.1	3,706.3	2,680.4	2,741.8	3,163.2	3,460.9	100.0	94.4	68.3	69.9	80.6	88.2
	– machinery and equipment	13,769.3	12,640.5	11,189.4	11,892.8	13,898.7	15,718.2	100.0	91.8	81.3	86.4	100.9	114.2

(1) Actual expenditures for 1981-1984, preliminary actual for 1985 and intentions for 1986.

SOURCE: Statistics Canada, Cat. No. 61-205 and 61-206.

AVERAGE HOURLY EARNINGS(1) (IN CURRENT DOLLARS) IN THE TEXTILE SECTORS AND IN TOTAL MANUFACTURING, 1981-85, BY QUARTER, AND PERCENTAGE CHANGE FROM SAME PERIOD OF PREVIOUS YEAR

Year/Quarter		Textiles $	Textiles %	Clothing $	Clothing %	Knitting $	Knitting %	All Manufacturing $	All Manufacturing %
1981									
Quarter	I	6.87	9.9	5.58	6.9	5.42	11.1	8.78	11.1
	II	7.01	10.6	5.69	7.6	5.53	12.6	9.07	12.5
	III	7.12	9.7	5.83	9.8	5.59	11.4	9.22	11.3
	IV	7.25	8.2	5.94	9.8	5.73	9.4	9.61	12.5
Year	1981	7.06	9.6	5.76	8.5	5.57	11.2	9.17	12.0
1982									
Quarter	I	7.48	8.9	6.12	9.7	5.81	7.2	9.93	13.1
	II	7.85	12.0	6.24	9.7	6.00	8.5	10.17	12.1
	III	7.94	11.5	6.27	7.5	6.08	8.8	10.33	12.0
	IV	8.01	10.5	6.32	6.4	6.07	5.9	10.56	9.9
Year	1982	7.82	10.8	6.24	8.3	5.99	7.5	10.25	11.8
1983									
Quarter	I	8.16	9.1	6.45	5.4	6.17	6.2	10.61	6.8
	II	8.22	4.7	6.48	3.8	6.18	3.0	10.49	3.1
	III	8.31	4.7	6.55	4.5	6.19	1.8	10.56	2.2
	IV	8.43	5.2	6.76	7.0	6.20	2.1	10.78	2.1
Year	1983	8.28	5.9	6.56	5.1	6.19	3.3	10.61	3.5
1984									
Quarter	I	8.73	7.0	6.71	4.0	6.69	8.4	11.00	3.7
	II	8.82	7.3	6.59	1.7	6.76	9.4	11.13	6.1
	III	8.86	6.6	6.65	1.5	6.64	7.3	11.18	5.9
	IV	8.86	5.1	6.59	-2.5	6.55	5.6	11.32	5.0
Year	1984	8.81	6.4	6.64	1.2	6.66	7.6	11.16	5.2
1985									
Quarter	I	9.11	4.4	6.70	-0.1	6.75	0.9	11.47	4.3
	II	9.17	4.0	6.91	4.9	6.75	-0.1	11.52	3.5
	III	9.20	3.8	7.00	5.3	6.69	0.8	11.56	3.4
	IV	9.38	5.9	6.97	5.8	6.94	6.0	11.80	4.2
Year	1985	9.21	4.5	6.89	3.8	6.78	1.8	11.59	3.9

(1) Data prior to March 1983 based on 1960 Standard Industrial Classification (SIC); from March 1983 onward, on 1970 SIC. Data relate to hourly-paid-employees, and include overtime.

SOURCE: Statistics Canada, Cat. No. 72-002.

Table A-6

COMPARISON BETWEEN AVERAGE WEEKLY EARNINGS[1] (IN CURRENT DOLLARS) IN THE TEXTILE SECTORS AND IN TOTAL MANUFACTURING, 1981-85

	Current Dollars				Per Cent			
Year/Quarter	Textiles	Clothing	Knitting	All Manufacturing	Textiles	Clothing	Knitting	All Manufacturing
1981								
Quarter I	270.01	202.71	211.18	340.03	79.4	59.6	62.1	100.0
II	273.89	204.06	212.89	351.56	77.9	58.0	60.6	100.0
III	274.92	211.67	215.37	348.85	78.8	60.7	61.7	100.0
IV	277.65	208.58	218.04	364.28	76.2	57.3	59.9	100.0
Year 1981	274.12	206.76	214.37	351.18	78.1	58.9	61.0	100.0
1982								
Quarter I	284.17	216.87	224.11	378.17	75.1	57.3	59.3	100.0
II	289.51	212.59	224.60	382.98	75.6	55.5	58.6	100.0
III	299.86	219.25	227.14	285.20	77.8	56.9	59.0	100.0
IV	312.41	219.51	231.35	392.82	79.5	55.9	58.9	100.0
Year 1982	296.24	217.06	226.80	384.79	77.0	56.4	58.9	100.0
1983								
Quarter I	322.69	229.71	244.77	403.43	80.0	56.9	60.7	100.0
II	324.37	226.35	241.76	402.09	80.7	56.3	60.1	100.0
III	325.60	231.15	239.96	406.68	80.1	56.8	59.0	100.0
IV	331.39	247.25	240.94	414.46	80.0	59.7	58.1	100.0
Year 1983	326.01	233.61	241.86	406.66	80.2	57.4	59.5	100.0
1984								
Quarter I	348.88	242.71	259.01	427.58	81.6	56.8	60.6	100.0
II	346.69	230.19	264.20	430.22	80.6	53.5	61.4	100.0
III	350.26	235.71	257.49	430.45	81.4	54.8	59.8	100.0
IV	344.72	227.55	256.36	431.30	79.9	52.8	59.4	100.0
Year 1984	347.64	234.04	259.27	429.89	80.9	54.4	60.3	100.0
1985								
Quarter I	357.78	243.40	260.01	444.95	80.4	54.7	58.4	100.0
II	364.99	252.65	262.02	448.75	81.3	56.3	58.4	100.0
III	371.06	251.61	261.93	448.25	82.8	56.1	58.4	100.0
IV	366.31	251.16	283.67	459.83	79.7	54.6	61.7	100.0
Year 1985	365.04	249.70	266.91	450.44	81.0	55.4	59.3	100.0

(1) Data prior to March 1983 based on 1960 Standard Industrial Classification (SIC); from March 1983 onward, on 1970 SIC. Data relate to hourly-paid-employees, and include overtime.

SOURCE: Statistics Canada, Cat. No. 72-002.

IMPORTS BY CATEGORY OF IMPORTERS BY CONTROL NUMBER IN UNITS OF CLOTHING

Firms importing 1000 units or more

Year	No. of Firms	32 Winter Outerwear	37 Pants, Slacks	38 Unstructured Suits	39 Blouses	40 Pyjamas and Sleepwear	41 Raincoats	42 Dresses, Skirts, Coordinates, Ladies Suits	43 Foundation Garments	44 Swimsuits	45 Underwear	46 Other Jackets	47 Structured Suits, Sportcoats, Blazers	48 Leather Jackets	49 Shirts	50 Sweaters	Total for Category of Importer	Per Cent of Imports
								CONTROL CATEGORY										
								CLOTHING MANUFACTURERS										
1978	178	225,419	4,100,818	62,155	7,071,196	931,346	70,813	1,472,890	1,235,148	881,700	3,289,898	681,481	32,917	1,452	2,492,721	1,972,161	24,522,115	16.4
1979	200	453,240	4,353,330	85,236	6,801,687	1,092,645	195,113	1,547,109	1,446,180	721,868	4,125,717	1,011,197	197,638	7,501	2,870,640	1,964,264	26,873,365	17.3
1980	222	194,488	4,464,650	now	5,729,412	597,588	305,451	1,816,577	866,124	626,066	2,466,616	1,097,279	66,388	now	2,925,236	2,940,438	24,096,313	18.6
1981	234	316,374	4,306,930	included	6,119,417	878,129	194,055	2,288,395	1,427,700	467,028	3,058,105	1,884,663	89,948	included	4,095,421	3,749,721	28,875,886	18.8
1982	274	304,251	3,542,217	in	6,749,040	1,071,741	131,126	1,920,954	1,078,656	431,361	3,184,364	2,569,590	307,570	in	6,267,293	4,213,001	31,771,164	20.6
1983	299	263,750	5,141,771	42	9,669,828	1,626,061	134,037	3,407,718	2,124,984	678,886	3,900,815	2,661,995	173,753	46	6,192,863	5,030,373	41,006,834	21.9
1984	325	294,686	5,525,182		11,171,985	2,124,237	130,959	5,353,199	2,311,068	913,702	4,342,702	3,807,287	186,005		5,696,221	4,676,544	46,533,777	21.0
1985	319	373,735	5,611,825		11,222,551	2,053,042	166,866	5,241,341	2,093,712	964,261	5,838,517	3,952,322	185,013		7,723,482	4,040,225	49,466,892	21.7
								RETAILERS										
1978	274	174,408	3,135,783	38,659	4,998,587	686,550	95,085	1,641,247	189,360	288,834	1,428,402	581,632	88,184	16,873	1,650,456	3,139,107	18,153,167	12.1
1979	296	370,666	2,863,155	36,573	5,800,185	988,422	57,538	2,231,659	261,336	272,952	1,317,168	589,851	42,634	17,290	2,155,980	3,832,977	20,838,386	13.4
1980	354	349,042	2,474,237	now	5,062,746	801,485	66,558	1,811,745	209,352	359,024	1,270,902	769,740	47,181	now	2,512,792	3,714,194	19,448,998	15.0
1981	377	212,995	3,411,256	included	7,167,145	1,075,257	151,972	2,540,485	236,628	324,588	2,030,314	1,130,486	61,963	included	2,854,967	4,843,703	26,041,759	16.9
1982	418	207,769	2,686,910	in	6,687,099	930,652	136,835	2,199,671	140,304	388,191	1,485,837	1,264,078	70,887	in	2,046,124	4,359,164	22,603,521	14.7
1983	407	315,709	3,064,041	42	7,083,997	1,065,751	147,589	2,986,601	174,816	257,679	2,272,962	1,381,280	67,424	46	2,533,721	5,328,359	26,679,929	14.2
1984	465	270,693	4,209,594		10,845,575	1,566,694	143,579	4,001,415	201,312	461,120	2,498,488	1,912,088	112,621		2,574,493	6,264,350	35,062,022	15.8
1985	453	217,814	4,348,501		10,264,125	2,318,040	134,930	4,633,752	190,904	630,958	3,101,556	1,868,644	174,129		2,654,160	6,687,219	37,224,232	16.3
								IMPORTERS/WHOLESALERS										
1978	310	900,758	13,207,904	202,032	34,089,447	2,581,143	994,204	5,448,176	110,148	1,098,184	5,674,968	1,989,519	413,664	6,419	8,788,053	13,583,352	89,087,971	59.7
1979	341	1,340,136	12,960,494	220,921	30,947,616	3,691,169	1,213,311	6,933,660	458,688	1,614,785	6,883,288	2,683,583	484,821	7,609	8,853,212	10,466,524	88,759,817	57.1
1980	349	790,343	10,357,716	now	22,154,802	2,241,552	1,075,569	5,527,893	633,396	1,612,558	7,558,475	2,733,043	430,096	now	7,127,850	9,055,382	71,298,675	54.9
1981	369	743,361	12,210,530	included	26,421,536	2,444,873	826,317	6,540,259	207,360	2,000,058	7,798,275	3,460,604	194,175	included	6,353,450	10,074,063	79,274,861	51.6
1982	448	816,401	12,278,254	in	24,712,002	2,485,360	670,239	7,731,038	128,880	2,124,738	8,078,333	4,061,055	166,194	in	7,171,601	9,626,473	80,050,568	52.0
1983	484	884,748	16,383,373	42	26,047,595	3,021,711	997,367	11,842,367	155,256	2,914,201	7,844,208	4,210,168	131,617	46	7,902,907	11,802,609	94,138,127	50.2
1984	575	854,545	20,306,703		38,446,669	3,592,194	1,278,867	14,821,845	206,340	4,650,300	9,383,951	5,860,371	293,753		7,816,241	14,920,615	122,432,394	55.3
1985	569	778,571	14,861,763		35,444,277	4,151,535	563,923	13,490,211	731,448	4,602,667	11,109,898	5,085,440	257,449		10,140,255	16,350,806	117,568,243	51.5
								OTHER										
1978	566	141,768	1,397,117	49,910	6,237,393	119,213	309,276	2,067,053	138,732	113,232	1,669,199	586,553	74,572	6,887	858,788	3,879,295	17,648,988	11.8
1979	650	111,504	2,065,934	106,887	7,076,674	143,004	151,496	2,609,040	143,652	105,739	1,208,215	620,540	51,760	9,428	1,640,903	3,003,997	19,048,773	12.2
1980	658	66,161	2,639,624	now	4,068,903	141,979	192,524	1,728,904	117,084	85,113	1,179,278	723,002	36,435	now	1,372,449	2,604,294	14,955,750	11.5
1981	709	119,399	3,214,571	included	6,101,113	478,641	183,991	2,637,862	93,120	56,309	924,152	878,824	35,859	included	1,640,762	3,199,691	19,564,294	12.7
1982	677	216,735	3,654,291	in	5,864,465	205,159	181,047	2,072,917	85,296	45,485	902,690	1,414,003	58,968	in	1,910,647	2,919,024	19,530,727	12.7
1983	660	111,310	4,507,616	42	8,266,864	304,436	388,479	2,706,139	194,844	287,735	1,582,494	1,536,806	39,994	46	2,268,465	3,461,997	25,657,179	13.7
1984	611	80,560	2,098,255		5,020,410	77,179	736,879	2,502,109	304,776	442,578	2,237,405	1,268,334	50,531		1,051,361	1,603,546	17,453,923	7.9
1985	603	79,618	4,142,955		6,739,623	349,177	337,956	3,767,528	330,408	611,269	2,763,565	1,146,025	26,623		1,543,391	2,292,246	24,130,384	10.6

SOURCE: External Trade Division, Statistics Canada.
1982 data revised by Statistics Canada.

Table A-8

IMPORTS BY CATEGORY OF IMPORTERS BY CONTROL NUMBER IN THOUSANDS OF DOLLARS

Firms importing 1000 units or more

		CONTROL CATEGORY																
		32	37	38	39	40	41	42	43	44	45	46	47	48	49	50		
Year	No. of Firms	Winter Outerwear	Pants, Slacks	Unstructured Suits	Blouses	Pyjamas and Sleepwear	Raincoats	Dresses, Skirts, Coordinates, Ladies Suits	Foundation Garments	Swimsuits	Underwear	Other Jackets	Structured Suits, Sportcoats, Blazers	Leather Jackets	Shirts	Sweaters	Total for Category of Importer(1)	Per Cent of imports
CLOTHING MANUFACTURERS																		
1978	178	2,740	24,869	612	18,424	2,828	649	9,667	2,121	1,988	1,461	6,467	522	60	7,146	8,925	88,479	18.3
1979	200	6,799	26,020	1,453	23,459	3,598	1,413	11,527	2,910	2,204	1,985	12,717	3,898	283	11,489	10,578	120,333	19.7
1980	222	3,410	29,091	now	21,023	2,616	3,478	16,264	1,820	2,635	1,399	14,250	1,532	now	12,641	17,663	127,821	21.7
1981	234	4,725	25,574	included	25,775	3,632	1,881	20,150	2,710	1,710	2,160	23,749	2,190	included	19,037	24,374	157,666	21.5
1982	274	4,805	19,926	in	29,832	4,406	2,062	20,936	1,852	1,435	2,026	31,007	9,041	in	27,382	27,207	181,917	23.5
1983	299	3,891	28,024	42	42,022	7,282	1,721	30,702	3,267	1,770	2,347	32,468	6,059	46	26,289	30,384	216,226	23.0
1984	325	5,576	34,259		52,510	9,825	1,122	42,390	3,693	2,497	2,799	50,247	6,220		27,812	34,197	273,147	21.4
1985	319	7,005	35,101		48,382	9,468	1,173	39,936	3,108	2,910	3,236	47,018	6,087		37,609	29,168	270,202	20.9
RETAILERS																		
1978	274	1,881	11,091	483	12,412	2,576	568	15,054	495	686	1,474	6,858	2,592	1,852	4,892	16,519	79,410	16.4
1979	296	5,141	11,391	549	18,303	4,140	665	19,025	710	846	1,462	9,332	1,198	1,879	7,906	21,241	103,788	17.1
1980	354	4,999	13,233	now	20,077	3,626	944	23,159	722	1,008	1,432	11,992	1,706	now	10,644	24,424	117,966	20.0
1981	377	3,620	18,512	included	28,483	5,078	1,044	29,938	806	1,068	2,399	15,419	1,728	included	13,155	33,349	154,599	21.1
1982	418	3,977	13,703	in	26,056	4,385	877	22,948	550	1,042	2,036	19,405	2,241	in	10,159	30,997	138,376	17.9
1983	407	4,505	16,939	42	30,123	5,507	933	31,340	697	896	2,650	22,833	2,933	46	12,543	38,256	170,155	18.1
1984	465	6,599	28,861		52,387	7,930	1,181	48,978	854	1,747	3,000	34,946	6,164		14,348	57,007	263,963	20.7
1985	453	5,690	32,195		50,006	10,887	902	50,059	839	2,046	2,878	35,875	9,941		16,030	55,642	272,991	21.1
IMPORTERS/WHOLESALERS																		
1978	310	9,937	39,003	2,447	64,050	6,141	3,410	32,858	252	2,226	3,926	13,700	10,945	468	20,364	44,799	254,526	52.6
1979	341	18,897	47,869	2,959	70,389	9,415	4,350	39,654	1,036	3,325	4,648	23,216	14,912	459	24,678	38,338	304,146	50.0
1980	349	10,558	40,874	now	54,686	6,573	4,015	34,054	1,477	3,456	5,077	23,397	14,850	now	24,955	42,120	266,093	45.2
1981	369	9,566	55,923	included	71,308	7,631	2,469	40,470	796	4,044	4,971	31,026	7,623	included	22,948	54,035	312,810	42.6
1982	448	11,376	59,628	in	72,228	7,347	2,374	48,264	681	3,895	5,042	39,226	6,177	in	26,730	54,050	337,017	43.5
1983	484	13,451	80,672	42	80,970	9,814	2,952	71,909	879	6,380	6,056	38,095	4,245	46	28,705	67,052	411,180	43.8
1984	575	14,033	107,697		132,518	11,809	3,636	110,367	1,184	10,554	7,608	65,245	9,567		33,432	105,348	612,997	48.0
1985	569	13,671	92,188		132,471	14,683	2,381	99,846	2,190	9,420	8,045	61,422	9,083		45,629	110,953	601,983	46.6
OTHER																		
1978	566	2,176	6,018	498	13,081	595	660	15,303	470	418	1,353	4,413	2,123	671	2,878	11,227	61,884	12.8
1979	650	2,208	8,938	1,297	18,359	796	548	20,695	511	345	1,246	6,206	1,517	631	6,179	10,773	80,249	13.2
1980	658	1,334	13,372	now	14,159	801	872	17,352	338	236	968	7,164	1,192	now	6,080	13,427	77,295	13.1
1981	709	1,964	18,325	included	23,267	760	900	24,991	350	220	1,102	8,546	1,453	included	7,858	18,864	108,600	14.8
1982	677	3,872	21,006	in	23,035	944	1,040	23,235	375	195	992	14,810	1,886	in	8,900	16,281	116,570	15.1
1983	660	1,829	26,297	42	31,083	1,113	1,104	25,401	829	744	1,542	18,094	1,835	46	10,789	20,838	141,498	15.1
1984	611	2,027	16,575		24,548	638	1,623	28,106	951	828	1,983	23,771	2,071		6,202	16,446	125,769	9.9
1985	603	2,421	24,834		27,909	1,744	1,046	33,403	1,077	1,268	2,614	19,514	1,655		8,517	21,529	147,530	11.4

(1) Totals may not add due to rounding.

SOURCE: External Trade Division, Statistics Canada.
1982 data revised by Statistics Canada.

IMPORTS BY CATEGORY OF IMPORTERS BY CONTROL NUMBER AVERAGE VALUES IN DOLLARS

Firms importing 1000 units or more

		CONTROL CATEGORY															
		32	37	38	39	40	41	42	43	44	45	46	47	48	49	50	
Year	No. of Firms	Winter Outerwear	Pants, Slacks	Unstructured Suits	Blouses	Pyjamas and Sleepwear	Raincoats	Dresses, Skirts, Coordinates, Ladies Suits	Foundation Garments	Swimsuits	Underwear	Other Jackets	Structured Suits, Sportcoats, Blazers	Leather Jackets	Shirts	Sweaters	Total for Category of Importer
								CLOTHING MANUFACTURERS									
1978	178	12.16	6.06	9.85	2.61	3.04	9.16	6.56	1.72	2.25	0.44	9.49	15.86	41.32	2.87	4.53	3.60
1979	200	15.00	5.98	17.05	3.45	3.29	7.24	7.45	2.01	3.05	0.48	12.58	19.72	37.73	4.00	5.39	4.48
1980	222	17.53	6.52	now	3.67	4.38	11.39	8.95	2.10	4.21	0.57	12.99	23.08	now	4.32	6.01	5.30
1981	234	14.93	5.94	included	4.21	4.14	9.69	8.81	1.90	3.66	0.71	12.60	24.35	included	4.65	6.50	5.46
1982	274	15.79	5.63	in	4.42	4.11	15.72	10.90	1.72	3.41	0.64	12.07	29.40	in	4.37	6.46	5.73
1983	299	14.75	5.45	42	4.35	4.48	12.84	9.01	1.54	2.61	0.60	12.20	34.87	46	4.24	6.04	5.27
1984	325	18.92	6.20		4.70	4.63	8.56	7.92	1.60	2.73	.64	13.20	33.44		4.86	7.31	5.87
1985	319	18.74	6.25		4.31	4.61	7.03	7.62	1.48	3.02	.55	11.90	32.90		4.87	7.22	5.46
								RETAILERS									
1978	274	10.67	3.54	12.49	2.48	3.75	5.97	9.17	2.61	2.38	1.03	11.79	29.39	109.76	2.96	5.26	4.37
1979	296	13.67	3.99	15.01	3.16	4.19	11.56	8.53	2.72	3.10	1.11	15.82	28.10	108.68	3.67	5.54	4.98
1980	354	14.32	5.35	now	3.97	4.52	14.18	12.78	3.45	2.81	1.13	15.58	36.16	now	4.24	6.58	6.07
1981	377	17.00	5.43	included	3.97	4.72	6.87	11.78	3.41	3.29	1.18	13.64	27.88	included	4.61	6.89	5.94
1982	418	19.14	5.10	in	3.90	4.71	6.41	10.43	3.92	2.69	1.37	15.35	31.61	in	4.96	7.11	6.12
1983	407	14.27	5.53	42	4.25	5.17	6.72	10.49	3.99	3.48	1.17	16.53	43.50	46	4.95	7.18	6.38
1984	465	24.23	6.86		4.83	5.06	8.22	12.24	4.24	3.79	1.20	18.28	54.74		5.57	9.10	7.53
1985	453	26.12	7.40		4.87	4.70	6.68	10.80	4.41	3.24	.93	19.20	57.09		6.04	8.32	7.33
								IMPORTERS/WHOLESALERS									
1978	310	11.06	2.95	12.11	1.88	2.38	3.43	6.03	2.29	2.03	0.69	6.89	26.46	72.91	2.32	3.30	2.86
1979	341	14.10	3.69	13.39	2.27	2.55	3.59	5.71	2.26	2.06	0.68	8.65	30.76	60.32	2.79	3.66	3.43
1980	349	13.36	3.95	now	2.47	2.93	3.73	6.16	2.33	2.14	0.67	8.56	34.53	now	3.50	4.65	3.73
1981	369	12.87	4.58	included	2.70	3.12	2.99	6.19	3.84	2.02	0.64	8.97	39.26	included	3.61	5.36	3.95
1982	448	13.93	4.86	in	2.92	2.96	3.54	6.24	5.28	1.83	0.62	9.66	37.16	in	3.73	5.61	4.21
1983	484	15.20	4.92	42	3.11	3.25	2.96	6.07	5.66	2.19	0.77	9.05	32.25	46	3.63	5.68	4.37
1984	575	16.42	5.30		3.45	3.29	2.84	7.45	5.74	2.27	.81	11.13	32.57		4.28	7.06	5.01
1985	569	17.56	6.20		3.74	3.54	4.22	7.40	2.99	2.05	.72	12.06	35.28		4.50	6.79	5.12
								OTHER									
1978	566	15.35	4.31	9.98	2.10	4.99	2.13	7.40	3.39	3.69	0.81	7.52	28.47	97.43	3.35	2.89	3.51
1979	650	19.80	4.33	12.13	2.59	5.57	3.62	7.93	3.56	3.26	1.06	10.00	29.31	66.93	3.77	3.59	4.21
1980	658	20.16	5.07	now	3.48	5.84	4.53	10.04	2.88	2.78	0.82	9.91	32.72	now	4.43	5.16	5.17
1981	709	16.45	5.70	included	3.81	1.59	4.89	9.47	3.75	3.90	1.19	9.72	40.53	included	4.79	5.90	5.55
1982	677	17.86	5.75	in	3.93	4.60	5.74	11.21	4.40	4.29	1.10	10.47	31.98	in	4.66	5.58	5.97
1983	660	16.43	5.83	42	3.76	3.65	2.84	9.39	4.26	2.59	0.97	11.77	45.69	46	4.76	6.02	5.51
1984	611	33.46	7.90		4.69	8.26	2.20	11.23	3.12	1.87	.69	18.74	40.99		5.90	10.26	7.21
1985	603	30.41	5.99		4.14	5.00	3.10	8.87	3.26	2.07	.95	17.03	62.18		5.52	9.39	6.11

SOURCE: External Trade Division, Statistics Canada.
1982 Statistics Canada Revision.

SUMMARY
IMPORTS BY CONTROL NUMBER BY IMPORTERS
Firms importing 1000 units or more

		CONTROL CATEGORY																
		32	37	38	39	40	41	42	43	44	45	46	47	48	49	50		
Year	No. of Firms	Winter Outerwear	Pants, Slacks	Unstructured Suits	Blouses	Pyjamas and Sleepwear	Raincoats	Dresses, Skirts, Coordinates, Ladies Suits	Foundation Garments	Swimsuits	Underwear	Other Jackets	Structured Suits, Sportcoats, Blazers	Leather Jackets	Shirts	Sweaters	Total for Category of importer(1)	Percentage Change
									TOTAL UNITS									
1976	1,328	1,442,353	21,841,622	352,756	52,396,623	4,318,252	1,469,378	10,629,366	1,673,388	2,381,950	12,062,467	3,839,185	609,337	31,631	13,790,018	22,573,915	149,412,241	n.a.
1979	1,487	2,275,546	22,242,913	449,617	50,626,162	5,915,240	1,617,458	13,321,468	2,309,856	2,715,344	13,534,388	4,905,171	776,853	41,828	15,520,735	19,267,762	155,520,341	+ 4.1
1980	1,583	1,400,034	19,936,227	now	37,015,863	3,782,604	1,640,102	10,885,119	1,825,956	2,682,761	12,475,271	5,323,064	580,100	now	13,938,327	18,314,308	129,799,736	– 16.5
1981	1,689	1,392,129	23,143,287	included	45,809,211	4,876,900	1,356,335	14,007,001	1,946,808	2,847,983	13,810,846	7,354,577	381,945	included	14,944,600	21,867,178	153,756,800	+ 18.5
1982	1,817	1,545,156	22,161,672	in	44,012,606	4,692,912	1,119,247	13,924,580	1,433,136	2,989,775	13,651,224	9,308,726	603,619	in	17,395,665	21,117,662	153,955,980	neg
1983	1,850	1,575,517	29,096,801	42	51,068,284	6,017,959	1,667,472	20,942,825	2,649,900	4,138,501	15,600,479	9,790,249	412,788	46	18,897,956	25,623,338	187,482,069	+ 21.8
1984	1,976	14,804,844	32,139,934		65,484,639	7,360,304	2,290,284	26,678,568	3,023,496	6,467,700	18,462,546	12,848,080	642,910		17,138,316	27,465,055	221,482,116	+ 18.1
1985	1,944	1,449,738	28,965,044		63,670,576	8,871,794	1,203,675	27,132,832	3,346,472	6,809,155	22,813,536	12,052,431	643,214		22,061,288	29,370,496	228,389,751	+ 3.1
									TOTAL VALUE ($'000)									
1978	1,328	16,714	80,981	4,040	107,967	12,140	5,287	72,882	3,338	5,318	8,214	31,438	16,182	3,051	35,280	81,470	484,302	n.a.
1979	1,487	33,046	94,219	6,258	130,510	17,949	6,976	90,901	5,167	6,720	9,341	51,471	21,525	3,252	50,252	80,930	608,517	+ 25.6
1980	1,583	20,301	96,570	now	109,945	13,616	9,309	90,829	4,357	7,335	8,876	56,803	19,280	now	54,320	97,634	589,175	– 3.2
1981	1,689	19,875	118,334	included	148,833	17,101	6,294	115,549	4,662	7,042	10,632	78,740	12,994	included	62,998	130,622	733,675	+ 24.5
1982	1,817	24,030	114,263	in	151,151	17,082	6,353	115,383	3,458	6,567	10,096	104,448	19,345	in	73,171	128,535	773,882	+ 5.5
1983	1,850	23,676	151,932	42	184,198	23,716	6,710	159,352	5,672	9,790	12,595	111,490	15,072	46	78,326	156,530	939,059	+ 21.3
1984	1,976	28,195	187,392		261,963	30,202	7,562	229,841	6,682	15,626	15,390	174,209	24,022		81,794	212,998	1,275,876	+ 35.9
1985	1,944	28,787	184,318		258,768	36,782	5,502	223,244	7,214	15,644	16,773	163,829	26,766		107,785	217,292	1,292,706	+ 1.3

n.a. – Not available
neg – negligible
(1) Totals may not add due to rounding.
SOURCE: External Trade Division, Statistics Canada.
1982 Statistics Canada Revisions.

VARIATIONS IN APPARENT MARKETS, NET DOMESTIC SHIPMENTS AND IMPORTS OF PRIMARY TEXTILE PRODUCTS, 1981-1985

Per cent

Products	Apparent Market				Domestic Shipments Net of Exports				Total Imports			
	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984
Yarns												
Acrylic yarns (worsted spun)	3.6	3.1	3.8	18.9	6.2	1.9	6.7	14.2	−0.3	5.0	−0.7	26.9
Acrylic yarns (cotton spun)	−0.9	1.9	−19.1	3.7	−0.8	−0.4	−13.3	6.4	−1.2	15.9	−48.4	−19.0
Cotton yarns	−18.9	24.8	1.4	−15.2	−19.5	−3.8	9.1	−23.5	−18.1	59.7	−4.2	−8.2
Polyester/cotton yarns	21.0	38.1	5.1	16.5	24.4	10.4	11.7	−15.1	13.0	109.1	−3.9	66.3
Nylon filament yarns	−29.3	36.8	−10.9	15.7	−21.2	25.4	−14.6	23.8	−56.3	105.1	3.0	−8.9
Polyester filament yarns	−9.7	26.4	−25.9	−5.4	−28.9	7.0	−40.2	−38.6	59.6	57.6	−10.2	18.9
Acetate rayon filament yarns	−23.1	20.9	1.0	−8.4	−24.2	12.4	7.4	−16.6	−10.1	97.9	−32.4	59.7
Fabrics												
Woollen and worsted fabrics	−15.7	23.9	22.2	3.1	−22.6	26.4	9.9	−2.3	−9.5	22.0	31.9	6.7
Cotton and polyester/cotton fabrics, corduroys and denims	−29.3	21.7	6.6	4.8	−32.6	11.5	−10.3	−19.4	−26.1	31.0	19.7	18.8
Coated fabrics	−14.5	13.2	12.2	10.8	−12.7	2.7	−6.8	39.4	−16.2	23.7	28.1	−6.5
Nylon fabrics	−28.4	16.3	8.6	−8.3	−28.0	1.9	22.6	−7.2	−29.5	53.7	−15.6	−11.1
Polyester fabrics	−9.1	23.4	1.4	6.8	0.5	26.0	−4.1	4.1	−16.3	21.2	6.6	9.1
Rayon fabrics	−12.7	16.4	0.0	11.7	−11.2	23.9	−9.5	3.5	−17.9	−10.2	46.9	36.7
Products												
Towels and washcloths	−15.6	33.6	10.3	−7.3	−6.1	20.3	1.2	−0.4	−26.5	53.0	20.8	−14.0
Sheets	−20.1	26.7	−14.1	*	−7.8	22.9	−19.0	*	−49.7	43.6	4.3	2.2
Pillowcases	−21.6	25.1	−11.5	*	−11.1	28.3	−13.1	*	−38.6	17.5	−7.6	18.0

* Confidential.

SOURCE: Department of Regional Industrial Expansion, and Textile and Clothing Board.

Table A-12

VARIATIONS IN APPARENT MARKETS, NET DOMESTIC SHIPMENTS AND IMPORTS OF "SPECIAL" TEXTILE PRODUCTS, 1981-1985

Per cent

	Apparent Market				Domestic Shipments Net of Exports				Total Imports			
Products	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984	1982/1981	1983/1982	1984/1983	1985/1984
Hosiery	0.7	19.5	7.7	−7.9	3.1	17.8	7.3	−7.5	−5.1	24.2	8.6	−8.8
Cordage, rope and twine	−20.8	11.1	4.0	0.4	−10.7	18.9	−3.2	7.6	−25.0	7.4	7.8	−3.1
Handbags of fabric	−5.9	18.7	10.5	−6.0	−16.3	−8.9	−19.1	2.1	0.3	32.5	20.6	−7.9
Work gloves	−24.1	29.2	26.1	20.9	−31.9	23.1	14.2	8.7	−19.4	32.3	31.8	26.0

SOURCE: Department of Regional Industrial Expansion, and Textile and Clothing Board.

Table A-13

APPARENT CANADIAN MARKET

CONTROL NOS. 32, 37-50

ALL CLOTHING SUBJECT TO RESTRAINT MEASURES

	1975	1978	1979	1980	1981	1982	1983	1984	1985
					— '000 garments —				
Domestic Shipments	345,834	351,026	360,570	378,982	372,876	336,112	338,500	339,724	338,706
Less Exports	3,531	3,178	3,168	5,108	4,383	4,606	4,426	4,998	5,137
Net Domestic Shipments	342,303	347,848	357,403	373,873	368,493	331,506	334,074	334,727	333,569
Imports	180,933	163,751	167,306	141,320	165,489	166,402	202,453	237,277	247,539
of which 'Low-Cost'	(151,726)	(143,258)	(144,464)	(121,726)	(146,078)	(148,698)	(184,693)	(213,941)	(220,088)
Apparent Canadian Market	523,236	511,599	524,709	515,193	533,982	497,908	536,527	572,004	581,108
Share of market held by:									
				— per cent —					
Net Domestic Shipments	65	68	68	73	69	67	62	59	57
Imports	35	32	32	27	31	33	38	41	43
of which 'Low-Cost'	(29)	(28)	(28)	(24)	(27)	(30)	(34)	(37)	(38)

SOURCE: Domestic shipments: Estimates by the Textile and Clothing Board for 1985, Statistics Canada, Census of Manufactures for other years.
Imports and Exports: Statistics Canada, External Trade Division.

Table A-14

APPARENT CANADIAN MARKET

CONTROL NOS. 32, 37-50

ALL CLOTHING SUBJECT TO RESTRAINT MEASURES

	1978	1979	1980	1981	1982	1983	1984	1985
				— '000 dollars —				
Domestic Shipments	2,646,524	3,074,573	3,349,128	3,543,657	3,398,647	3,588,404	3,714,402	3,831,130
Less Exports	64,970	65,817	80,921	77,811	84,405	83,318	103,390	114,977
Net Domestic Shipments	2,581,554	3,008,756	3,268,207	3,465,846	3,314,242	3,505,086	3,611,012	3,716,153
Imports	547,893	675,795	662,097	820,415	858,833	1,048,450	1,402,507	1,454,484
of which 'Low-Cost'	(412,140)	(514,042)	(510,811)	(658,844)	(699,770)	(870,586)	(1,161,740)	(1,141,399)
Apparent Canadian Market	3,129,447	3,684,551	3,930,304	4,286,261	4,173,075	4,553,536	5,013,519	5,170,637
Share of market held by:								
			— per cent —					
Net Domestic Shipments	82	82	83	81	79	77	72	72
Imports	18	18	17	19	21	23	28	28
of which 'Low-Cost'	(13)	(14)	(13)	(15)	(17)	(19)	(23)	(22)

SOURCE: Domestic shipments: Estimates by the Textile and Clothing Board for 1985, Statistics Canada, Census of Manufactures for other years.
Imports and Exports: Statistics Canada, External Trade Division.

Table A-15

PERSONAL EXPENDITURES ON GOODS AND SERVICES, 1981-85

Millions of current dollars and percentage distribution

	1981		1982		1983		1984		1985	
Expenditure Category	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**
Food, beverages and tobacco	38,428	19.8	42,261	20.1	45,079	19.7	47,946	19.4	51,613	19.1
CLOTHING	10,948	5.7	11,402	5.4	12,083	5.3	12,896	5.2	14,040	5.2
Footwear	2,040	1.1	2,073	1.0	2,246	1.0	2,367	1.0	2,603	1.0
Gross rent, fuel and power	38,014	19.6	44,368	21.1	48,715	21.3	53,340	21.5	58,097	21.4
Furniture, furnishings and household operations	16,995	8.8	17,356	8.3	19,294	8.4	20,444	8.3	22,123	8.2
Medical care and health services	6,335	3.3	7,070	3.4	7,884	3.4	8,589	3.5	9,520	3.5
Transportation and Communication	28,803	14.9	30,054	14.3	33,334	14.5	37,062	15.0	42,161	15.6
Recreation, education, etc.	19,650	10.2	21,321	10.2	23,245	10.1	25,444	10.3	27,321	10.1
Personal goods and services	31,338	16.2	33,171	15.8	35,587	15.5	37,423	15.1	41,481	15.3
Net expenditures abroad	729	0.4	898	0.4	1,717	0.8	1,602	0.7	1,563	0.6
TOTAL	**193,280**	**100.0**	**209,974**	**100.0**	**229,184**	**100.0**	**247,113**	**100.0**	**270,522**	**100.0**

SOURCE: Statistics Canada, Cat. No. 13-201.

Table A-16

PERSONAL EXPENDITURES ON GOODS AND SERVICES, 1981-85

Millions of constant dollars and percentage distribution

	1981		1982		1983		1984		1985	
Expenditure Category	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**	**$ Million**	**%**
Food, beverages and tobacco	14,690	17.8	14,749	18.2	14,838	17.7	14,803	17.0	15,217	16.7
CLOTHING	6,279	7.6	6,165	7.6	6,256	7.5	6,482	7.5	6,829	7.5
Footwear	989	1.2	955	1.2	999	1.2	1,031	1.2	1,108	1.2
Gross rent, fuel and power	15,332	18.5	15,828	19.5	16,064	19.1	16,577	19.1	16,988	18.6
Furniture, furnishings and household operations	7,953	9.6	7,429	9.2	7,905	9.5	8,119	9.4	8,575	9.4
Medical care and health services	2,803	3.4	2,816	3.5	2,897	3.5	2,996	3.5	3,168	3.5
Transportation and Communication	12,725	15.4	11,659	14.3	12,446	14.8	13,472	15.5	14,840	16.2
Recreation, education, etc.	9,710	11.7	9,600	11.8	10,023	12.0	10,852	12.5	11,430	12.5
Personal goods and services	12,041	14.5	11,554	14.2	11,612	13.9	11,952	13.7	12,754	14.0
Net expenditures abroad	285	0.3	389	0.5	657	0.8	506	0.6	401	0.4
TOTAL	**82,807**	**100.0**	**81,144**	**100.0**	**83,697**	**100.0**	**86,790**	**100.0**	**91,310**	**100.0**

SOURCE: Statistics Canada, Cat. No. 13-201.

Table A-17

RETAIL SALES OF CLOTHING ANNUAL SALES AND PERCENTAGE CHANGE FROM PREVIOUS YEAR, 1981-85

Type of Store	Sales (Millions of Dollars) 1981	1982	1983	1984	1985	Percentage Change 1982/81	1983/82	1984/83	1985/84
				(Current Dollars)					
Department stores	3,064.2	3,296.8	3,278.5	3,509.1	3,790.4	7.6	−0.6	7.0	8.0
Specialized clothing stores:									
– chain	2,183.0	2,295.0	2,861.1	3,249.1	3,624.2	5.1	24.7	13.6	11.5
– independent	2,069.4	2,006.9	2,012.7	2,046.2	2,199.6	−3.0	0.3	1.7	7.5
TOTAL	**7,316.6**	**7,598.7**	**8,152.3**	**8,804.4**	**9,614.2**	**3.9**	**7.3**	**8.0**	**9.2**
				(Constant 1971 Dollars)					
Department stores	1,593.6	1,622.4	1,555.2	1,626.0	1,708.4	1.8	−4.1	4.6	5.1
Specialized clothing stores:									
– chain	1,136.4	1,131.6	1,357.2	1,506.0	1,634.4	−0.4	19.9	11.0	8.5
– independent	1,078.8	991.2	956.2	949.2	992.8	−8.1	−3.5	−0.8	4.6
TOTAL	**3,808.8**	**3,745.2**	**3,868.8**	**4,081.2**	**4,335.6**	**−1.7**	**3.3**	**5.5**	**6.2**

SOURCE: Statistics Canada, Cat. Nos. 63-002, 63-005 and 62-001.