

in the dollar value in market values in foreign countries shown in Annex T). Between 1962 and 1967, the physical volume of these imports increased 70.0 percent (as compared with the increase of 84.2 percent for apparel imports expressed in square yard equivalent shown in Annex V).

The three series shown in Annex W --- imports, domestic production and exports --- are compatible, i.e. additive. It is, therefore, possible to compute the degree to which imports have penetrated the domestic apparel market. Imports of apparel (knit and woven) in 1956 equaled 4.0 percent of domestic production. The ratio of imports to domestic production grew steadily. The preliminary 1967 estimates indicate that it was 15.6 percent, or about two-thirteenths of domestic output. We can expect further import growth in 1968. However, domestic apparel production so far in 1968 was down as compared with the same months of last year, according to available information on production activity.^{19/} However, imports of apparel, measured by the available data in square yard equivalent, increased.^{20/} It thus appears that the ratio of apparel imports to domestic production will reach a new high in 1968. These figures also indicate that

^{19/} For example, the Federal Reserve Board's index of industrial production of apparel products was down 3 percent in January 1968 as compared with January 1967. Similarly, Bureau of Labor Statistics data on manhours of employment indicate that production workers in the apparel (knit and woven) industry worked one percent less during the first quarter 1968 than in the first quarter 1967 and two percent less than in the first quarter 1966.

^{20/} As can be seen from Annex V, general imports of apparel rose 13.1 percent in the first three months of 1968 as compared with the same months of 1967.