

by these measures. This situation is common to all developed countries which have negotiated bilateral quantitative restraints on imports of clothing and textiles from low-cost countries under the Multi-fibre Arrangement (MFA).

- The technology used in the most modern Canadian plants is on par with that used in other developed countries, and the industry has increasingly adopted the latest available technology. However, this poses a dilemma in that the most advanced technology dictates very long runs of a limited variety of products for production to be economical, while customers (particularly the apparel industry and ultimately the consumer) demand a large variety in small quantities. The small size of the Canadian market thus prevents efficient production of a wide variety of products.
- Despite the high degree of concentration in fabric weaving, yarn spinning and man-made fibres, a number of sub-sectors (e.g. knitted fabrics, hosiery) remain highly fragmented.
- Continuing technological advances are expected to lead to further rationalization and consolidation in the industry, as small, marginal and inefficient producers will likely be either forced out, or forced to merge so that they can reach the minimum economic size of operation required to justify this costly technology.

EXEMPT.
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APPROVED BY:

Director General