ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Proposal by developing exporting countries participants in the Arrangement

Attached is a proposal received from developing exporting countries, participants in the Arrangement relating to the minimum viable production provisions of the Arrangement.
Following negotiations on the renewal of the Arrangement Regarding International Trade in Textiles, as concluded on 20 December 1973, the participants to this Arrangement agree on the following regarding its application and in particular Article 1, paragraph 2, and Annex B, paragraph 2, of the Arrangement.

1. Article 1, paragraph 2 and Annex B, paragraph 2, of the Arrangement permits participants, having small markets, an exceptionally high level of imports and a correspondingly low level of domestic production to apply positive growth rates lower than 6%, in order to prevent damage to their minimum viable production. In such cases, no supplier shall be deemed to be causing damage to the minimum viable production of another participant before it has exceeded the level of imports from any other unrestrained source. Restrictions shall first be applied to the largest suppliers to the market on the basis of non-discrimination between developed and developing countries. Such lower positive growth rates, in any case, shall not be inferior to 3% per year.

2. The continuance of damage to the minimum viable production shall be periodically reviewed through bilateral consultations and by the TSB in periods of not less than two years in order to assess whether restraints could be removed or a higher growth rate introduced without causing such damage.