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PRESS RELEASE

GENERAL AGREEMENT ON
TARIFFS AND TRADE

ACCORD GÉNÉRAL SUR
LES TARIFS DOUANIERS ET LE COMMERCE

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COTTON TEXTILES ARRANGEMENT EXTENDED

The three-year extension of the Arrangement Regarding International Trade in Cotton Textiles from 1 October 1970 to 30 September 1973 is now in force. The extension, agreed upon by GATT's Cotton Textile Committee in May 1970, maintains in operation a system which has governed a large part of world trade in cotton textiles for the past eight years.

Virtually all the thirty countries* which previously agreed to the Arrangement have already signed, or have indicated that they will shortly sign, the Protocol extending the Arrangement. However, Israel and Japan have not yet signed.

The Protocol enters into force for individual countries with effect from the date on which they accept it.

How the Arrangement works

The Arrangement is intended to ensure the orderly development of world trade in cotton textile products. It provides for progressively increasing export opportunities, particularly for less-developed countries, while at the same time avoiding disruption of markets in the importing countries. It came into force in 1962 for five years, and was extended for a further three years in 1967.

*Signatories of the previous Protocol were: Australia, Austria, Belgium, Canada, Colombia, Denmark, Finland, France, Federal Republic of Germany, Greece, India, Israel, Italy, Jamaica, Japan, Luxembourg, Mexico, Kingdom of the Netherlands (for its European territory, Surinam and the Netherlands Antilles), Norway, Pakistan, Poland, Portugal (including acceptance on behalf of Macao), Republic of China, Republic of Korea, Spain, Sweden, Turkey, United Arab Republic, United Kingdom of Great Britain and Northern Ireland (including acceptance on behalf of Hong Kong), United States. The European Economic Community as such has also signed the Protocol.
Under the Arrangement, a country suffering from disruptive imports may request the exporting country to restrain its shipments to a certain level. If agreement is not reached, import restrictions to this level may be imposed. The permitted level must be regularly increased, and existing quotas must also be enlarged.

Discussions on trade in cotton textiles

The Cotton Textile Committee has also agreed, in connexion with the extension of the Arrangement, to undertake discussions on the state of international trade in cotton textiles and the longer-term development of such trade beyond this further period of extension of the Arrangement.