Negotiators representing almost fifty governments have reached agreement on an Arrangement Regarding International Trade in Textiles. The arrangement will enter into force on 1 January 1974, and will run for four years.

The Arrangement's basic objectives are "to achieve the expansion of trade, the reduction of barriers to such trade and the progressive liberalization of world trade in textile products, while at the same time ensuring the orderly and equitable development of this trade and avoidance of disruptive effects in individual markets and on individual lines of production in both importing and exporting countries". A principal agreed aim of the Arrangement is "to further the economic and social development of developing countries and secure a substantial increase in their export earnings from textile products and to provide scope for a greater share for them in world trade in these products".

The Arrangement, copies of which will be available shortly from the GATT secretariat, consists of a Preamble, seventeen Articles, and two Annexes.

The following paragraphs summarize some of the principal features of the arrangement. It must be emphasized that it is a complex and fairly long document: the summary below does not include a number of its important qualifying provisions.

**Standstill provisions.** The arrangement provides that, with immediate effect, no new unilateral or bilateral restraints shall be placed on trade in textiles (as defined below) except if specifically authorized under the provisions of the Arrangement.

**Phasing-out.** All existing unilateral or bilateral restraints are to be notified immediately, and are then to be either phased-out, or justified under the provisions of the Arrangement. The phasing-out period will begin on 1 April 1974. Some restraints will have to be abolished within one year; for others a period of two or of three years will apply.
Safeguard procedures. The Arrangement permits the introduction of restraints on textile imports, when these imports are causing market disruption, subject to a number of strict conditions and to multilateral surveillance. It is specified that resort will be had to such restraints only sparingly, and with their application "limited to the precise products and to countries whose exports of such products are causing market disruption". Various articles, and the two annexes, lay down the circumstances in which new restrictions may be introduced, defining in particular the procedures for prior consultation, the elements which must be shown in order to establish the existence of market disruption and thus of the necessity for restrictions, the special and more liberal procedures to be applied to imports from developing countries, and the provisions for the establishment, administration and regular enlargement (normally by a minimum of 6 per cent a year) of any restrictions imposed.

Textile Surveillance Body. The most striking innovation introduced by the arrangement is the establishment of a standing Textiles Surveillance Body. This will consist of a chairman and eight members and will have important responsibilities for supervising the implementation of the Arrangement. It will be empowered, when problems arise, to make recommendations to the governments concerned.

There has been no comparable provision for multilateral surveillance under the existing Arrangement Regarding Trade in Cotton Textiles (which will now finally lapse on 31 December 1973).

The Arrangement also establishes, within the framework of GATT, a Textiles Committee on which all the participants are represented. The Committee will meet at least once a year to review the operation of the Arrangement.

Coverage of the Arrangement. The Arrangement defines as textiles "tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products (being products which derive their chief characteristic from their textile components) of cotton, wool, man-made fibres, or blends thereof, in which any or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool) of the product". Artificial and synthetic staple fibre, tow, waste, simple mono- and multi-filaments are not considered as textiles for the purposes of the Arrangement, but in the event of disruption of markets for these products, the general provisions governing the introduction of restraint arrangements will apply.

Subject only to appropriate certification arrangements, the Arrangement will not apply to developing country exports of handloom fabrics or hand-made products of such fabrics, or to traditional folklore handicraft textiles products.

The negotiations were held under the chairmanship of Mr. Olivier Long, Director-General of GATT. The negotiating group, set up by the GATT Council in July 1973, met in October and November and finally from 3 to 20 December.