SUGGESTIONS BY THE SPECIAL DRAFTING GROUP

1. Replace the text of paragraph 4(e) of Article XII in document W.9/208 by the following:

"(e) When proceeding in accordance with this paragraph, the CONTRACTING PARTIES shall have due regard to any special factors adversely affecting the export trade of the contracting party applying restrictions".

2. Insert the following interpretative note:

ad Article XII, sub-paragraph 4(e)

"It is agreed that this sub-paragraph does not add any new criteria for the imposition or maintenance of quantitative restrictions for balance-of-payments reasons. It is solely intended to ensure that all external factors such as changes in the terms of trade, quantitative restrictions, excessive tariffs and subsidies, which may be contributing to the balance-of-payments difficulties of the contracting party applying restrictions will be fully taken into account".

3. Replace paragraph 14 of the Draft Report of the Working Party (W.9/208) by the following text:

"14. The Working Party agreed to insert a new paragraph requiring the CONTRACTING PARTIES, when they conduct consultations under Article XII, to have due regard to certain factors which may influence the balance-of-payments position of the country concerned. This insertion was agreed upon on the understanding that it would not introduce any new criteria for the resort to restrictions under this Article. The intent of the sub-paragraph is clarified by an interpretative note".