There shall be established for the year beginning 1 October 1962 for each participating country not maintaining import restrictions, a minimum import schedule by exporting country for each of the categories in the Arrangement.

In the case of categories in which domestic consumption increases during calendar year 1961 over 1960, the minimum import schedule for each exporting country shall be equal to the level of imports in the twelve months ending 30 June 1961 plus x per cent of the increase in domestic consumption of each category in calendar year 1961 over calendar year 1960, divided among the participating countries in proportion to imports in the twelve months ending 30 June 1961. In establishing the import schedules for categories in each of the succeeding years of the Arrangement which follow years of increasing consumption, the import schedule of each preceding year shall become the new base year.

In the case of categories in which domestic consumption decreases during calendar year 1961 from 1960, the minimum import schedule for the twelve months beginning 1 October 1962 shall be equal to the level of imports in the twelve months ending 30 June 1961 adjusted by the percentage change in consumption between calendar years 1961 and 1960. In establishing the import schedules for categories in each of the succeeding years of the Arrangement which follow years of decreasing consumption, the import schedule of each preceding year shall be similarly adjusted.