COTTON TEXTILES COMMITTEE

Amendment Proposed by Japan to Alternative B of Annex B of the Draft Long-Term Arrangement

1. (a) The level below which imports (or exports) of cotton textile products causing or threatening to cause market disruption may not be restrained under the provisions of Article 3 shall be the level of actual imports (or exports) of such products during the twelve-month period terminating three months preceding the month in which the request for consultation is made.

(b) Where a bilateral agreement on the yearly level of restraint exists between participating countries concerned covering the twelve-month period referred to in paragraph (a), the level below which imports of cotton textile products causing or threatening to cause market disruption may not be restrained under the provisions of Article 3 shall be the level provided for in the bilateral agreement in lieu of the level of actual imports (or exports) during the twelve-month period referred to in paragraph (a).

Where the twelve-month period referred to in paragraph (a) overlaps in part with the period covered by the bilateral agreement, the level shall be:

(i) the level provided for in the bilateral agreement or the level of actual imports (or exports), whichever is higher, for the months where the period covered by the bilateral agreement and the twelve-month period referred to in paragraph (a) overlap; and

(ii) the level of actual imports (or exports) for the months where no overlap occurs.

2. Should the restraint measures remain in force for another twelve-month period, the level for that period shall not be lower than the level specified for the preceding twelve-month period, increased by 5 per cent. In exceptional

Spec(62)67
cases, where it is extremely difficult to apply the level referred to above, a percentage between 5 and 0 may be applied in the light of market conditions in the importing country and other relevant factors after consultation with the exporting country concerned.

3. Should the restraining measures remain in force for further periods, the level for each subsequent twelve-month period shall not be lower than the level specified for the preceding twelve-month period, increased by 5 per cent.