COTTON TEXTILES COMMITTEE
Agreed Redraft of Article 2

Article 2

1. Those participating countries still maintaining restrictions inconsistent with the provisions of the GATT on imports of cotton textiles from other participating countries agree to relax those restrictions progressively each year with a view to their elimination as soon as possible.

2. Without prejudice to the provisions of paragraphs 2 and 3 of Article 3, no participating country shall introduce new import restrictions, or intensify existing import restrictions, on cotton textiles, insofar as this would be inconsistent with its obligations under the GATT.

3. The participating countries at present applying import restrictions to cotton textiles imported from other participating countries undertake to expand access to their markets for such cotton textiles so as to reach, by the end of the period of validity of the present Arrangement, for the products remaining subject to restrictions at that date, taken as a whole, a level corresponding to the quotas opened in 1962, for such products, as increased by the percentage mentioned in Annex A.

Where bilateral arrangements exist, annual increases shall be determined within the framework of bilateral negotiations. It would, however, be desirable that each annual increase should correspond as closely as possible to one fifth of the overall increase.

4. The participating countries concerned shall administer their remaining restrictions on imports of cotton textiles from participating countries in an equitable manner and with due regard to the special needs and situation of the less-developed countries.

5. Notwithstanding the provisions of paragraph 3 above, if, during the licensing period preceding the entry into force of this Arrangement, a specific basic quota is nil or negligible, the quota for the succeeding
licensing period will be established at a reasonable level by the participating importing country concerned in consultation with the participating exporting country or countries concerned. Such consultation would normally take place within the framework of the bilateral negotiations referred to in paragraph 3 above.

6. Participating countries shall, as far as possible, eliminate import restrictions on the importation, under a system of temporary importation for re-export after processing, of cotton textiles originating in other participating countries.

7. The participating countries shall notify the Cotton Textiles Committee as early as possible, and in any case not less than one month before the beginning of the licensing period, of the details of any quota or import restriction referred to in this Article.