DRAFT ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Note by Chairman of the Negotiating Group on Textiles

Attached is a draft of an "Arrangement Regarding International Trade in Textiles" which the Negotiating Group on Textiles asked the secretariat to prepare.

This draft, while drawing on the discussions during the past many months and on several papers which were presented to the secretariat since the last meeting, is submitted on the sole responsibility of the Director-General. The purpose of the paper is to provide a basis for negotiations. No delegation is committed to the paper and it should not be regarded as embodying the views of the secretariat.
DRAFT

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

PREAMBLE

Recognizing the great importance of production and trade in textile products for the economies of many countries, and their particular importance for the economic and social development of developing countries and for their export earnings, and conscious also of the special importance of trade in textile products of cotton for many developing countries;

Recognizing further the tendency for an unsatisfactory situation to exist in world trade in textile products and that this situation, if not satisfactorily dealt with, could work to the detriment of the trade interests of both importing and exporting countries, adversely affect prospects for international co-operation in the trade field, and have unfortunate repercussions on trade relations generally;

Noting that this unsatisfactory situation is characterized by the proliferation of restrictive measures that are inconsistent with the principles of the General Agreement on Tariffs and Trade and also that, in some importing countries, situations have arisen which, in the view of these countries, cause or threaten to cause disruption of their domestic markets, a problem which countries already having a high import level and a correspondingly low level of domestic production consider to be particularly serious for them;

Desiring to take co-operative and constructive action, within a multilateral framework, so as to deal with this situation in such a way as to promote the sound and orderly development of production and trade in textile products and progressively to achieve a reduction in all barriers to trade in these products;
Recognizing that, in pursuit of such action, the volatile and continually evolving nature of production and trade in textile products should be constantly borne in mind and the fullest account taken of such serious economic and social problems as exist in this field in both importing and exporting countries, and particularly in the developing countries;

Recognizing further that such action should be designed to facilitate economic expansion and to promote the development of developing countries possessing the necessary resources, such as raw materials and technical skills, by providing larger opportunities for such countries, including countries that are new entrants in the field of textile exports, to increase their exchange earnings from the sale in world markets of products which they can efficiently produce;

Determined, in carrying out these aims, to have the fullest regard to the principles of the General Agreement on Tariffs and Trade (hereinafter referred to as the GATT) and to the Tokyo Declaration of Ministers dated 14 September 1973 concerning the Multilateral Trade Negotiations;

THE PARTICIPATING COUNTRIES have agreed as follows:

Article 1

1. It may be desirable during the next few years for special practical measures of international co-operation to be applied by the participating countries in the field of textiles with the aim of eliminating the difficulties that exist in this field.

2. A continuing objective shall be to seek to eliminate the causes of the chronic problems in trade in textile products.
3. The basic objective shall be progressively to achieve full liberalization of world trade in textile products, while at the same time ensuring the orderly development and more equitable sharing of this trade, and the avoidance of disruptive effects in individual markets, and on individual lines of production in both importing and exporting countries, including the avoidance of damage to a country's minimum viable production of textile products.

4. In this process of liberalization, the need for developing countries to further their economic expansion through development of their textile industries, and to secure a substantial increase in their exchange earnings from exports of textile products, shall receive special attention in the implementation of this Arrangement, due account however being taken of any consequential, legitimate problems of industrial, economic and social readjustment in developed countries.

5. An essential element in the international action to be taken during the period of validity of this Arrangement shall be the application of structural adjustment measures required by changes in the pattern of trade in textile products.

6. The application of safeguard procedures, subject to recognized conditions and criteria and under the surveillance of an international body set up for that purpose, and with the fullest regard being had to the principles and objectives set out above, may sometimes be necessary in the field of trade in textile products, and should facilitate the process of adjustment in the textile industry. Without prejudice to their rights and obligations under the GATT, the participating countries undertake not to apply such measures except in accordance with the provisions of this Arrangement, and with due regard to the impact of such measures on other countries.
7. The participating countries recognize that, since measures taken under this Arrangement are intended to deal with the special problems of textile products, such measures should be considered as exceptional, and not lending themselves to application in other fields.

Article 2

1. Restrictions\(^1\) existing at the time of coming into force of this Arrangement shall be fully reported to the international body set up in terms of Article 10 (hereinafter referred to as the Textiles Surveillance Body) within sixty days of the coming into force of this Arrangement, and any restrictions not so reported or justified in accordance with the procedure as set out below shall be terminated forthwith.

2. Unless they are specifically justified under the provisions of GATT, all existing restrictions shall be eliminated within a period of one year of the coming into effect of this Arrangement; if that is not possible, they shall be phased out over a stated period not exceeding three years; or justified under the terms of this Arrangement; or modified to conform therewith.

3. All actions or negotiations under paragraph 2 above shall be completed within one year of the coming into force of this Arrangement.

4. The participating countries shall afford full opportunity for bilateral consultation, and shall report specifically to the Textiles Surveillance Body within the first month of the second year of this Arrangement on the status of any such restrictions and on such actions or negotiations as may have been undertaken pursuant to this Article.

\(^1\)By "restrictions", both in this Article and in the Arrangement generally, is meant those prohibitions or restrictions other than duties, taxes, or other charges, imposed upon the importation or exportation of textiles, including self restraints, whether made effective through quotas, import licences, export licences or other measures.
5. The Textiles Surveillance Body shall complete its review of such reports within ninety days of their receipt. In its review it shall consider whether all the actions taken are in conformity with this Arrangement. It may make appropriate recommendations to the participating countries directly concerned so as to facilitate the implementation of this Arrangement.

Article 3

1. Except to the extent that such action is justified under this Arrangement, participating countries shall not introduce new restrictions on imports of textile products or intensify existing restrictions inconsistently with their obligations under the GATT.

2. All measures taken under this Article subsequent to the inception of this Arrangement shall be reported to the Textiles Surveillance Body within thirty days of their effective date. The Textiles Surveillance Body shall be informed promptly whenever any measure is modified or eliminated.

3. The participating countries agree that measures envisaged in this Article should only be resorted to sparingly, and should be limited to the precise products or precise groups or categories of products, and to those countries whose exports of such products are causing or actually threatening to cause market disruption as defined in Annex A, taking full account of the agreed principles and objectives set out in this Arrangement and having full regard to the interests of both importing and exporting countries. Participating countries shall take into account imports from all countries and shall seek to preserve a proper measure of equity,
and shall endeavour to avoid discriminatory measures, where market disruption is caused or actually threatened by imports from more than one participating country and when resort to the measures envisaged in this Article is unavoidable.

4. If, in the view of any participating importing country, its market, in terms of the definition of market disruption in Annex A is being disrupted, or is actually threatened with disruption, by imports of a certain textile product or products it shall seek consultations with the participating exporting country or countries concerned with a view to removing or avoiding such disruption. In its request the importing country may indicate the specific level at which it considers that exports of such products should be restrained, a level which shall not be lower than the one indicated in Annex B. The exporting country or countries concerned shall respond promptly to such requests for consultations. The importing country's request for consultations shall be accompanied by a detailed factual statement of the reasons and justification for the request, including the latest data concerning elements of market disruption, this information being communicated at the same time by the requesting country to the Chairman of the Textiles Surveillance Body.

5. If, in the consultations, there is mutual agreement that the situation justified the imposition of restrictions on imports of the textile product or products concerned, the level of restriction shall be fixed in the amount and manner set out in Annex B and mutually agreed. Details of the agreement shall be communicated to the Textiles Surveillance Body.
6. If, on the other hand, the consultations fail to achieve a mutually acceptable solution within a period of sixty days from the date on which the exporting country received the request to enter into consultations, the matter shall be brought for immediate attention to the Textiles Surveillance Body, either party being free to refer the matter to that body before the expiry of the period of sixty days if it considered that there was justifiable grounds for so doing. The Textiles Surveillance Body shall promptly conduct the examination of the matter and make appropriate recommendations to the parties directly concerned within thirty days from the date on which the matter is referred to it. Such recommendations shall also be forwarded to the GATT Council for its information. If the importing country considers itself unable to follow any such recommendations, it shall so inform the Textiles Surveillance Body and may take the restrictive action it considers necessary. In this event, those countries whose exports of textile products are adversely affected shall be free to seek compensation or take appropriate retaliatory action.

7. In critical circumstances, where imports of a textile product or products during the period of sixty days referred to in paragraph 6 above would cause damage difficult to repair, the importing country may take the appropriate temporary action to limit these imports from the country or countries concerned at a level of - per cent above that specified in Annex B, and shall, at the same time, immediately communicate to the Textiles Surveillance Body full details of the temporary actions taken. The importing country shall give at least one week's prior notification to the participating exporting country or countries and shall afford them concurrently full opportunity for consultations. In such consultations,
the participating importing country shall provide the participating exporting
country or countries directly concerned with such data as is required in the
consultation referred to in paragraph 4 above. It shall be open to the exporting
country, if it so desires, to exercise export control up to the limits prescribed,
for a period of sixty days or until such consultations are concluded, whichever
is the sooner. If, within a period of sixty days after the measures have been
taken by the participating importing country concerned, there has been no agree­
ment on any solution, the procedures set out in paragraph 6 above shall apply.

8. If recourse is had to measures under this Article, participating countries
shall, in introducing such measures, seek to avoid damage to the production and
marketing of the exporting countries, and particularly the developing countries,
and shall avoid any such measures taking a form that could result in the establish­
ment of additional non-tariff barriers to trade in textile products. They shall,
through prompt consultations, provide for suitable procedures, particularly as
regards goods which have been, or which are about to be shipped.

9. Measures taken under this Article may be introduced for limited periods not
exceeding one year, subject to renewal or extension for additional periods of
one year, provided that agreement is reached between the participating countries
directly concerned on such renewal or extension.

10. Participating countries shall keep under review any measures they have taken
under this Article and shall afford any participating country or countries affected
by such measures, adequate opportunity for consultation with a view to the
elimination of the measures as soon as possible. They shall report from time
to time, and in any case once a year, to the Textiles Surveillance Body on the
progress made in the elimination of such measures.
1. The participating countries shall fully bear in mind, in the conduct of their trade policies in the field of textiles, that they are, through their acceptance of this Arrangement, committed to a multilateral approach in the search for solutions to the difficulties that arise in this field.

2. However, participating countries may, consistently with the basic objectives and principles of this Arrangement, conclude bilateral agreements on mutually acceptable terms with a view to ensuring the expansion and orderly development of trade in textiles, the avoidance of situations of market disruption and other disruptive effects in both importing and exporting countries and the equitable treatment of participating countries. In accordance with the provisions of Article 5 such agreements shall provide for reasonable growth, flexible administration and, on overall terms, shall be less restrictive than measures provided for in Article 3 of this Arrangement.

3. The participating countries shall communicate to the Textiles Surveillance Body full details of agreements entered into in terms of this Article within thirty days of their effective date. The Textiles Surveillance Body shall be informed promptly when any such agreements are modified or discontinued. The Textiles Surveillance Body shall make such recommendations as it deems appropriate to the parties concerned.

**Article 5**

1. Restrictions on imports of textile products introduced under the provisions of Articles 3 and 4 shall be administered in a flexible and equitable manner and over-categorization should be avoided. The participating importing country should take full account of such factors as established tariff classification and
quantitative units based on normal commercial practices in export and import transactions, both as regards fibre composition and in terms of competing for the same segment of its domestic market.

2. Where restraint is exercised for more than one product the participating countries agree that the agreed level for any one product may be exceeded by - per cent, provided that the total exports subject to restraint do not exceed the aggregate level for all products so restrained on the basis of a common unit to be determined by the participating countries concerned. Where restraints are for more than one year carry forward and carry over of - per cent shall be provided for, and a growth factor as specified in Annex B applied.

3. Where bilateral agreements are concluded for periods longer than one year, the level at which the exports of textile products should be restrained during the first year of the agreement shall be - per cent above that indicated in Annex B. The level of restraint shall be increased by not less than - per cent above the level of the previous year for each of the subsequent years. Also, in any one year, exports may exceed the annual overall limits, as well as the annual limits for the groups, sub-groups, and specific categories, by not more than the lesser of - per cent of the applicable limit in the preceding agreement year or the actual shortfall in exports. Carry forward of - per cent shall also be provided for.

**Article 6**

1. Recognizing the obligations of the participating countries to pay special attention to the needs of the developing countries, it shall be considered appropriate and consistent with equity obligations for those importing countries
which find it necessary to apply restrictions affecting the trade of developing countries to provide a form and basis for such restrictions on more generous terms, including such elements as base level and growth rates, provided always that these terms shall not seriously discriminate against established suppliers or create serious distortions in existing patterns of trade.

2. In recognition of the need for special treatment for exports of textile products from developing countries that are new exporters of these products, the criterion of past performance shall not be applied in the establishment of quotas for such countries and a higher growth rate shall be accorded to them although every effort should be made to ensure that this special treatment shall not seriously discriminate against established suppliers or create serious distortions in existing patterns of trade.

3. Where restrictions are applied to imports of cotton textiles in terms of this Arrangement, particularly liberal provisions shall be made for the size of quotas and for the growth element in accordance with the terms of Annex B.

4. No restrictions shall be applied to imports of hand-loom fabrics and products, subject to a satisfactory system of certification and control.

5. 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 textiles products originating in other participating countries.

Article 7

The participating countries shall take steps to ensure, by the exchange of information, including statistics on imports and exports when requested, and by other practical means, the effective operation of this Arrangement.
Article 8

1. The participating countries agree to avoid circumvention of this Arrangement by trans-shipment or re-routing and action by non-participants. In particular, they agree on the following measures.

2. The participating importing and exporting countries agree to collaborate with a view to preventing circumvention of this Arrangement by trans-shipment or re-routing and to take appropriate administrative action to avoid such circumvention. In cases where a participating country has reason to believe that imports shipped to it from another participating country and purporting to have originated in that country did not originate there, it may request that country to consult with it with a view to assisting in the determination of the real origin of the goods.

3. In a situation where a restraint level has been circumvented and the exporting country has not adopted appropriate administrative measures to avoid such circumvention in the future, the importing country may institute measures to prevent further circumvention. Where restraint levels are exceeded in any period, importing countries may require that the amount of overshipment shall be deducted from the level of restraint in the subsequent period.

4. The participating countries agree that, if it proves necessary to resort to the measures envisaged in Articles 3 and 4, the participating importing country or countries concerned shall take steps to ensure that the participating country's exports against which such measures are taken shall not be restrained more severely than the exports of any country not participating in this Arrangement which are causing, or actually threatening to cause, market disruption. The participating importing country or countries concerned will give sympathetic consideration to any representations from participating exporting countries to
the effect that this principle is not being adhered to or that the operation of this Arrangement is frustrated by trade with countries not party to this Arrangement. If such trade is frustrating the operation of this Arrangement, the participating countries shall consider taking such actions as may be consistent with their law to prevent such frustration.

5. The participating countries concerned shall communicate to the Textiles Surveillance Body full details of any measures or arrangements taken in respect of any country or countries not party to this Arrangement and the Twelve Surveillance Body shall make such recommendations as it deems appropriate.

Article 9

1. In view of the safeguards provided for in this Arrangement the participating countries shall, as far as possible, refrain from taking measures which may have the effect of nullifying the objectives of this Arrangement.

2. If a participating country finds that its interests are being seriously affected by any measure taken by another participating country, that country may request the country applying such measure to consult with a view to remedying the situation.

3. If the participating country so requested fails to take appropriate remedial action within a reasonable length of time, the requesting participating country may refer the matter to the Textiles Surveillance Body which shall promptly discuss such matter and make such comments to the participating countries as it considers appropriate.

Article 10

1. There is established a Textiles Surveillance Body as an international supervisory body for trade in textiles. It shall consist of a Chairman and members, its membership being balanced and broadly representative of the countries party to this Arrangement as agreed upon by the Textiles Committee set up in terms of Article 11.
2. The Textiles Surveillance Body shall be considered as a standing Committee and shall meet as necessary to carry out the functions required of it under this Arrangement. It shall rely on information to be supplied by the parties concerned, supplemented by any necessary details and clarification it may decide to seek from them or from other sources. Further, it may rely for technical assistance on the services of the GATT secretariat and may also hear technical experts proposed by one of its members. It may also decide to establish a small permanent cadre of experts to facilitate its work.

3. The Textiles Surveillance Body shall take the action specifically required of it in articles of this Arrangement.

4. In the absence of any mutually agreed solution in the bilateral consultations provided for in this Arrangement, the Textiles Surveillance Body, at the request of either party, and following a thorough and prompt consideration of the matter, shall make recommendations to the participating countries concerned.

5. The Textiles Surveillance Body shall, at the request of any participating country, review promptly any particular measures or arrangements which that country considers to be detrimental to its interests or which, in its view, are being applied inconsistently with this Arrangement. It shall make recommendations to the participating country or countries applying such measures.

6. In considering the formulation of its recommendations on any particular matter referred to it, the Textiles Surveillance Body may invite participation of such countries as may be directly affected by the matter in question.

7. When the Textiles Surveillance Body is called upon to make recommendations or findings it shall do so, except when otherwise provided in this Arrangement, within a period of thirty days whenever practicable.
8. Participating countries shall endeavour to accept in full the recommendations of the Textiles Surveillance Body. Whenever they consider themselves unable to follow any such recommendations, they shall forthwith inform the Textiles Surveillance Body of the reasons therefor and of the extent, if any, to which they are able to follow the recommendations.

9. In the event that the Textiles Surveillance Body fails to arrive at an agreed position, the matter shall be referred to the Textiles Committee.

10. If, following recommendations by the Textiles Surveillance Body, problems continue to exist between the parties, these may be brought before the Textiles Committee or before the GATT Council through the normal GATT procedures.

11. Any recommendations and observations of the Textiles Surveillance Body would be taken into account should the matters related to such recommendations and observations subsequently be brought before the CONTRACTING PARTIES, particularly under the procedures of Article XXIII of the GATT.

12. The Textiles Surveillance Body shall, within fifteen months of the coming into force of this Arrangement, and at least annually thereafter, review all restrictions on textile products maintained by participating countries at the commencement of this Arrangement, and submit its findings to the Textiles Committee.

13. The Textiles Surveillance Body shall annually review all restrictions introduced or bilateral agreements entered into by participating countries concerning trade in textile products since the coming into force of this Arrangement, and required to be reported to it under the provisions of this Arrangement, and report annually its findings to the Textiles Committee.
14. The Textiles Surveillance Body shall also present annually to the Textiles Committee an analysis of the current state of world production and trade in textile products, including any measures to facilitate adjustment, and its views regarding means of furthering the expansion and liberalization of trade in textile products. It will collect the statistical and other information necessary for the discharge of its functions and will be empowered to request the participating countries to furnish such information.

**Article 11**

1. There is established a Textiles Committee consisting of representatives of countries party to this Arrangement. The Committee shall carry out the responsibilities ascribed to it under this Arrangement.

2. The Committee shall meet from time to time to discharge its functions and to deal with those matters specifically referred to it by the Textiles Surveillance Body. It shall undertake such studies as the participating countries may decide.

3. Any case of divergence of view between the participating countries as to the interpretation or application of this Arrangement may be referred to the Committee for its opinion.

4. The Committee shall report as necessary to the GATT Council. It shall once a year review the operation of this Arrangement and report thereon to the Council. To assist in this review, the Committee shall have before it a report from the Textiles Surveillance Body, a copy of which will also be transmitted to the Council. The review during the third year shall be a major review of this Arrangement in the light of its operation in the preceding years.
5. The Committee shall meet not later than one year before the expiry of this Arrangement in order to consider whether the Arrangement should be extended, modified or discontinued.

Article 12

Product coverage

For purposes of this Arrangement, and subject to the provisions of paragraph 4 of Article 6, the expression "textiles" includes yarns, if twisted, textured or spun, piece goods, made-up articles, garments, and other textile manufactured products of cotton, wool, man-made fibre, or blends of those fibres, in which any or all of those fibres in combination represent either the chief value of the fibres contained in such product or more than 50 per cent by weight of the fibre (or 17 per cent or more by weight of wool) content of such product.

Article 13

1. This Arrangement is open for acceptance, by signature or otherwise, by governments parties to the GATT or having provisionally acceded to the GATT.

2. Any government which is not party to the GATT, or has not acceded provisionally to the GATT, may accede to this Arrangement on terms to be agreed between that government and the participating countries. These terms would include a provision that any government which is not a party to the GATT must undertake, on acceding to this Arrangement, not to introduce new import restrictions or intensify existing import restrictions, on textile products, in so far as such action would, if that government had been a party to the GATT, be inconsistent with its obligations thereunder.
Article 14

1. This Arrangement shall enter into force on date X subject to the provisions of paragraph 2 below.

2. The countries which have accepted this Arrangement shall, upon request of one or more of them, meet within one week prior to date X and, at that meeting, if a majority of these countries so decide, the provisions of paragraph 1 above may be modified.

Article 15

Any participating country may withdraw from this Arrangement upon the expiration of sixty days from the day on which written notice of such withdrawal is received by the Director-General of GATT.

Article 16

This Arrangement shall remain in force for five years.

Article 17

The Annexes to this Arrangement constitute an integral part of this Arrangement.
ANNEX A

I. The determination of a situation of "market disruption", as referred to in this Arrangement, shall be based on the evaluation of the following elements generally appearing in combination:

(i) a sharp and substantial increase or potential increase of imports of particular products from particular sources. Such a potential increase shall be an imminent one and shall not be determined to exist on the basis of allegation, conjecture or mere possibility arising, for example from the existence of production capacity in the exporting countries;

(ii) these products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country. Such prices shall be compared both with the price for the domestic product at comparable stages of commercial transaction, and with the prices at which other exporting countries also sell such product in the importing country;

(iii) the price differentials referred to in sub-paragraph (ii) above do not arise from governmental intervention in the fixing or formation of prices, or from dumping practices;

(iv) there is serious damage to domestic producers or threat thereof. Such damage must be caused by the factors set out in (i) and (ii) above and not by changes in consumer preference which are instrumental in switches to like and directly competitive products made by the same industry, or similar factors. The existence of damage shall be determined on the basis of an examination of the appropriate factors having a bearing on the state of the industry in question such as:
turnover, market share, profits, export performance, employment, volume of disruptive and other imports, production, utilization of capacity and productivity. No one or several of these factors can necessarily give decisive guidance.

II. In considering questions of "market disruption" account shall be taken of the interests of the exporting country, especially in regard to its stage of development, the importance of the textile sector to the economy, overall balance of trade in textiles, trade balance with the importing country concerned and overall balance of payments.
ANNEX B

1. (a) The level below which imports or exports of textile products causing or actually 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 or, where applicable, the date of notification of a formal public inquiry into the situation of market disruption.

(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 textile products causing or actually 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.

(c) If the twelve-month period referred to in paragraph (a) is specially adverse for a particular exporting country due to abnormal circumstances, the past performance of imports from that country over a period of years should be taken into account.

(d) Where imports or exports of textile products causing or actually threatening to cause market disruption were nil or negligible during the twelve-month period referred to in paragraph (a), a reasonable import level to take account of future possibilities of the exporting country shall be established through consultation between the participating countries concerned. Succeeding imports or exports, should the restraint measure remain in force, shall be increased by - per cent over and above the percentage growth rate set out for other imports in paragraph 2 below.
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 not less than - per cent for cotton textiles products, and by not less than - per cent for other textile products. In exceptional cases, e.g. where the domestic industry in the importing country would be likely to experience new conditions or market disruption if the above growth rate is implemented; or, where certain countries with small markets are importing a substantial volume of textile products in relation to their domestic production of these products and the implementation of the above growth rate would cause serious problems to their industries; a percentage between - and zero may be applied after consultation with the exporting country concerned.

RECORD OF UNDERSTANDINGS

Such a record may be envisaged to cover specific points, certain definitions and procedural matters.