

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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Textiles Committee

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Proposal by developing exporting countries participants
in the Arrangement

Attached is a proposal received from developing exporting countries,
participants in the Arrangement, relating to adjustment measures.

Following negotiations on the renewal of the Arrangement Regarding International Trade in Textiles, as concluded on 20 December 1973, the participants to this Arrangement agree on the following regarding its application and in particular Article 1, paragraph 4, of the Arrangement.

1. Reaffirming Article 1, paragraph 4 of the Arrangement and taking into consideration the temporary nature of the Arrangement, importing participants having recourse to Article 3 or 4 of the Arrangement shall place before the Textiles Committee a definite, detailed and time-bound programme for the implementation of adjustment measures, including phasing out of restrictive measures, which they intend to implement for the duration of the Arrangement. Adjustment measures and trade liberalization shall encourage business to move progressively from production of products under restraint into more viable lines of production.

2. The Textiles Surveillance Body shall carry out such analytical and empirical studies as may be necessary for assessing the pace, extent and direction of the adjustment policies - both governmental and autonomous - and trade liberalization measures, and also for determining the relative long-term and short-term costs/benefits both to the importing countries and the supplying countries in the context of the provisions of Articles 1.2 and 1.3.

3. The Textiles Surveillance Body shall submit its report on the progress of effecting adjustment measures and the related costs/benefits analyses as envisaged in paras 1 and 2 above, to the Textiles Committee every twelve months.

4. A sub-committee shall be established by the Textiles Committee to undertake continuous review of the progress of implementation of adjustment measures and trade liberalization policies as envisaged in Article 1.4 of the Arrangement. The Textiles Committee shall review the matter and report on it to the GATT Council.