

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## Textiles Committee

### DRAFT CHAIRMAN'S SUMMING UP

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1. The participants in the Arrangement exchanged views regarding the future of the MFA.
2. It is clear from the annual and major reviews of the MFA undertaken by the Textiles Committee that certain importing and several exporting countries have encountered practical difficulties in the implementation of the provisions of the MFA. Discussions in this respect covered a wide range of areas of satisfaction as well as dissatisfaction. These difficulties, some of which are of a long standing nature, affect seriously the trade and economic development of developing countries.
3. Members of the Textiles Committee recognized that there continued to be a tendency for an unsatisfactory situation to exist in world trade in textile products, and that such a situation, if not satisfactorily dealt with, could work to the detriment of countries participating in international trade in textile products, whether as importers or exporters or both. It could adversely affect prospects for international cooperation in the trade field and could have unfortunate repercussions on trade relations in general, and the trade of developing countries in particular.
4. Some participating countries, importing as well as exporting, felt that there was a need for modifications to be made to the text of the MFA. Others were of the opinion that any difficulties that may have arisen were due to problems of implementation, and that the provisions of the MFA are adequate to deal with such difficulties, including the problems of those countries referred to in Article 1:2.

5. As regards what was described by one major importing participant in its statement to this Committee as its pressing import problems, the Textiles Committee recognized that these problems should be resolved bilaterally under the provisions of Article 4 or Articles 3:3 and 3:4 between the participants referred to below.

In addition to noting the major importing participant's statement, the Committee noted the goodwill and intentions of flexibility of some exporting participants now predominant in the exporting of textile products of all the three fibres covered by the Arrangement.

The Committee agreed that the afore-mentioned consultations and negotiations should be conducted within the framework and provisions of the MFA, taking due account of the flexibility mentioned above with a view to reaching mutually acceptable solutions.

The Committee affirmed that, in seeking such solutions, the interests of developing countries, new entrants and small suppliers should be recognized.

6. It was reiterated that in the future implementation of the MFA, the special problems of developing countries shall be fully taken into account in a manner consistent with the provisions of the MFA, in particular Articles 1:3 and 6 thereof.

7. All participants saw mutual cooperation as the foundation of the Arrangement and as the basis for dealing with problems in a way which would promote the objectives and aims of the MFA. Participants emphasized that the primary aims of the MFA are to ensure the expansion of trade in textile products particularly for the developing countries, and progressively to achieve the reduction of trade barriers and the liberalization of world

trade in textile products while, at the same time, avoiding disruptive effects on individual markets and on individual lines of production both in importing and exporting countries. In this context, it was felt that in order to ensure the proper functioning of the MFA, all participants would refrain from taking measures on textiles outside the provisions of the MFA.

8. Taking into account the evolutionary and cyclical nature of trade in textiles, and the need to solve all problems, including those discussed at the meetings of the Textile Committee by importing and exporting countries, in a constructive and equitable manner for the interest of all concerned, a consensus has emerged for the MFA to be extended in its present form for a period of ..... years.