

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

L/4616  
15 December 1977  
Limited Distribution

---

PROTOCOL  
EXTENDING THE ARRANGEMENT REGARDING  
INTERNATIONAL TRADE IN TEXTILES

The Arrangement Regarding International Trade in Textiles of 23 December 1973, is due to expire on 31 December 1977.

Following a meeting of the Textiles Committee on 14 December 1977, a Protocol providing for the extension of the Arrangement for a further period of four years, until 31 December 1981, is open for acceptance.

The text of the Protocol is attached hereto.

PROTOCOL EXTENDING THE ARRANGEMENT REGARDING  
INTERNATIONAL TRADE IN TEXTILES

THE PARTIES to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the Arrangement"),

ACTING pursuant to paragraph 5 of Article 10 of the Arrangement, and

REAFFIRMING that the terms of the Arrangement regarding the competence of the Textiles Committee and the Textiles Surveillance Body are maintained, and

CONFIRMING the understandings set forth in the Conclusions to the Textiles Committee adopted on 14 December 1977, copy of which is attached herewith,

HEREBY AGREE as follows:

1. The period of validity of the Arrangement, set out in Article 16, shall be extended for a period of four years until 31 December 1981.
2. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT. It shall be open for acceptance, by signature or otherwise, by the parties to the Arrangement, by other governments accepting or acceding to the Arrangement pursuant to the provisions of Article 13 thereof and by the European Economic Community.
3. This Protocol shall enter into force on 1 January 1978 for the countries which have accepted it by that date. It shall enter into force for a country which accepts it on a later date as of the date of such acceptance.

Done at Geneva this fourteenth day of December one thousand nine hundred and seventy-seven in a single copy in the English, French and Spanish languages, each text being authentic.

Conclusions of the Textiles Committee adopted on 14 December 1977

1. The participants in the Arrangement exchanged views regarding the future of the Multifibre Arrangement (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 a satisfactory situation to exist in world trade in textile products, and this situation, if not satisfactorily dealt with, could work to the detriment of countries participating in international trade in textile products, whether importers or exporters or both. It could adversely affect prospects for international co-operation 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. It was agreed that any serious problems of textile trade should be resolved through consultations and negotiations.

5.1 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 such problems should be resolved bilaterally under the provisions of Article 4 or Article 3, paragraphs 3 and 4.

5.2 The Committee noted one major importing participant's statement concerning the basis upon which it intended to achieve its stated objectives by bilateral consultations and negotiations and noted the expression of goodwill and flexibility made by certain exporting participants now predominant in the exporting of textile products of all the three fibres covered by the Arrangement.

5.3 The Committee agreed that, within the framework of the MFA, any such consultations and negotiations should be conducted in a spirit of equity and flexibility with a view to reaching a mutually acceptable solution under Article 4, paragraph 3, or Article 3, paragraphs 3 and 4, which does include the possibility of jointly agreed reasonable departures from particular elements in particular cases.

5.4 It was agreed that any such departures as mentioned in sub-paragraph 3 above would be temporary and that participants concerned shall return in the shortest possible time to the framework of the Arrangement.

5.5 The Committee also urged all participants concerned to move promptly to negotiate mutually acceptable solutions in the spirit of the MFA.

5.6 The Committee affirmed that, in seeking such solutions, the interests of the developing countries, new entrants, and small suppliers shall be recognized, and the provisions of Article 1, paragraph 4, would be fully kept in view.

6. The Committee recognized that countries having small markets, an exceptionally high level of imports and a correspondingly low level of domestic production are particularly exposed to the trade problems mentioned in the preceding paragraphs, and that their problems should be resolved in a spirit of equity and flexibility. In the case of those countries, the provisions of Article 1, paragraph 2, should be fully implemented.

7. The Committee reaffirmed that the two organs of the Arrangement, the Textiles Committee and the Textiles Surveillance Body, should continue to function effectively in their respective areas of competence.

8. 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, paragraph 3, and 6 thereof.

9. All participants saw mutual co-operation 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 in both 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 covered by the MFA outside the provisions therein before exhausting all the relief measures provided in the MFA.

10. Taking into account the evolutionary and cyclical nature of trade in textiles and the importance to both importing and exporting countries of prior resolution of problems in a constructive and equitable manner for the interest of all concerned, and on the basis of the elements mentioned in paragraphs 1 through 9 above, the Textiles Committee considered that the MFA in its present form should be extended for a period of four years subject to confirmation by signature as from 15 December 1977 of a Protocol for this purpose.