

GATT/1561  
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MULTIFIBRE ARRANGEMENT EXTENDED FOR ONE YEAR

The GATT Textiles Committee decided, on 9 December, to maintain in force the Multifibre Arrangement (MFA) for a further period of 12 months from 1 January 1993 to 31 December 1993 in view of the fact that the Uruguay Round has not been completed.

This is the fifth extension of the MFA, which has been governing much of the world's trade in textiles and clothing since 1974. In taking the decision, the participants proceeded on the understanding that bilateral agreements on textiles and clothing for the year 1993 will provide increased market access and reiterated that special considerations should be provided for small suppliers and least-developed countries. Participants reaffirmed their respect for the equity obligations in the Arrangement and their agreement to cooperate fully in dealing with problems relating to circumvention of the MFA. They also noted the concern of a number of participants with respect to the problem of infringement of registered trademarks and designs in textiles and clothing trade.

The text of the Committee's Decision follows.

DECISION BY THE TEXTILES COMMITTEE TO MAINTAIN IN FORCE THE ARRANGEMENT  
REGARDING INTERNATIONAL TRADE IN TEXTILES FOR A PERIOD OF TWELVE MONTHS

1.1.93 TO 31.12.93

1. The Textiles Committee met on 9 December 1992 to resume the discussion that it had begun at its meeting on 6 December 1991 on the future of the Arrangement Regarding International Trade in Textiles (MFA), in accordance with the provisions of Article 10.5 of the Arrangement.
2. The Committee decided to maintain in force the existing MFA, as extended by the 1986 Protocol, and as maintained in force by the 1991 Protocol, for a further period of 12 months from 1 January 1993 to 31 December 1993 in view of the fact that the Uruguay Round has not been completed.
3. The Committee reaffirmed the Conclusions of the Textiles Committee adopted on 31 July 1986 and the obligations contained therein. In this context, participants reiterated that full account should be taken, inter alia, of the special considerations provided for small suppliers and the least developed countries.
4. In taking their decision to further extend the MFA, participants proceeded on the understanding that bilateral agreements for the year 1993 will provide increased market access.
5. Participants reiterated their respect for the equity obligations in the Arrangement.
6. Participants reaffirmed their agreement to co-operate fully in dealing with problems relating to circumvention of the Arrangement.
7. Participants noted the concern expressed by a number of participants with respect to the problem of infringement of registered trademarks and designs in trade in textiles and clothing and noted that such problems could be dealt with in accordance with the relevant national laws and regulations.
8. As to the necessary legal steps in this regard, the Textiles Committee drew up the attached text of a Protocol Maintaining in Force the MFA for a further period of 12 months. The Protocol would enter into force on 1 January 1993.

Note to Editors:

MFA members account for much of the world's exports and imports of textiles and clothing. Textiles and clothing exports from the members of the MFA to all destinations amounted to an estimated US\$136 billion in 1990, accounting for about 80 per cent of world textiles and clothing exports (excluding EC intra-trade).

The restrictions negotiated under the MFA apply to a large part of the exports of developing countries and Eastern Europe to developed countries. Under the Arrangement, which went into effect in January 1974, industrial countries negotiate quotas on imports of textiles and clothing from developing countries. The MFA's safeguard procedures permit the introduction of restraints on textile imports, when these imports cause market disruption, subject to a number of strict conditions and to multilateral surveillance.

There are currently 42 signatories to the 1991 Protocol extending the MFA. These are Argentina, Austria, Bangladesh, Brazil, Canada, China, Colombia, Costa Rica, Czechoslovakia, Dominican Republic, EEC, Egypt, El Salvador, Fiji, Finland, Guatemala, Hong Kong, Honduras, Hungary, India, Indonesia, Jamaica, Japan, Korea, Macau, Malaysia, Mexico, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Singapore, Sri Lanka, Switzerland, Thailand, Turkey, United States, Uruguay and Yugoslavia.

Overall management of the MFA is undertaken by the Textiles Committee, which is made up of representatives of signatories to the Arrangement, and is chaired by the Director-General of the GATT. Detailed implementation of the MFA is supervised by the Textiles Surveillance Body established by the Committee.

Negotiations in the Uruguay Round has produced a draft agreement, contained in the Draft Final Act, aimed at the integration of the textiles and clothing sector into the GATT on the basis of strengthened GATT rules and disciplines.