

GATT/1601  
9 December 1993

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 1994 to 31 December 1994 in view of the fact that the Uruguay Round has not been completed.

GATT Director-General Peter Sutherland, Chairman of the Committee, said that the decision signified "the final lease of life for the MFA". This is the sixth extension of the MFA, which has been governing much of the world's trade in textiles and clothing since 1974. The quotas under the MFA would be progressively phased out under the Uruguay Round Agreement on Textiles and Clothing, which is aimed at the integration of this sector into the GATT on the basis of strengthened GATT rules and disciplines.

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

1.1.94 to 31.12.94

1. The Textiles Committee met on 9 December 1993 to resume the discussion that it had begun at its meeting on 9 December 1992 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 1992 Protocol, for a further period of twelve months from 1 January 1994 to 31 December 1994 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.
4. 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 twelve months. The Protocol would enter into force on 1 January 1994.

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 forty-four signatories to the 1992 Protocol extending the MFA. These are Argentina, Austria, Bangladesh, Brazil, Canada, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, EEC, Egypt, El Salvador, Fiji, Finland, Guatemala, Hong Kong, Honduras, Hungary, India, Indonesia, Jamaica, Japan, Korea, Lesotho, Macau, Malaysia, Mexico, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Singapore, Slovak Republic, Sri Lanka, Switzerland, Thailand, Turkey, United States and Uruguay.

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.

MORE

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.

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