

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.