

13. The Committee recalled that consideration is to be given to special and differential treatment which should be accorded to trade referred to in Article 6, paragraph 6.

14. Participants agreed to co-operate fully in dealing with problems relating to circumvention of the Arrangement, in the light of the provisions of Article 8 thereof. It was agreed that the appropriate administrative action referred to in Article 8, paragraph 2, should in principle, where evidence is available regarding the country of true origin and the circumstances of circumvention, include adjustment of charges to existing quotas to reflect the country of true origin; any such adjustment together with its timing and scope being decided in consultation between the countries concerned, with a view to arriving at a mutually satisfactory solution. If such a solution is not reached any participant involved may refer the matter to the TSB in accordance with the provisions of Article 8, paragraph 2.

15. In pursuance of the objective of trade liberalization embodied in the Arrangement, the Committee reaffirmed the need to monitor adjustment policies and measures and the process of autonomous adjustment in terms of the provisions of article 1, paragraph 4. To this end, the Committee decided that a Sub-Committee should be established to carry out activities previously performed by the Working Group on Adjustment Measures and to make a periodic review of developments in autonomous adjustment processes and in policies and measures to facilitate adjustment, as well as in production and trade in textiles, on the basis of material and information to be provided by participating countries. The Sub-Committee would report periodically to the Textiles Committee to enable that Committee to fulfil its obligations under Article 10, paragraph 2.

16. Participating countries reaffirmed their commitment to the objectives of the expansion of trade, reduction of barriers to such trade and the progressive liberalization of world trade in textile products, while recognizing that these objectives also depend importantly upon matters outside the scope of the Arrangement, such as the reduction of tariffs.

17. In the context of the phasing out of restraints under the Arrangement, priority attention would be given to sectors of trade, e.g., wool tops, and suppliers for which the Arrangement provides for special and more favourable treatment as referred to in Article 6.

18. The participants reaffirmed the importance of the effective functioning of the two organs of the Arrangement, the Textiles Committee and the TSB, in their respective areas of competence. In this context, the participants emphasized the importance of the responsibilities of the TSB as set forth in Article 11 of the MFA.

19. The participants also reaffirmed that the rôle of the TSB is to exercise its functions as set out in Article 11 so as to help ensure the effective and equitable operation of the Arrangement and to further its objectives.