

- (c) Where restraints are applied on exports from new entrants and small suppliers, the economic terms relating to growth and flexibility rates should take due account of the future possibilities for the development of trade and the need to permit commercial quantities of imports in order to further the economic and social development of such suppliers.
- (d) Exports of cotton textiles from cotton producing exporting countries should be given special consideration. Where restraints are applied, more favourable treatment should be given to these countries in terms of quotas, growth rates and flexibility, having due regard to the provisions of Annex B. This special consideration should be reflected in the improvements in bilateral agreements foreseen in paragraph 4 above, and should take into account the point of departure for each country, the degree of vulnerability of the industrial sectors concerned in the importing country, as well as the importance of cotton textile exports in the economy of the exporting country concerned.
- (e) The provisions of Annex B relating to exceptional circumstances and cases should be applied sparingly to exports from new entrants, small suppliers and trade in cotton textiles of cotton producing developing countries.
- (f) Any restraints envisaged on exports from new entrants, small suppliers, and cotton textile producing countries shall take into account the treatment of similar exports from other participants, as well as non-participants in terms of Article 8, paragraph 3.

14. The participants recognized that particular problems are created by restrictions on wool products for those wool producing developing countries whose economy and textile trade are dependent on the wool sector, whose total textile exports consist almost exclusively of wool textiles and clothing, and whose volume of textile trade is comparatively small in the markets of the importing countries. It was agreed that, in the application of safeguard measures under the Arrangement, special consideration shall be given to the export needs of such countries when considering quota levels, growth rates and flexibility, so as to ensure overall improved access in the importing country's market, having due regard to the provisions of Annex B.

15. In conformity with the provisions of Article 6, paragraph 6 of the Arrangement for consideration to be given to special differential and more favourable treatment, in the light of the special nature of the trade referred to therein, participants agreed that, in negotiating bilateral restraints account shall be taken of the relative degree to which these exports contribute to situations of market disruption or real risk thereof.