

levels negotiated in accordance with Annex B on the one hand and actual imports on the other. When such difficulties arise the exporting and importing countries may consult in order to arrive at a mutually acceptable solution, including the provision of equitable and quantifiable compensation where appropriate. As regards consistently under-utilized quotas, consideration should be given to their removal upon request. Should a quota that has been removed be re-introduced, the quota level shall fully take into account the previous restraint level.

12. The Committee recognized that participating importing countries having small markets, an exceptionally high level of imports and a correspondingly low level of domestic production are particularly exposed to the problems arising from imports causing market disruption as defined in Annex A and that their problems should be resolved in a spirit of equity and flexibility in order to avoid damage to those countries' minimum viable production of textiles. At the same time, the Committee noted the commitment by those countries to contribute to further liberalization of world trade in textile products. Participants agreed that these countries may apply lower positive growth rates as set out in Annex B and on a mutually acceptable basis lower flexibility than the norms set out in the same Annex, on the understanding that future bilateral agreements shall, depending on the point of departure for each importing country, in respect to growth and flexibility represent meaningful improvements over those agreements previously in place. Participants further agreed that minimum viable production provisions are available only in the circumstances set out in the Arrangement and in this paragraph.

13. The participating countries were conscious of the problems posed by restraints on exports of new entrants and small suppliers, as well as on exports of cotton textiles by cotton producing countries. They reaffirmed their commitment to the letter and intent of Article 6 of the Arrangement and to the effective implementation of this Article to the benefit of these countries.

To this end they agreed that:

- (a) Restraints shall not normally be imposed on exports from small suppliers, new entrants and least developed countries.
- (b) If circumstances oblige the importing country to introduce restraints on exports from the least developed countries, the treatment accorded to these countries should be significantly more favourable than that accorded to the other groups referred to in this paragraph, preferably in all its elements but, at least, on overall terms.