

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 re-affirmed 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.
- (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.