

8. The view was expressed that special difficulties may be created for importing countries which administer restraints imposed under Article 3, paragraph 5 on the basis of date of export when, in the absence of a mutually agreed solution as indicated in Article 3, paragraph 8, an imminent and measurable increase in imports may arise which would cause recurrence or exacerbation of market disruption or impede the steady and orderly development of trade. It was agreed that in such cases, and after submission to the Textiles Surveillance Body in accordance with Article 3, paragraph 8, the importing country may extend for one further period of twelve months the restraint previously applied. Growth and flexibility shall be accorded to the subsequent twelve-month restraint in accordance with provisions of paragraphs 3 and 5 of Annex B.

9. It was recalled that in exceptional cases where there is a recurrence or exacerbation of a situation of market disruption as referred to in Annex A and paragraph 2 and 3 of Annex B, a lower positive growth rate for a particular product from a particular source may be agreed upon between the parties to a bilateral agreement. It was further agreed that where such agreement has taken into account the growing impact of a heavily utilized quota with a very large restraint level for the product in question from a particular source, accounting for a very large share of the market of the importing country for textiles and clothing, the exporting party to the agreement concerned may agree to any mutually acceptable arrangements with regard to flexibility.

10. The Committee also confirmed that exporting participants, predominant in the exporting of textile products in all the following fibres (cotton, wool and man-made fibres) covered by the Arrangement, may agree with importing participants to any mutually acceptable solution as regards growth and flexibility; but in no case should such growth and flexibility be negative. Importing participants at the same time recognized the importance to predominant exporting participants of stability in the textile trade and the need to ensure that stability and certainty throughout the full life of their bilateral agreements, keeping in mind also the need for orderly development of trade in textiles.

11. The view was expressed that real difficulties may be caused in importing countries by sharp and substantial increases in imports as a result of significant differences between larger restraint 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