

EUROPEAN PARLIAMENT

# Working Documents

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2 March 1984

DOCUMENT 1-1517/83

REPORT

drawn up on behalf of the Committee on External  
Economic Relations

on the functioning of the Multifibre Arrangement  
with particular reference to the situation of the  
European textile industry

Rapporteur: Mr R. FILIPPI



At its sittings of 14 December 1981 and 12 March 1982, the European Parliament referred the motions for resolutions tabled by Mr Cousté and Mr de La Malène (Doc. 1-15/82) and by Mr Cousté, Mr de La Malène, Mr Ansquer and others (Doc. 1-856/81), pursuant to Rule 47 of the Rules of Procedure, to the Committee on External Economic Relations as the committee responsible and to the Committee on Social Affairs and Employment and the Committee on Economic and Monetary Affairs for opinions.

At its meeting of 19 January 1983, the Committee on External Economic Relations decided to draw up a report and appointed Mr FILIPPI rapporteur.

It considered the draft report at its meetings of 18 October 1982, 2 December 1982, 18 October 1983, 24 and 25 January 1984 and 22 February 1984 and unanimously adopted the motion for a resolution as a whole on 22 February 1984.

The following took part in the vote: Sir Fred CATHERWOOD, chairman; Mr van AERSSSEN, second vice-chairman; Mr BORD, Lord HARMAR-NICHOLLS (deputizing for Miss HOOPER), Mr MOMMERSTEEG, Mr PELIKAN, Mr PESMAZOGLOU, Mr RIEGER, Mr RIVIEREZ, Mr SPENCER, Mr STELLA and Sir Jack STEWART-CLARK.

The Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment will not be delivering opinions.

The report was tabled on 1 March 1984.

The deadline for tabling amendments to the report will be indicated in the draft agenda for the part-session at which it will be debated.

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Motion for a resolution Doc. 1-856/81

The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on the functioning of the Multifibre Arrangement with particular reference to the situation of the European textile industry

The European Parliament

- A. having regard to the serious employment situation existing in the Community today which particularly affects female workers who constitute a large part of the textile industry workforce (about 70%),
  - B. having regard to the Multifibre Arrangement of 1982 and the contents of the 26 voluntary restraint agreements,
  - C. having regard to the motions for resolutions by Mr Cousté and Mr de la Malène on behalf of the Group of European Progressive Democrats (Doc. 1-15/82) and by Mr Cousté, Mr de la Malène, Mr Ansquer and others (Doc. 1-856/81),
  - D. having regard to the report by Mr Welsh drawn up on behalf of the Committee on External Economic Relations (Doc. 1-61/81),
  - E. having regard to the report by the Committee on External Economic Relations (Doc. 1-1517/83),
1. Notes that the contents of the Multifibre Arrangement currently in force and the bilateral voluntary restraint agreements concluded by the Community correspond broadly to the negotiating mandate, which stipulated that the Community should obtain the necessary reductions in levels of access to EEC markets and the inclusion of adequate voluntary restraint provisions to cope with sudden and substantial increases in imports of textile products into the Community;

2. Regrets that continued pressure on the Community textile and clothing industry from imports from low-cost producers has made it necessary to extend the Multifibre Arrangement for a further four-year period, and considers that this offers a last opportunity for the industry to adapt itself to modern market conditions;
3. Recognizes that, although the interests of the textile and clothing industry must be given due weight, the overall objective of Community policy must be to expand world trade and bring the recession to an end;
4. Acknowledges that the textile and clothing industry continues to provide employment for thousands of Community citizens and calls on the Commission to act vigorously to secure preferential access for Community products to the domestic markets of its trading partners;
5. Points out that the future of the Community textile industry cannot rely merely on a policy of restriction and protection against imports, but must also and above all be based on initiatives at Community level in the field of industrial policy and adequate measures involving regional and social policy;
6. Recommends that the voluntary restraint provisions be strictly enforced, particularly the anti-surge clause and the provisions designed to combat fraud;
7. Welcomes the conclusion of the accession negotiations with Portugal as regards trade in textiles and clothing, and considers that the voluntary agreements with Mediterranean preferential countries should be reviewed in the light of pending enlargement;
8. Calls on the Commission to review and update its proposals as regards outward processing traffic;
9. Welcomes the accession of China to the MFA and considers that the terms of the Council's mandate extend to the renewal of the EC-China Agreement and to negotiations with Turkey;
10. Concludes that the general aim of the new Multifibre Arrangement is to bring about a situation in which free trade in the textile sector can be restored by the time the arrangement expires;
11. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENTI. INTRODUCTION

Following the negotiations held within the GATT Textile Committee during the second half of 1981, the Protocol extending the Multifibre Arrangement for the period 1 January 1982 to 31 July 1986 was adopted in Geneva on 22 December 1981<sup>1</sup>.

The Protocol adopted in Geneva complied with the negotiating guidelines which had called on the Community to reduce the levels of access granted previously to certain member states of the MFA which are economically more advanced and particularly competitive. The negotiating guidelines were intended to allow for the inclusion in the bilateral voluntary restraint agreements of a mechanism capable of dealing with sudden and substantial increases in imports within the quotas.

When accepting the new Protocol renewing the Multifibre Arrangement, the Community announced that its continued adherence to the arrangement would be conditional on the conclusion of satisfactory bilateral voluntary restraint agreements with the third countries by 31 December 1982.

Negotiations on the conclusion of these bilateral agreements ended on 31 December 1982. It proved possible to renew 26 of the 27 scheduled voluntary restraint agreements for the period 1983-1986<sup>2</sup>.

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<sup>1</sup> The European Parliament expressed its opinion on the renewal of the Multifibre Arrangement in the WELSH report (Doc. 1-61/81)

<sup>2</sup> The agreement with Argentina was not concluded for political reasons.

The 26 agreements in question contain provisions fundamental for safeguarding the Community. These include a clause to prevent import surges, a clause to combat fraud and a basket extractor clause. Voluntary restraint agreements were also concluded for the two-year period 1982-1983 with preferential countries (Spain, Portugal, Malta, Cyprus, Morocco, Tunisia and Turkey). The new Multifibre Arrangement has introduced flexibility of treatment for certain countries or groups of countries.

For the ASEAN countries, provision is made for a system of external flexibility which can be summed up as follows: for a single region of the EEC, a quantity equivalent to 5% of the regional quota-share for group I, and 10% for groups II and III, may be transferred between the ASEAN countries.

The application of this transfer is conditional on notification being given to the EEC that a particular ASEAN country is accepting a reduction in its quantitative limit. A transfer of this type can only be carried out during the year in which the notification is submitted.

## II. NEGOTIATIONS IN PROGRESS: China and Turkey

It should be noted that negotiations are in progress for the renewal of the contracts with China. These two countries have very considerable production potential and the Community should therefore bear in mind the overall situation during these negotiations, taking account of the absorption capacity of the Community market given the commitments already entered into with all its trading partners.

The current bilateral agreement with China is due to expire at the end of 1983. Despite the fact that Article 22 of the EEC-China Agreement provides for its renewal for a period of five years, the Commission has begun negotiations aimed at fixing new quotas. China is one of the countries whose exports to the EEC have increased substantially in recent years, as the following table shows:



TABLE No. 1  
Imports from China

in 1000 tonnes

		Annual increase	% of total imports of countries party to the agreement
1978	30.9	+ 32	4.9%
1979	40.9	+ 32.4	5.6%
1980	59.2	+ 44.7	8.0%
1981	70.5	+ 19.1	10.2%
1982	78.1	+ 10.8	11.2%

Source: Coordination Committee for the Textile Industries in the EEC  
(COMITEXTIL) July 1983

It should be borne in mind that although China has an agreement with the EEC, it is not a member country of the MFA. It seems very probable that China will apply for membership of the agreement in the near future. Membership by China could prove complex, given that it is considered a developing country.

This could be a step on the way to membership of GATT, an agreement which has always been ignored by the Soviet Union and most Eastern European countries (only Czechoslovakia, Romania and Yugoslavia belong to GATT). If China does join GATT, it will of course have to abide by the rules of the agreement and although the West seems prepared to accept, within certain limits, the country's desire to be considered a developing country, on the other hand, the Western countries are not prepared to accept that China should join the agreement as a Communist country and as such opposed to free trade.

The Commission is currently involved in negotiations to renew the EEC-China textile agreement which, as was mentioned above, is due to expire at the end of this year.

China's requirements could be taken into consideration, however, if it granted reciprocal conditions by allowing Community textile exports into China and giving supply guarantees to European processors for certain rare products such as silk and cashmere.

Turkey is the only country in the Mediterranean basin which did not wish to conclude an agreement with the EEC (except on cotton yarn).

Turkey adopted a non-committal approach to the negotiations on the textile agreement. No conclusion was reached and, as a result, the Community has been obliged to resort to unilateral protection measures.

TABLE No. 2  
Imports from Turkey  
in 1000 tonnes

		Annual increase	% of total imports of countries party to the agreement
1977	60.8		29.1%
1978	80.4	+ 32.2	30.6%
1979	90.8	+ 12.9	29.5%
1980	64.6	- 29.5	23.1%
1981	97.5	+ 50.9	30.9%
1982	109.7	+ 13.1	30.3%

Source: Coordination Committee for the Textile Industries in the EEC  
(COMITEXTIL) July 1983

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In order to make an assessment of the EEC's textile policy, it is necessary to await the outcome of the conclusion of agreements with these two countries. They represent two potential sources of low-cost production and exports which could have a considerable impact on the textile market, with consequences which could well be decisive for the future of the European industry.

### III. THE SITUATION OF THE COMMUNITY TEXTILE INDUSTRY

Community textile policy must clearly be geared to the development and requirements of the Community's own textile industry. It is clear that any concessions which can be or have been made to third countries in the context of the MFA are dependent on the absorption capacity of the Community market and the development of the Member States' textile industries.

As far as employment is concerned, the situation in the Community textile industry has not improved at all in recent years, as the following table shows.

TABLE No. 3  
Employment in EEC of 9 (1000 persons)  
(Source: COMITEXTIL July 1983)

	Textiles	Clothing	Total
1968	2,037	1,214	3,251
1970	2,058	1,265	3,323
1971	1,960	1,269	3,229
1972	1,885	1,302	3,187
1973	1,848	1,276	3,124
1974	1,754	1,204	2,958
1975	1,629	1,146	2,775
1976	1,573	1,094	2,667
1977	1,525	1,055	2,580
1978	1,457	1,011	2,468
1979	1,415	1,002	2,417
1980	1,349	943	2,292
1981	1,243	886	2,129
1982			

The above table shows that employment in the textile and clothing sector has fallen sharply in recent years.

The basic factor affecting the development of the employment situation, and therefore the policy which the Community should follow in the textile sector, is the development of consumption.

TABLE No. 4  
Evolution of consumption of textile products 1981/82

	<u>In current values</u>	<u>Consumer prices of textile and clothing products</u>
GER	+ 1.6	+ 4.5
FR	+ 12.4	+ 9.7
IT	+ 13.7	+ 16.1
UK	+ 3.9	+ 1.2

During the period in question the volume of imports rose sharply, particularly those from low-cost countries. Volume increased by 5.5% between 1981 and 1982.

To complete the picture of the situation of the textile industry, we should also examine the penetration of textile imports in the Community.

The following table shows the rate of penetration, calculated on the basis of apparent consumption.

TABLE No. 5

Penetration rates calculated on the basis  
of apparent consumption

In tonnes

1973 = 100

Year	Exports <sup>1</sup>	Imports <sup>1</sup>	Industrial consumption of fibres	Apparent final consumption	Total penetration rate
1973	100	100	100	100	21.9%
1974	114	135	88	93	32.0%
1975	98	146	81	91	31.5%
1976	115	183	94	102	33.9%
1977	123	170	88	97	38.4%
1978	121	181	90	103	38.8%
1979	123	215	95	114	41.5%
1980	124	218	87	106	45.2%
1981	135	202	86	90	44.7%
1982	141	207	84	89	46.7%

Investments by undertakings in the textile sector have been concentrated almost exclusively in recent years on rationalization measures. This policy has been prompted by the systematic loss of the Community market which has not been offset by scope for expansion into third country markets. Because of high salary costs, undertakings have been compelled to make investments which involve manpower reductions rather than investments which create jobs. On the other hand, the industry has been forced to adopt this approach because other countries, notably Japan, have embarked on research programmes designed to introduce widespread automation of production.

<sup>1</sup> Excluding continuous and discontinuous chemical fibres and worsteds.

It seems clear that there is surplus production capacity at world level. There is no trend towards an increase in consumption in the markets of the industrialized countries and the markets elsewhere in the world offer no prospects for substantial new outlets.

By way of conclusion and comment on the above remarks, it can be said that all the European countries have suffered from the effects of this situation. In the United Kingdom 125,000 jobs were lost in the two-year period from 1980 to 1981 and imports accounted for more than half of the country's domestic consumption. In France there have been substantial job losses, while in 1980 imports accounted for one-third of consumption<sup>1</sup>.

In Germany it is forecast that the country's textile industry will shed about one-fifth of its workforce during the next decade<sup>1</sup>.

In a situation where the Community's domestic consumption is not increasing and third country markets offer no possible outlets, the crucial problem remains the control of imports, which must be adapted to developments in domestic consumption.

The current Multifibre Arrangement has certainly taken account of the requirements of the Community industry, but given that there is a certain degree of flexibility in the application of its provisions, it is vital that these should be geared to the real needs of the Community industry.

It should also be borne in mind that an excessive degree of protectionism is not desirable from the industry's own point of view, since it would remove the stimulus and incentive needed to restore its competitiveness on world markets.

As has been said before<sup>3</sup>, 'Parliament must attempt to reconcile these conflicting considerations into an objective set of guidelines which form credible negotiating objectives'.

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<sup>1</sup> Source: COMITEXIL - 1983

<sup>3</sup> WELSH report (Doc. 1-61/81) p. 9

In principle, it can be said that, in view of the unfavourable situation of the Community and world markets, the job losses in the textile and clothing sector, the difficulty of switching textile workers to other industrial sectors and the need to transform the industrial structures of the textile industry towards greater automation, it is vital for the Community textile industry to be protected from an increase in import penetration, with the main aim of limiting further job losses.

#### IV. CONCLUSIONS

The renewal of the Multifibre Arrangement and the new clauses introduced in the bilateral agreements have broadly complied with the need to protect the Community textile industry. In fact, the Protocol extending the MFA, which was adopted in Geneva and came into force on 1 January 1982, corresponded to the negotiating guidelines, which had stipulated that the Community should reduce levels of access to its market and incorporate in the bilateral voluntary restraint agreements a mechanism capable of dealing with sudden and substantial increases within quotas.

It is still too early to give a reliable assessment of the functioning of the arrangement and the various clauses. Nevertheless, it is already possible to make a number of observations and general remarks which may prove useful in the near future for the application of the arrangement and the clauses it contains.

The first of these remarks is that the Community textile industry is and must remain one of the basic industries. The number of workers employed in this sector is considerable (about 2,129,000 workers in 1981 in the EEC of Nine). This figure illustrates the importance of the textile and clothing sector. In view of the long-standing crisis and unemployment situation existing in the Community, it is highly unlikely that textile workers can be transferred to other industrial sectors. Job losses in this sector will inevitably mean an increase in unemployment.

In view of the stagnation in domestic consumption and the absence of prospective outlets for exports of Community textile products on third country markets, the only remaining course open to the EEC's textile industry, if it is to survive, is to go ahead with restructuring and renovation using the latest techniques such as automation, new storage techniques, etc. in a way which is already being done in some industrialized countries like the United States and Japan.

This need means that the Communities textile industries will have to invest in sectors which will not produce new jobs. This is vital if the Community textile industry is to remain sufficiently competitive.

If this is to be achieved, the Community will have to continue to protect itself during the period of restructuring, as any further job losses would be unacceptable.

It must certainly be borne in mind that an exaggerated degree of protectionism would not be desirable, because it would not only run counter to the free trade principles which underly the Community rules, but it would also fail to serve the industry's own interests, since it would remove the stimulus and incentives needed to restore the competitiveness of the EEC textile industry on world markets.

The Community is therefore placed in a dilemma in which it is obliged to pursue a protectionist policy while at the same time respecting the free trade principles which are the basis of Community rules and the Treaty of Rome.

It must therefore attempt to reconcile these two conflicting needs into a set of coherent guidelines forming a Community approach that is credible and effective in respect of its own industry and its trading partners.

By way of an overall assessment of the new MFA and the bilateral agreements, it can generally be said that they have met the needs of the Community textile industry in that, by comparison with the first agreement (which guaranteed those countries with the lowest production costs an annual growth rate of not less than 6% for imports of certain sensitive textile products), guaranteed growth rates for quotas have been reduced, in some cases to as low as 0.5%.



This restriction is really vital and is an important factor for the Community industry's chances of survival. Nevertheless, it is clear that the future of the Community textile industry cannot be guaranteed merely through restrictive policies. If the industry is to remain sufficiently competitive and to survive at least on its present scale, it is vital for a series of economic and financial measures to be taken at national and Community level. Community measures to assist the textile industry also need to be stepped up in the context of the Community's industrial policy.

It is essential that the negotiations with China and Turkey consolidate the results achieved in the bilateral restraint agreements concluded in 1982. It is therefore necessary for the Community to take a constant line, consistent with the approach adopted in the conclusion of these agreements, by maintaining an overall view and basing its approach to the negotiations with these two countries on the one established and followed for the conclusion of the 26 bilateral agreements.

There will also have to be a rigorous application of the anti-surge clause, which allows a temporary reduction in the event of sudden and substantial increases in imports (surge effect) following a long period during which these have remained well within the levels fixed by the quotas themselves.

Efforts to combat fraud and forgeries need to be stepped up. This is very important since Europe's wealth also depends to a large extent on its ability to react to these practices. In recent years a series of frauds and forgeries concerning trade marks, designs and models has occurred which European undertakings have been unable to counter effectively.

Finally, the following are general principles which should be respected in the application of the current MFA, and also and above all for its future renewal:

- consolidation and strengthening of the conditions for reciprocity at world level;

- introduction of new and more effective instruments to counter dumping and subsidies;
- while retaining the ultimate aim of protecting and strengthening free trade, it is necessary to consolidate the temporary protective measures to enable the Community as a whole, and a number of its regions in particular, to restructure the textile industry so as to make it more competitive.

## MOTION FOR A RESOLUTION (DOCUMENT 1-15/82)

tabled by Mr COUSTE and Mr de la MALENE

on behalf of the Group of European Progressive Democrats

pursuant to Rule 47 of the Rules of Procedure

on the extension of the Multifibre Arrangement and the renegotiation of bilateral agreements

The European Parliament,

- having regard to the Treaty of Rome, and in particular Article 113 thereof,
  - having regard to its resolution of 7 April 1981<sup>1</sup>,
  - having regard to the motion for a resolution tabled by Mr Welsh and others<sup>2</sup>,
  - having regard to the protocol extending the Multifibre Arrangement signed in Geneva on 22 December 1981,
  - having regard to the decisions taken by the Council of Ministers on textile trade policy at its meeting on 25 February 1982,
  - pointing out that during 1981 there was a further deterioration in the situation of the Community's clothing and textiles industries: decline in production, stagnation of consumption and substantial losses of jobs, at a time when the unfavourable economic situation in the Community does not permit the losses in this industry to be offset by the creation of jobs in other sectors,
  - stressing, furthermore, the need to safeguard the textile/clothing industry as a whole, which still occupies an important position in the industrial life of the Community, employing as it does 9.6% of all workers in the manufacturing industries and accounting for 6.4% of the value added of these industries,
1. Regrets that the internal overall ceilings defined by the Council for the eight categories of most sensitive products do not represent maximum annual import capacities for the Community, because of the possibility of quantitative adjustment of the OPT component included therein;
  2. Regrets that the Council has not reviewed the quota concept, by defining the annual quota on the basis of the levels reached by imports during the previous year;
  3. Fears that the Council's extremely vague and arbitrary interpretation of the anti-surge clause as provided in MFA III might lead to serious difficulties of implementation;

<sup>1</sup> OJ No. C 101, 4.5.1981, pages 29 to 31

4. Regrets that no solution has been found for the problem of 'reciprocity' of access to the markets of certain third countries undergoing rapid industrialization in Latin America and Asia, which impose prohibitive customs duties of up to 100 to 200%;
5. Also regrets that no solution has yet been found to make the price clause applicable in the agreements with state-trading countries;
6. Urges the Council to ensure that the provisions laid down in MFA III are applied scrupulously and effectively both during the renegotiation of bilateral agreements and in the administration of those agreements;
7. Instructs its President to forward this resolution to the Council and Commission of the European Communities and to the Director-General of GATT.

MOTION FOR A RESOLUTION (DOCUMENT 1-856/81)

tabled by Mr COUSTE, Mr de la MALENE, Mr ANSQUER, Mr CLEMENT, Mr DELEAU, Mr DENIAU, Mr DE LIPKOWSKI, Mr FANTON, Mr GERONIMI, Mrs EWING, Mr CRONIN, Mr DAVERN, Mr ISRAEL, Mr JUNOT, Mr MEO, Mr FLANAGAN, Mr REMILLY, Mr VIE, Mrs WEISS, Miss de VALERA, Mr LALOR and Mr NYBORG

pursuant to Rule 47 of the Rules of Procedure

on the renewal of the Multifibre Arrangement and strengthening the Community's textile trade policy

The European Parliament,

- having regard to the Treaty of Rome and, in particular, Article 113 thereof,
- having regard to its resolution of 7 April 1981,
- whereas the situation in the Community's textile and clothing industry is characterized by declining employment, falling consumption, stagnating production and an increasing deficit on the balance of trade,
- whereas between 1973 and 1979 the textile and clothing industry shed almost 800,000 jobs - an accumulated loss of more than 24% of the workforce - and whereas workers are still being made redundant,
- whereas the favourable economic situation in the Community further aggravates these difficulties, notably by accentuating the imbalances in regions where the textile industry is concentrated and where job losses in this industry can no longer be offset by providing alternative employment,
- whereas the textile and clothing industry still occupies an important place in the industrial sector of the Community, employing 9.6% of the workforce in manufacturing industries and accounting for 6.4% of the added value of these industries,
- whereas there is therefore a need to maintain intact the backbone of the textile industry in the Community,
- whereas the industry finds it difficult under present circumstances to cope with the growth of imports of textile products from countries covered by the textile policy,

- having regard to the motion for a resolution by Mrs FOCKE and others (Doc. 1-614/81), the motion for a resolution by Mr BOCKLET and others (Doc. 1-594/81) and the motion for a resolution by Mr WELSH and others (adopted on 19.11.1981),

1. Strongly urges the Council to adopt as soon as possible the Commission's proposals for renewing the MFA and for the renegotiation of bilateral agreements expiring at the end of 1982;
2. Requests the Council to introduce from 1982 onwards a stricter trade policy on textiles that is more effective and better adapted to the difficulties currently facing the textile industry by providing it with comprehensive protection against cheap imports;
3. Requests the Council to ensure that the global internal ceilings for Group I products (very sensitive) are respected without exception and to resist in future any measure which might grant exemptions from these ceilings;
4. Calls on the Council to adopt the Community rules on outward processing arrangements proposed by the Commission, which have been under discussion for three years, given the importance of improving the competitiveness of the textile and clothing industry;
5. Deplores the fact that the Community is incapable of taking effective and timely action to correct disruptions of the market and, in particular, to curb the excessive imports from other industrialized countries, notably the United States, which is the main supplier of textile products to the Community;
6. Calls on the Commission to reconsider the price clause in agreements with state-trading countries with a view to making it applicable;
7. Requests that a requirement be introduced making it compulsory for items of clothing from all third countries to carry an indication of origin;
8. Calls on the Commission to give serious consideration to the problem of reciprocal access to markets, as a number of rapidly industrializing third countries (Latin America or Asia) impose on Community textile exports tariff barriers - prohibitive customs duties ranging from 100 to 200% - and non-tariff barriers, thus preventing normal trade flows;

9. Proposes the following measures:

- revising the concept of quotas - quotas have up to now implied a right of access to the Community market - so as to introduce machinery for adjusting quotas each year on the basis of the actual level of imports;
- aligning the growth rate of quotas - for all low-price products - on the rate of growth of demand for textiles in the Community;
- reviewing certain major concessions made to countries benefiting from preferences in the framework of voluntary restraint agreements negotiated by the Community, notably reducing the present rate of increase of quotas and the rates applied in the case of flexibility clauses;
- stricter and more vigilant application to textile products not subject to quotas of the basket extraction machinery by initiating the procedure more rapidly and by introducing Community basket extraction measures more frequently;
- strengthening existing provisions or creating additional machinery for detecting deflections of trade and frauds concerning the origin of imported textile products as rapidly as possible and taking effective remedial action;
- providing for changes to the list of very sensitive products during the course of the year to include a product which has become very sensitive in terms of trade flows;

10. Stresses that any solution to the textile crisis would be incomplete without a thorough and lasting restructuring of the industry to meet the new demands of international competition and calls on the Council to seek the approval of the Member States for common guidelines on an industrial strategy;

11. Instructs its President to forward this resolution to the Council, the Commission, the official representatives of all the signatories of the MFA and the Director-General of GATT.

