

## PREFACE

The renegotiation of the Multifibre Arrangement (MFA) which expires at the end of 1981 is now getting under way in Geneva. The next six months will be crucial in deciding the future shape of trading in this key sector that accounts for a substantial proportion of developing countries' exports of manufactured products. The avowed aim of the agreement which entered into force in 1974, was to facilitate trade liberalisation through the orderly growth in developing countries' textile and garment exports to industrialised country markets allowing time for adjustment to take place in the domestic industries of industrialised countries. In practice, however, the MFA has provided a system of protection for textile and clothing manufacturers in industrialised countries against competition from imports from developing countries, especially after its renewal in a much more restrictive form for the four years from 1978. With current demands for an even tougher MFA for 1982 onwards, the negotiations are likely to prove difficult.

The interest of developing Commonwealth countries in the export of textiles and clothing has become substantial. In view of the importance of these negotiations to Commonwealth countries, the Commonwealth Secretariat commissioned Dr. Cable of the Overseas Development Institute to evaluate the operation of the current MFA and provide economic and statistical data which it is hoped will contribute to the negotiation of an improved Arrangement - one which will promote trade liberalisation and take into account the interests of the developing countries in the expansion of their manufactured exports and of the industrialised countries in the growth of their trade with developing countries and in the orderly growth of imports of the products concerned.

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