

HILLMAN

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 420 final

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SERIALS UNIT Proposal for a
COUNCIL REGULATION (EEC)

concerning import arrangements for certain
textile products originating in the Socialist
Federation of Yugoslavia

(submitted to the Council by the Commission)

COM(77) 420 final



EXPLANATORY MEMORANDUM

1. By a decision of 18 December 1975 the Council authorized the opening of negotiations with the Socialist Federative Republic of Yugoslavia to conclude an Agreement on trade in textile products.
2. In conformity with the above cited Council decision and in consultation with the special Article 113 Committee, the Commission held negotiations with Yugoslavia between March and June 1976.

Following these negotiations a draft Agreement was drawn up and initialled by the heads of delegation on 25 June 1976. The Commission presented a recommendation for the conclusion of this Agreement to the Council on April 6, 1977. This was approved by the Council on 5th of April 1977.

3. The Agreement provides, in particular, for voluntary restraint by the Yugoslav authorities, within agreed quantitative limits, on exports of certain textile products to the Community and for checks by the Community that these limits are not being exceeded.

In order to carry out these checks, this proposal for a regulation introduces arrangements whereby imports into the Community of the products in question are subject to quantitative limits.

4. The Agreement concerns only products originating in and coming from Yugoslavia. The Yugoslav authorities apply voluntary restraint only to direct exports to the Community. Thus, products in categories covered by the Agreement and originating in Yugoslavia can be freely exported to the Community via another country. The Community can raise objections to such indirect exports, for the Agreement obliges it only to admit products that originate in and come from Yugoslavia which are accompanied by export certificates drawn up in accordance with the provisions of the Agreement. Since such indirect imports are contrary to the aims of the Agreement, the import system established by the Community must necessarily apply to products originating in Yugoslavia wherever they may come from.

5. It is proposed that the Community quantitative restrictions be managed in accordance with the same procedure as the Community quantitative quotas laid down in Regulation (EEC) No. 1023/70, and in particular Article 11 thereof. This procedure requires the Council to fix the criteria for the distribution of the quantitative restrictions.

The distribution criteria referred to are those that guided the preparatory work within the Council for the adoption of decisions on the opening of bilateral negotiations under the Arrangement regarding International Trade in Textiles. The distribution (1) will thus be based on these criteria and in particular on the results of work already accomplished.

6. The Agreement negotiated provides for the automatic and immediate acceptance by the Community authorities of imports subject to a ceiling, upon presentation by the importer of the original export certificate issued by the Yugoslav authorities stating that the quantities exported have been charged against the agreed ceilings. In practical terms, this stipulation means that the Member States' authorities are obliged to grant import authorization automatically and immediately upon presentation of a request from the importer which is accompanied by the export certificate referred to above, on condition that the agreed limits are not exceeded.

7. In order to enable all the aims of the Agreement to be accomplished as soon as possible, the Commission proposes that the Council adopt the attached draft regulation speedily.

(1) The distribution will be the subject of a separate regulation to be adopted by the Commission, also on the basis of Regulation No. 1023/70.

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

concerning import arrangements for certain textile products
originating in the Socialist Federative Republic of Yugoslavia

THE COUNCIL OF THE EUROPEAN COMMUNITIES ,

Having regard to the Treaty establishing the European Economic Community, and
in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas, in the context of the Arrangement regarding international trade in
textiles, the European Economic Community and the Socialist Federative Republic
of Yugoslavia have negotiated an Agreement on trade in textiles; whereas the
Council has approved a recommendation for a Regulation concluding that
Agreement presented by the Commission ;

Whereas, for the purpose of implementing the Agreement, import arrangements must
be adopted for the products in question ;

Whereas the Agreement requires the Community to admit imports of certain textile
products within the quantitative limits, compliance with which will be
guaranteed by a system of bilateral checking ;

Whereas appropriate provisions applicable in the Community should therefore be
adopted for 1976 and 1977, including criteria for the allocation of the quantita-
tive limits agreed with the Socialist Federative Republic of Yugoslavia.

Whereas, in view of the considerable disparities existing between the conditions
currently governing imports of the products concerned into the Member States and
in view of the particular sensitivity of the Community's textile industry, standar-
dization of these import conditions can only be achieved progressively; whereas the
criterion to be adopted for the allocation of the Community quantitative limits
should therefore be in particular the gradual adjustment of the quantities ad-
mitted under current import conditions to market supply requirements ;

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Whereas imports of goods exported from the Socialist Republic of Yugoslavia should be charged against the quantitative limits fixed in the Agreement for the same period ;

Whereas steps should be taken to ensure that there is no evasion of the objectives of the Agreement by indirect imports of products originating in the Socialist Republic of Yugoslavia ;

Whereas the Agreement provides that those products which enter the Community's customs territory under inward processing or other temporary importation arrangements and are re-exported therefrom in their original state or after processing should not be charged against the agreed quantitative limits ;

Whereas the Agreement does not apply to re-imports from Yugoslavia of textile articles produced by the working or processing of products temporarily exported by the Community ;

HAS ADOPTED THIS REGULATION :

Article 1

1 Imports into the Community of the textile products listed in Annex I, originating in Yugoslavia and exported between 1 January 1976 and 31 December 1977, are subject to the quantitative limits agreed between the Community and the Socialist Federative Republic of Yugoslavia and set out in that Annex.

2. The quantitative limits are allocated among the Member States in accordance with the procedure laid down in Council Regulation (EEC) No 1023/70 of 25 May 1970 establishing a common procedure for administering quantitative quotas (1), and in particular in Article 11 thereof, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit amounts to be carried over or brought forward from one year to another.

However, the allocation is made on the basis of the import volumes admitted under the conditions currently applied in the Member States and shall provide for annual rates of increase which are appreciably higher for those Member States whose import volumes are relatively the lowest, in such a way that this allocation is gradually aligned with market supply requirements.

(1) JO L. 124 of 8.6.1970, p. 1

3. The competent authorities of the Member States concerned shall, within the quantitative limits prescribed, automatically authorize the import of the products referred to in paragraph 1 immediately upon production by the importer of the original of the export licence issued by the competent authorities of the Socialist Federative Republic of Yugoslavia and containing the details set out in Annex II.

4. Authorized imports are charged against the quantitative limits valid for the year during which the products were taken aboard within the territory of the Socialist Federative Republic of Yugoslavia for export to the Community.

5. Products which enter the Community's customs territory under inward processing or other temporary importation arrangements and are re-exported therefrom in their original state or after processing shall not be charged against the quantitative limits referred to in paragraph 1.

6. Products which enter the Community's customs territory after outward working or processing in Yugoslavia of products temporarily exported by the Community shall not be charged against the quantitative limits referred to in paragraph 1.

Article 2

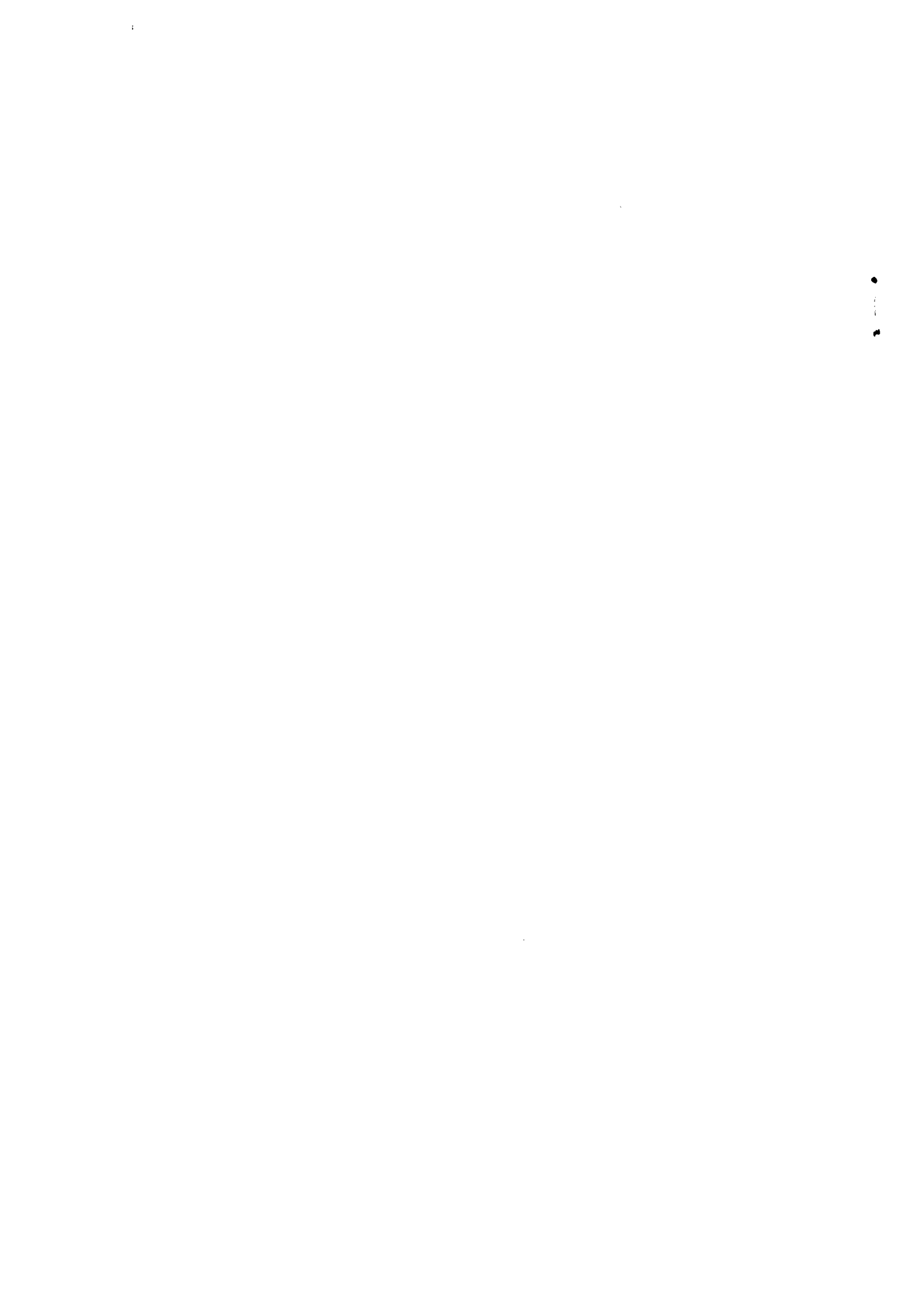
This Regulation enters into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation is binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President



ANNEX I

Quantitative limits referred to in Article 1

Common Customs Tariff No	Nimex Code	Description of goods		Quantitative limits (metric tons)	
				1976	1977
55.09	01 to 98	Other woven fabrics of cotton			
of which ex 55.09		Cotton fabrics, other than unbleached or bleached	EEC	12 779	13 546
			EEC	1 425	1 505
ex 62.02 B	11, 41, 43, 47, 71, 73, 81	Bed linen, table linen, toilet linen and kitchen linen of cotton; curtains and other furnishing articles of cotton			
			EEC	952	1 009

ANNEX II

Details referred to in Article 1

The export licences issued by the authorities of the Socialist Federative Republic of Yugoslavia in respect of the products subject to restraint under this regulation shall specify or contain:

1. destination
2. serial number
3. importer's name and address
4. exporter's name and address
5. net weight (in metric tons) and value
6. category and classification of product
7. certificate issued by the Yugoslav authorities showing that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or for processing and subsequent re-export outside the Community.
8. year during which the products were exported i.e. loaded in Yugoslavia for export.