



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.11.1999
COM(1999) 572 final

1999/0234 (ACC)

Proposal for a

COUNCIL DECISION

**on the conclusion of an Agreement in the form of an Exchange of Letters
between the European Community and the Republic of Malta modifying the
Agreement establishing an association between the European Economic
Community and Malta**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The objective of the attached proposal is to amend the Agreement establishing an association between the European Economic Community and Malta, which was signed on 5 December 1970 and entered into force on 1 April 1971, by concluding an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Malta. The Exchange of Letters is aimed at repealing the tariff ceilings for textile products laid down in Article 2 of Annex I to the Association Agreement, as amended by Article 5 of the Additional Protocol to the Agreement establishing an association between the EEC and Malta, signed on 27 October 1977.

Notwithstanding the ceilings provided for in Article 2 of Annex I to the Association Agreement, by common agreement between the contracting parties until 31 December 1997 Malta's exports to the EC falling under textile category 6 were imported into the EU free of customs duties up to certain quota levels, representing an increase in liberalisation of imports of textiles from Malta as compared to the Association Agreement provisions. The parties' agreement to this effect was reflected in a Memorandum of Understanding initialled on 29 November 1990, as last extended until 31 December 1997 by an Agreed Minute between the Republic of Malta and the European Community regarding textile trade¹.

Within the framework both of the completion of the first stage of the Association Agreement and of the Community's liberalisation efforts towards Mediterranean countries, as well as having regard to the current level of and trends in access of Malta's textile products to the EC, both contracting parties expressed the intention to achieve full liberalisation of textile imports from Malta after 31 December 1997.

Therefore, in order to ensure that the parties' liberalisation intent is reflected into the Association Agreement provisions, the text of the latter should be amended accordingly.

Therefore, attached to this Memorandum are:

- a proposal for a Council Decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and the Republic of Malta modifying the Agreement establishing an association between the European Economic Community and Malta; and
- an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Malta modifying the Agreement establishing an association between the European Economic Community and Malta.

¹ OJ L 231, 22.8.1997, p. 6.

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Malta modifying the Agreement establishing an association between the European Economic Community and Malta

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and in particular Article 133, in conjunction with the first sentence of Article 300 (2) thereof,

Having regard to the proposal from the Commission,

- (1) Whereas Article 2 of Annex I to the Agreement establishing an association between the European Economic Community and Malta² provides for tariff ceilings applicable to imports of textile products originating in Malta;
- (2) Whereas, pursuant to the Agreed Minute between the Republic of Malta and the European Community regarding textile trade signed on 4 June 1997³, until 31 December 1997 products falling within textile category 6 were imported into the European Community duty free up to certain quota levels, which levels represented an increase in liberalisation of imports originating in Malta as compared to the tariff ceilings laid down in the Association Agreement;
- (3) Whereas, within the framework both of the completion of the first stage of the Association Agreement and of the Community's liberalisation efforts towards Mediterranean countries, as well as having regard to the current level of and trends in access to Malta's textile products to the EC, full liberalisation of textile imports from Malta should be achieved;
- (4) Whereas for this reason the Agreement in the form of an Exchange of Letters repealing the tariff ceilings laid down in Article 2 of Annex I to the Agreement establishing an association between the European Economic Community and Malta, should be approved;

² OJ L 61, 14.3.1971, p. 2. Agreement as supplemented by the Additional Protocol (OJ L 304, 29.11.1977, p. 2), the Supplementary Protocol (OJ L 81, 23.3.1989, p. 2) and the Protocol extending the first stage of the Agreement (OJ L 116, 9.5.1991, p. 67).

³ OJ L 231, 22.8.1997, p. 6.

HAS DECIDED AS FOLLOWS:

Article

The Agreement in the form of an Exchange of Letters between the European Community and the Republic of Malta modifying the Agreement establishing an association between the European Community and Malta, is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement in the form of an Exchange of Letters in order to bind the Community.

Done at Brussels,

*For the Council
The President*

AGREEMENT

in the form of an Exchange of Letters between the European Community and the Republic of Malta modifying the Agreement establishing an association between the European Economic Community and Malta

A. Letter from the Community

Sir,

I have the honour to refer to the trade regime for imports of textile products originating in Malta into the European Community laid down in Article 2 of Annex I to the Agreement establishing an association between the European Economic Community and Malta, as amended by Article 5 of the Additional Protocol to the Agreement establishing an association between the European Economic Community and Malta signed on 27 October 1977. In order to achieve full liberalisation of textile imports from Malta within the framework of both the completion of the first stage of the Agreement establishing an association between the Economic European Community and Malta and of the Community's liberalisation efforts towards the Mediterranean countries, it has been agreed that the tariff ceilings of Article 2 of Annex I to the Agreement establishing an association between the European Community and Malta shall be repealed.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Council of the European Union

B. Letter from Malta

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the trade regime for imports of textile products originating in Malta into the European Community laid down in Article 2 of Annex I to the Agreement establishing an association between the European Economic Community and Malta, as amended by Article 5 of the Additional Protocol to the Agreement establishing an association between the European Economic Community and Malta signed on 27 October 1977. In order to achieve full liberalisation of textile imports from Malta within the framework of both the completion of the first stage of the Agreement establishing an association between the Economic European Community and Malta and of the Community's liberalisation efforts towards the Mediterranean countries, it has been agreed that the tariff ceilings of Article 2 of Annex I to the Agreement establishing an association between the European Community and Malta shall be repealed.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter'.

I have the honour to confirm that my Government is in agreement with the content of your letter.

Please accept, Sir, the assurance of my highest consideration.