

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 677 final.

Brussels, 19 December 1975

RECOMMENDATION FOR A COUNCIL DECISION

authorizing the Commission to open negotiations
with India for the conclusion of an Agreement on
trade in coir products

(submitted to the Council by the Commission)

COM(75) 677 final.

EXPLANATORY MEMORANDUM

1. By a decision of 21 March 1974¹ an Agreement on trade in coir products was concluded between the Republic of India and the EEC.

This Agreement is in force until 31 December 1975 and enables India - the principal exporting country - to enjoy generalized tariff preferences for its exports of coir products. When preparing its offer on generalized preferences, the Community considered that for coir products "duty-free entry would be one of the special measures to be adopted with regard to developing countries which are exporters"².

The Agreement comprises principally:

the autonomous suspension by the Community of CCT duties in accordance with the rates and timetable specified (60% at 1 January 1975);

the setting-up of a Joint Cooperation Committee to explore the opportunities for cooperation in research into and development of the production of the products in question.

Since the Agreement expires on 31 December 1975, the import arrangements to be operative from 1 January 1976 should be determined. The Commission considers that it would be appropriate to seek to conclude a new arrangement with India permitting:

¹OJ No L 82, 27 March 1974.

²Sri Lanka also enjoys tariff preferences for coir products. In view of the amount exported by Sri Lanka, the Community considered that the preferences could be granted without an agreement being negotiated; however, it was agreed by an exchange of letters that Sri Lanka would consent to negotiations if necessary.

the continuation for the duration of the Agreement of the process of autonomous suspension of tariffs begun by the preceding Agreement, with a view to the eventual total suspension of duties;

the continuation of the efforts made by both Parties, within the Joint Cooperation Committee under the present Agreement, in connection with research into and development of production;

an assurance to be given by India that raw materials would be supplied to the Community coir products industry on non-discriminatory terms.

Duty-free entry had been envisaged when the Community made its offer on tariff preferences. Furthermore, the Indian authorities have on several occasions drawn the Community's attention to the vital importance to their country's economy of the production and export of finished coir products. Production is concentrated in a particularly underprivileged part of India and provides employment for over a million people; exports of coir products, moreover, account for an appreciable proportion of India's foreign currency earnings.

As regards quantities, it should be pointed out that there is no limit on imports into the Community of coir products, except coir mats, which are still subject to quantitative restriction in one Member State.

The reason for asking India to provide assurances on the supply of raw materials to the Community is that India is virtually the Community's sole supplier. Moreover, the current Agreement contains comparable provisions.

3. The Commission accordingly recommends that the Council adopt the draft decision annexed hereto.

RECOMMENDATION FOR A
COUNCIL DECISION

authorizing the Commission to open negotiations
with India for the conclusion of an Agreement on
trade in coir products

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 Recommendation from the Commission;

Whereas for coir products the Community's offer on generalized tariff
preferences states that duty-free entry would be "one of the special
measures to be adopted with regard to developing countries which are
exporters";

Whereas an Agreement on trade in coir products embodying such "special
measures" was concluded between the Community and India; whereas this
Agreement expires on 31 December 1975;

Whereas it is now desirable to authorize the opening of negotiations with
India with a view to determining the arrangements to be applied after that
date for trade in coir products,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to open negotiations for the conclusion
of an Agreement between the European Economic Community and India on trade
in coir products. The Commission shall conduct the negotiations in
consultation with the Article 113 Committee and in accordance with the
directives annexed hereto.

Done at Brussels,

For the Council
The President

NEGOTIATING DIRECTIVES

1. The Agreement is to be valid for four years, that is until 31 December 1979.
2. The Community is to continue the process of autonomous suspension of customs duties in annual stages, for the duration of the Agreement, with a view to achieving duty-free entry by 1 January 1979.
3. A Joint Cooperation Committee will be set up to formulate suggestions in connection with cooperation in the fields of research into and development of the production and uses of coir products.
4. Assurances are to be obtained from India as regards the supply on non-discriminatory terms of the raw materials needed by the Community coir products industry.