

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 36 final.

Brussels, 26 January 1978.

PROPOSAL FOR A

COUNCIL REGULATION

making the importation into the Community of textile products originating
in certain third countries subject to authorization and quantitative limitation

(submitted to the Council by the Commission)

COM(78) 36 final.

EXPLANATORY MEMORANDUM

1. Before 1 January 1978 imports of certain textile products into the Community originating in certain third countries were controlled by Community import arrangements. In particular textile trade with many third countries was regulated by the previous Arrangement regarding International Trade in Textiles ('The Arrangement') accepted by Council Decision (EEC) No 214/74(1). Both within the terms of this Arrangement and under a number of bilateral agreements negotiated with certain of its adherents the Community took measures enabling quantitative restrictions to be applied to textile exports from those countries. Measures having similar effect were also applied in relation to other third countries.
2. The Community regulations did not establish specific quantitative limits beyond the end of 1977, when the previous Arrangement expired.
3. The Community view was that the Arrangement had failed in at least one of its aims, namely to prevent market disruption in importing countries in that during its four years of application substantial injury has been caused to Community procedures.

As a result the Community was not prepared to renew the Arrangement for a further period unless adequate safeguards were provided that exports from certain third countries would be stabilised at a level based on that realised in 1976.

With this aim the Community undertook bilateral negotiations with certain countries (including some not parties to the Arrangement) to conclude agreements or arrangements whereby this stabilisation would be achieved and at the same time at least a part of the Community market would be set aside for developing countries.

/...2

4. The Arrangement has been renewed on behalf of the Community for a period of four years commencing on 1 January 1978 on the basis that the terms of the Arrangement were subordinated to the provisions of the bilateral agreements negotiated with other countries parties to the renewed Arrangement. Such bilateral agreements would be concluded both within the terms of the Arrangement and of a GATT working document COM/TEX/W/47 enabling departures to be made by the Community from the Arrangement itself.

5. Such negotiations are substantially completed and with certain exceptions agreement has been reached both on the quantitative restrictions taking effect on 1 January 1978 and on the text of a legal instrument regulating textile trade for the next five years.

6. The proposed legal instruments contain terms whereby the third countries will restrict their exports of the products in question to the agreed quantitative limits. Such limits are administered by a system of double-checking (as in previous bilateral textile agreements) and origin control whereby import authorisations are granted automatically against export licences up to the agreed limits. Under all but three of the bilateral agreements both the double-checking system and the origin control will be suspended until 31 March 1978 to permit the necessary administrative arrangements to be completed. During such period imports from the countries in question is limited to 40% of the agreed quantities.

7. Under the terms of the new bilateral agreements or arrangements textile products shipped before 1 January 1978 may be imported into the Community as follows:

- products under quota in 1977 to the extent such quota remains unused, at any time;
- products not under quota in 1977, up to 31 March 1978.

8. Though in no cases have the necessary formalities been completed by the parties for putting into force de jure of such agreements it is the intention to apply them de facto from 1 January 1978 on the basis that renewal of the Arrangement is subject to the agreements being in force. Pending formal adoption of the agreements, and in view of the lack of Community legislation effective on 1 January 1978, the Commission felt it urgent that measures be taken to permit the operation of the bilateral agreements and prevent likely disruption of the market. By Regulation (EEC) No 3019 /1977 the Commission therefore took measures to control imports of the products in question from the countries with whom negotiations had been held, and, by a Decision of 19 January 1978 allocated the quantitative limits established for the Community between the Member States.

9. The measures adopted by the Commission can therefore be regarded as:

- (a) Permanent for 1978 and in implementation of a bilateral agreement, in the case of countries with whom negotiations have been completed and where the double-checking system and origin control will be in operation on 1 January 1978.
- (b) Transitional and in implementation of a bilateral agreement, in the case of countries with whom negotiations have been completed, but the double-checking system and origin control are not in operation until 31 March 1978. Here imports are limited to 40% of the quota until that date.
- (c) Transitional and in implementation of a bilateral agreement, in the case of products exported before 1 January 1978.
- (d) Provisional in the case of countries with whom negotiations are still continuing and which ultimately reach a successful outcome in 1978. Here there will be no double-checking system before 31 March 1978 and imports are also limited to 40% of the proposed quota until that date.

- (e) Permanent for 1978 in the case of countries with whom negotiations are still continuing but which fail to reach a successful outcome in 1978. Here there will be no double-checking system at all, and again imports are limited to 40% of the proposed quota until 31 March 1978. After this date such other measures may be taken as are felt desirable.

10. On the basis of the emergency procedure provided for in Article 12 of Council Regulation (EEC) No 1439/74 and in Article 7 of Council Regulation (EEC) No 109/70, the Commission adopted Regulation No 3019 /77 and the Decision referred to above.

These Commission regulations expire six weeks following their entry into force on January 1978 unless they are confirmed by the Council.

Consequently the Commission proposes that the Council adopt the Regulation proposed hereunder confirming the measures adopted by the Commission.

5

Proposal for a Council Regulation

making the importation into the Community of textile products originating in certain third countries subject to authorization and quantitative limitation

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 Council Regulation (EEC) No 1439/4 of 4 June 1974 on common rules for imports (1), and in particular Article 13 thereof,

Having regard to Council Regulation (EEC) No 109/70 of 19 December 1969 establishing common rules for imports from State trading countries (2) and in particular Article 8 thereof,

Having regard to the proposal from the Commission;

Whereas by Regulation (EEC) No 3019/77 of 30 December 1977 (4) the Commission made the importation into the Community of textile products originating in certain third countries subject to authorisation;

Whereas by Decision of 19 January 1978 the Commission allocated among the Member States the quantitative quotas established by Regulation (EEC) No 3019/77 of 30 December 1977;

Whereas the grounds justifying the introduction of these measures have persisted and whereas it is accordingly necessary for the measures to remain in force until December 1978;

- (1) OJ No L 159, 15.6.1974
(2) OJ No L 19, 26.6.1970
(3) OJ No L 357, 31.12.1977

/...2

Whereas, subject to the provisions of this Regulation and other Community measures either in force now or which may be adopted in the future, the suppression and suspension of quantitative limits on imports, made in compliance with the Arrangement Regarding International Trade in Textiles, is maintained;

HAS ADOPTED THIS REGULATION

7

Article 1

The arrangements for the authorisation of imports into the Community of textile products originating in certain third countries adopted by Regulation (EEC) N° 3019/77 shall remain applicable until 31 December 1978.

Article 2

The quantitative limits on imports established in Article 2 of Commission Regulation (EEC) N° 3019/77 of 30 December 1977 are allocated among the Member States as set out in the Annex hereto.

Article 3

The authorities of the Member States shall authorise up to the amount of the limits laid down in the Annex the import of the products referred to in the Commission Regulation (EEC) N° 3019/77 of 30 December 1977 in conformity with the provisions of that Regulation.

Article 4

Except for the provisions of this Regulation and of other Community measures either in force or which may be adopted, imports of the textile products listed in Annex A of Regulation (EEC) N° 3019/77 are not subject to quantitative restriction.

Article 5

The regime laid down by this Regulation shall have effect from 1 January to 31 December 1978.

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

Done at Brussels,

For the Council,

The President

