

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## Proposal for a COUNCIL REGULATION (EEC)

on the opening of tariff preferences in the form of a partial suspension of customs duties for jute manufactures originating in India, Thailand and Bangladesh and for coir manufactures originating in India and Sri Lanka.

(submitted to the Council by the Commission)

## EXPLANATORY MEMORANDUM

1. Council Regulation (EEC) No 3007/75 of 17 November 1975<sup>1</sup> opens tariff preferences in the form of a partial suspension of customs duties for jute manufactures originating in India, Thailand and Bangladesh and for coir manufactures originating in India and Sri Lanka.
2. This measure falls within the framework of the Community's generalised system of preferences. For jute and coir products, the Community's offer to UNCTAD provides for exemption from customs duties only where special arrangements have been made with the exporter developing countries.

The Agreement between the Community and India on jute and coir manufactures and the Agreement between the Community and Bangladesh on jute products enabled tariff preferences to be opened on an autonomous basis for these two countries for the products in question. At the expiry of these Agreements on 31 December 1975, it was nevertheless considered appropriate, in the context of the generalised system of preferences for 1976, to extend, at least for the first half of 1976, the preferential tariff arrangements granted to these same beneficiary countries in respect of jute and coir products, with the addition of jute twine, cordage, ropes and cables (tariff heading ex 59.04). In the context of this extension and because of the satisfactory special measures already adopted, Sri Lanka was granted the same preferential tariff arrangements as India for coir products and Thailand was granted the same preferential tariff arrangements as Bangladesh and India for jute products.

3. The above extension of the preferential tariff arrangements was based on the consideration that negotiations would be started in good time for the implementation of the special measures set out on the offer to UNCTAD and that, in this context, the conditions which the Community intended to negotiate with the countries concerned would be known and agreed on.

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<sup>1</sup>Official Journal of the European Communities No L 310, 29.11.1975, p. 46.

4. The negotiations with India concerning coir products have recently been completed. The main result is a reduction of 80% in the Common Customs Tariff duties as from 1 July 1976.

The negotiations with India concerning jute products are still in progress, while those with Bangladesh are shortly to begin.

5. In these circumstances, the objectives of this proposal for a Regulation, in the autonomous context of the generalised system of preferences for 1976, are as follows :  
as regards coir products, to introduce on 1 July 1976 and apply until the end of the current preferences year, the above reduction of 80% in the Common Customs Tariff duties in favour of India, and also Sri Lanka;  
as regards jute products, to extend for the same period, the provisional preferential tariff arrangements established for the first half of 1976 in favour of India, Bangladesh and also Thailand.
6. As regards this extension in respect of jute products, the Commission wishes to point out at this time that its spokesman at the level of the Council could adapt this proposal in the light of developments in the negotiations with India and Bangladesh, while ensuring tariff arrangements no less favourable for Thailand.
7. Concerning in practice the extension, in a very large measure, for the second half of 1976, of measures adopted for the first half of 1976, on the subject of which the European Parliament was consulted, it does not now seem necessary to undertake a further consultation.

**Proposal for  
COUNCIL REGULATION (EEC)**

on the opening of tariff preferences in the form of a partial suspension of customs duties for jute manufactures originating in India, Thailand and Bangladesh and for coir manufactures originating in India and Sri Lanka

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the proposal from the Commission,

Whereas, within the context of UNCTAD, the European Economic Community offered to grant tariff preferences on finished and semi-finished products coming from developing countries; whereas the preferential treatment proposed in that offer covers, as a general rule, all finished and semi-finished industrial products covered by Chapters 25 to 99 of the Brussels Nomenclature which originate in developing countries;

Whereas the offer made by the Community includes a clause stating that the Community drew up the offer on the assumption that all the main industrialised countries which are members of the OECD would participate in granting preferences and would make similar efforts in this direction; whereas, moreover, it is evident from the conclusions worked out in UNCTAD that this offer, while being of a temporary nature, does not constitute a binding commitment and, in particular, may be withdrawn wholly or in part at a later date; whereas this possibility may be adopted inter alia with a view to remedying any unfavourable situations which might arise in the ACP States following the implementation of the generalised system of preferences;

Whereas, however, as regards jute and coir products, the said offer includes the elimination of customs duties only where special measures have been made with the exporter developing countries;

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Whereas the Agreements concluded between the Community and India on jute<sup>1</sup> and coir manufactures<sup>2</sup> expired on 31 December 1975; whereas, pending the conclusion of a new agreement with India setting out, in particular, the conditions for the implementation of the above-mentioned special measures, the Community has decided that it is appropriate to extend for the first half of the 1976 preferences year<sup>3</sup> the preferential tariff arrangements in force during 1975; whereas, since the situation in Bangladesh as regards jute products is substantially the same as that described above, the same arrangements have also been adopted for that country;

Whereas the negotiations with India in respect of coir products have recently been completed and provide in particular for a reduction of 80% in the Common Customs Tariff duties as from 1 July 1976; whereas that reduction should be applied on the above date in the context of the generalised system of preferences; whereas, the progress achieved in the work on the new negotiations with India and Bangladesh concerning jute products suggests that at the present time the preferential tariff arrangements adopted for the first half of 1976 should be extended only until the end of this year; whereas, because of the special measures adopted between the Community and Sri Lanka in respect of coir manufactures and between the Community and Thailand in respect of jute manufactures, the adaptation or extension of the current preferential tariff arrangements can also be decided on for those two countries;

Whereas, in accordance with Protocol 23 to the Act of Accession<sup>4</sup> the generalised system of preferences became fully applicable in the new Member States on 1 January 1974;

Whereas the benefit of these suspension<sup>s</sup> should be restricted to the said products originating in India, Bangladesh, Thailand and Sri Lanka, the

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<sup>1</sup>OJ No L 82, 27.3.1974, p. 11

<sup>2</sup>OJ No L 82, 27.3.1974, p. 17

<sup>3</sup>OJ No L 310, 29.11.1975, p. 46.

<sup>4</sup>OJ No L 73, 27.3.1972, p. 14

concept of "originating products" being determined in accordance with the procedure laid down in Article 14 of Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods<sup>1</sup>,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 July until 31 December 1976 the Common Customs Tariff on the products listed hereinafter shall be suspended at the following preferential rates :

CCT heading No	Description	Preferential rates of duty %
57.06	Yarn of jute or of other textile bast fibres of heading No 57.03	3.2
57.10	Woven fabrics of jute or of other textile bast fibres of heading No 57.03 :	
	A. Of a width of not more than 150 cm and weighing per m <sup>2</sup> :	
	I. Less than 310 g	8
	II. Not less than 310 g but not more than 500 g	7.6
	III. More than 500 g	6
	B. Of a width of more than 150 cm	11
58.02	Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not) :	
	A. Carpets, carpeting, rugs, mats and matting :	
	ex I. Coir mats and coir matting and tufted carpets of coir	4.6
	Tufted carpets of other textile bast fibres of heading No 57.03	9.2
	ex II. Carpets, carpeting, rugs, mats and matting, of jute or of other textile bast fibres of heading No 57.03	0

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<sup>1</sup>OJ No L 148, 28.6.1968, p. 1

ex 59.04	Twine, cordage, ropes and cables, plaited or not, of jute or of other textile bast fibres of heading No 57.03	0
62.03	Sacks and bags, of a kind used for the packing of goods :	
	A. Of jute or of other textile bast fibres of heading No 57.03 :	
	II. Other :	
	a) Of fabric weighing less than 310 g/m <sup>2</sup>	8
	b) Of fabric weighing not less than 310 g/m <sup>2</sup> but not more than 500 g/m <sup>2</sup>	7.6
	c) Of fabric weighing more than 500 g/m <sup>2</sup>	6

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2. On importation of the said goods into Denmark and the United Kingdom, the duties to be applied shall be those of their customs tariff suspended at the level of those applied in 1973. For textile products falling within heading Nos 57.06 and 57.10, and subheading 62.03 A II, referred to in paragraph 1, Ireland shall align its national customs tariff duties on the abovementioned preferential rates on the dates and according to the timetable fixed in Article 39 (1) and (2) of the Act of Accession.
3. The benefit of the suspensions referred to in paragraph 1 shall be restricted to products originating in India until 30 June 1976. Products originating in Bangladesh and Thailand, except coir mats and matting and tufted carpets of coir, shall also benefit from these suspensions. Coir mats and matting and tufted carpets of coir originating in Sri Lanka shall also benefit from the suspensions. For the purposes of this Regulation, the concept of "originating products" shall be determined in accordance with the procedure laid down in Article 14 of Regulation (EEC) No 802/68.

#### Article 2

1. The Commission, in close collaboration with the Member States, shall take all necessary measures to ensure that the foregoing provisions are applied.

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2. The Member States shall regularly inform the Commission of imports benefiting under the preceding provisions.

Article 3

This Regulation shall enter into force on 1 July 1976.

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

Done at Brussels,

For the Council

The President