

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 130 final

Brussels, 26 March 1981

Recommendation for a

COUNCIL DECISION

authorizing the Commission to open negotiations with the Czechoslovak Socialist Republic for an agreement on trade in textile products

(submitted to the Council by the Commission)

COM(81) 130 final

EXPLANATORY MEMORANDUM

I a) On 3 November 1980 Czechoslovakia officially asked the Commission to open negotiations for an agreement with the Community on trade in textile products.

Czechoslovakia is a member of GATT and acceded to the MFA in July 1980; any agreement would therefore be based on Article 4 of the MFA.

b) The Czechoslovak and Commission delegations held informal explanatory talks in Brussel from 11 to 14 November and on 11 and 12 December, with the aim of clarifying matters so that any negotiations would open under the most favourable auspices.

The Commission made it plain that the talks were without prejudice to the Community's eventual formal reply to the Czechoslovak request for negotiations.

II a) In the course of the talks Czechoslovakia made the following points regarding both general and specific aspects of a possible textile agreement with the Community.

i. The Czechoslovak delegation emphasized that this was the first time ever in its relations with the Community that Czechoslovakia had requested formal negotiations for a trade agreement. The importance of such a move was stressed.

agreement

ii. The aim of having a textile would be to make export prospects more stable and secure than they under the unilateral arrangements.

iii. Czechoslovakia wanted more generous quantitative export openings under an agreement.

iv. Czechoslovakia considered the provisions of the agreements already concluded by the Community with other textile exporting countries acceptable in principle, but had reservations regarding the price and territorial clauses.

b) The Commission delegation gave a full account of the textile policy objectives adopted by the Council in 1977. It pointed out that any agreement with Czechoslovakia should contain the same general provisions as agreements already concluded with countries in a comparable position. As to quantities the agreement should take account of the deterioration in the textile industry since 1977 and that the absorption capacity of the market were limited.

III The Commission considers that Czechoslovakia's request must be treated favourably in the light of the Community's expressed intention of negotiating bilateral agreements with all textile exporting countries. It considers it desirable in the context of the present MFA to accept the request. The Community has in general replied favourably to such requests.

The Commission therefore proposes to the Council the attached draft recommendation for opening negotiations with Czechoslovakia to conclude an agreement on trade in textile products.

RECOMMENDATION FOR A COUNCIL DECISION
AUTHORIZING THE COMMISSION TO OPEN
NEGOTIATIONS WITH THE CZECHOSLOVAK
SOCIALIST REPUBLIC FOR AN AGREEMENT,
ON TRADE IN TEXTILE 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 Czechoslovakia has officially requested the opening of negotiations
on the basis of Article 4 of the MFA; whereas formal negotiations should
take place between the Community and Czechoslovakia for an agreement on
trade in textile products,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to open negotiations with the Czechoslovak Socialist Republic for an agreement on trade in textile products.

The Commission shall conduct the negotiations in accordance with the directives contained in Annex 1 and in consultation with the Special Committee provided for in Article 113 of the Treaty.

Negotiating directives1. Form of agreement

The agreement to include provisions similar to those of the textile agreements with other State-trading countries, including the price and territorial clauses.

2. Duration

The agreement to run for two years, expiring on the same day as the other textile agreements, i.e. 31 December 1982.

3. Product coverage

Categories 1 to 114 plus flax and ramie (non-MFA products covered by categories 115 to 123) to be dealt with in an exchange of letters.

4. Quantitative termsa) Group I (cats. 1 to 8)

Limitation to be negotiated on the basis of the quantities listed in annex (only Community limits will be negotiated).

b) Groups II to IV

Generally, limitation to be negotiated according to the degree of sensitivity of the different categories where exports exceed the Community basket withdrawal threshold, account being taken of the import figures stipulated under the unilateral arrangements. Under this formula the following categories would be subject to limitation: 9, 12, 14 B, 16, 17, 18, 19, 20, 24, 25, 36, 39, 61, 67, 91, 110, 117, 118, 119.

CZECHOSLOVAKIA AGREEMENT

Proposal of quantitative limits for Group I

Category	Growth	Member State	E.E.C.
1	0,5 %	D	60
		F	10
		I	180
		BNL	26
		UK	15
		IRL	5
		DK	10
		GR	20
		CEE	326
2	0,5 %	D	2600
		F	880
		I	330
		BNL	250
		UK	280
		IRL	500
		DK	660
		GR	300
		CEE	5500
3	2,0 %	D	1100
		F	120
		I	30
		BNL	100
		UK	25
		IRL	15
		DK	60
		GR	40
		CEE	1490
4	2,0 %	D	500
		F	650
		I	120
		BNL	120
		UK	75
		IRL	5
		DK	225
		GR	10
		CEE	1705

Category	Growth	Member State	EEC
5	3,0 %	D F I BNL UK IRL DK GR CEE	600 150 250 60 70 3 15 20 1168.
6	3,0 %	D F I BNL UK IRL DK GR CEE	240 30 35 50 15 5 20 10 405
7	1,5 %	D F I BNL UK IRL DK GR CEE	20 80 15 20 25 2 10 5 184
8	2,0 %	D F I BNL UK IRL DK GR CEE	350 100 100 10 60 5 15 20 660