

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 2014 final.

Brussels, 4 december 1974

## DRAFT DECISION

### OF THE ASSOCIATION COUNCIL

DEROGATING FROM THE DEFINITION OF THE CONCEPT OF  
" ORIGINATING PRODUCTS " FOR 1975 IN ORDER TO TAKE  
ACCOUNT OF THE SPECIAL SITUATION OF MAURITIUS WITH  
REGARD TO CERTAIN TEXTILE PRODUCTS

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(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

I.- Background.

The Association Agreement concerning the Accession of Mauritius to the Convention of Association between the EEC and the AASM, signed on 12 May 1972, entered into force on 1 July 1973.

On that date, therefore, Mauritius was to implement the decisions of the Association Council, particularly on matters of origin. Mauritius had however drawn attention to the fact that certain of its export-orientated industries products would not be able to meet in full the criteria defining the concept of "originating products" upon the entry into force of the Agreement. Accordingly, a joint Declaration was annexed to this Agreement, according to which the Contracting Parties undertook to provide a period of adaptation, in any event not extending beyond 31 December 1974, for certain export industries, in particular the textile industry. The Mauritian Government subsequently notified the Commission of the extent to which it intended to avail itself of this derogation. At the time it considered that time limit envisaged would be long enough to enable its industries to change the pattern of their sources of supply.

Pursuant to this joint Declaration the EEC-AASM Association Council, by Decision 46/73 of 15 June 1973, granted the requested derogation for the years 1973 and 1974 and pointed quotas for each of the Tariff headings covered by the derogation.

The Government of Mauritius put forward the following arguments in support of its two-fold request :

- (1) The delay in bringing the Agreement into force (June 1973 instead of January 1973) had led the industrialists concerned to defer certain capital investments and the conclusion of certain contracts.
- (2) The setting up of spinning mills on Mauritius had been delayed for reasons connected with supplies of building materials. The difficulties encountered had involved water supplies and delays in certain cement and steel deliveries.

II. Application by Mauritius for 1975.

The Commission has received an application from Mauritius under the terms of which that Associated State requests that :

- 1) the derogation granted be maintained beyond 1974 for a maximum period of one year ;
- 2) there should be an aggregate amount for each Chapter in order to make the system more flexible and promote exports of the products in greatest demand ;

- (3) The breakdown by tariff heading did not correspond with the beneficiary industries' true production and export potential. In order to take account of this potential only two amounts should be fixed, one for the products of Chapter 60 and the other for those of Chapter 61. After examining this request the Commission considered that the Mauritian Government's arguments in favour of a one-year extension of the derogation in force being granted were well-founded and that a favourable reply should be given to this request.
- However, it considered that although the breakdown of the amounts of the derogation was not entirely satisfactory it would not nevertheless be possible to accept a breakdown consisting of only two sections. Following contacts taken up with the industry the breakdown as proposed in the following draft decision was adopted and would be able to meet Mauritius' wishes without being detrimental to the Community's textile industry.

In particular, it was recognized necessary to maintain at the previous level, (50 metric tons) the quota laid down for gloves, mittens and mitts, which is a particularly sensitive sector.

In any event, it should be noted that Mauritius is continuing its efforts to create the conditions required for its products to meet in full the criteria for the definition of the concept of originating products, particularly by setting up industries of first-stage processing.

Finally, the possibility could be envisaged of continuing to exclude Réunion from the scope of the proposal for a decision annexed hereto.

The draft decision of the Association Council annexed hereto if intended insofar as possible to meet the request from Mauritius.

It is advisable to note that the Convention of Yaoundé expires on the 31st January 1975. Given the point reached by the negotiations which must replace the Convention, it is already clear that transitional measures will be necessary. These transitional measures must be decided by the EEC-EAMA Council of Association before the expiring of the Yaoundé Convention and of the derogation concerning Mauritius, which would normally take place in the context of these transitional measures. In the hypothesis that, eventually, but before the end of 1975, the steps will be taken to put into effect on an anticipatory basis the commercial section of the Convention currently under negotiation, it would be necessary that a new decision would be taken by the competent bodies on the basis of the guidelines which will be made clear to them.

Taking into account the uncertainties consequent upon the delays involved in these different procedures and of the need to give adequate assurances to the exporters of Mauritius, it would appear preferable to propose that the decision of the Council of Association would be applicable just until the entering into force of the commercial provisions of the Convention which will succeed the Convention of Yaoundé and not later than the 31st December 1975.

DRAFT DECISION

OF THE ASSOCIATION COUNCIL DEROGATING FROM THE DEFINITION OF THE CONCEPT OF  
"ORIGINATING PRODUCTS" IN ORDER TO TAKE ACCOUNT OF THE SPECIAL SITUATION OF  
MAURITIUS WITH REGARD TO CERTAIN TEXTILE PRODUCTS

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THE ASSOCIATION COUNCIL,

Having regard to the Convention of Association between the European Economic Community and the African and Malagasy States associated with the Community, signed on 29 July 1969, and in particular Article 10 (2) thereof ;

Having regard to the draft presented by the Commission of the European Communities ;

Whereas an Association Agreement concerning the accession of Mauritius to the Convention of Association was signed at Port Louis on 12 May 1972 ; whereas that Agreement contains the application to Mauritius of Decisions of the Association Council on the definition of the concept of "originating products ", and in particular of Decision No 36/71 ;

Whereas, however, in order to take into account the special situation of Mauritius, and in order to enable the industries concerned to adapt their production to conditions which comply with the definition of the concept of " originating products ", Decision No 46/73 of the EEC/AASM Association Council of 15 June 1973 stipulates that until 31 December 1974 textile products manufactured in Mauritius and falling within Tariff heading Nos 60-01, 60-02, 60-04, 60-05, 61-01, 61-02, 61-03, 61-04, 61-07, 61-09, and 61-10 shall be considered as " originating products ", within the limit of certain tonnages ;

Whereas the setting up of spinning-mills in Mauritius has been delayed for reasons connected with the supply of building materials, and whereas therefore, certain of that Associated State's textile products do not yet meet the criteria laid down by the definition of the notion of "originating products" in the relations between the EEC and the AASM ; whereas consequently, the request presented by the Government of Mauritius should be met and from 1 January 1975 the definition in force in respect of certain textile products manufactured in that Associated State should be suspended for a maximum period of one year ;

HAS DECIDED AS FOLLOWS :

Article 1

In derogation from the special provisions in List A annexed to Decision No 36/71 on the definition of the concept of "originating products" and on the methods of administrative cooperation, textile products manufactured in Mauritius and falling within the Tariff Reading Nos 60.02, 60.04, 60.05, 61.01, 61.02, 61.03, 61.04, 61.07, 61.09 and 61.10 shall be considered as products originating in Mauritius under the conditions set out hereinafter.

Article 2

The derogation shall, for the year 1975, be limited to the amounts specified below in respect of the products concerned :

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60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberized	50 metric tons
60.04	Under garments, knitted or crocheted, not elastic nor rubberized	330 metric tons
60.05	Outer garments, clothing accessories, and other articles, knitted or crocheted, not elastic nor rubberized	330 metric tons
61.01	Men's and boys' outer garments	} 240 metric tons
61.02	Women's, girls' and infants' outer garments	
61.03	Men's and boys' under garments, including collars, shirt-fronts and cuffs	} 240 metric tons
61.04	Women's, girls' and infants' under garments	

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61.07	Ties, bow ties and cravats	}	60 metric tons
61.09	Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic.		
61.10	Gloves, mittens, mitts, stockings, socks and sockettes, not being knitted or crocheted goods		

Article 3

The necessary measures will be taken by the Mauritian authorities in order to verify the quality and quantity of exports of the products referred to in Article 2.

Movement certificates AY 1 issued pursuant to this Decision shall bear one of the following entries :

" marchandises réputées originaires en vertu de la décision n° .....  
du Conseil d'Association "

" (same entry in German) "

" (same entry in Italian) "

" (same entry in Dutch) "

" (same entry in Danish) "

" Originating products by virtue of Association Council Decision No ...."

This entry shall be in red ink under the heading " observations ".

Article 4

Should imports under this derogation give rise, or threaten to give rise to difficulties leading to a change in an economic situation in a region of the Community, the latter may, pursuant to Article 16 (2) of the Convention of Association, take or authorize the Member State concerned to take the necessary protective measures.

Article 5

The Associated States, the Member States and the Community shall be required, each to the extent to which they are concerned, to take the necessary steps to implement this Decision.

Article 6

This Decision shall enter into force on 1 January 1975.

It shall apply until 31 December 1975 and until the entry into force of the latest.

Done at .....

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WASHINGTON/2

BRUXELLES LE 27.8.74

TELEX NO 216242-GUD

E C DELEGATION  
WASHINGTON  
ATTN. MR HEIDENREICH

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RE.: YOUR TELEX NO 1370 OF 23.3.1974  
RULES OF ORIGIN AASM, SPECIAL EDITION OF THE O J

THERE IS A TYPOGRAPHICAL ERROR. IT SHOULD READ 5 O/O NOT 50 O/O.

C. JACQUEMART : P.O. L. DE MOOR

21877Q COMEU B



ZCZCBRU  
BRUSSELS/4  
WASHINGTON DELEGATION  
TELEX NO. 1370

BS/RH/MP

23 AUGUST 1974

MR. CLAUDE JACQUEMART  
CHIEF ADVISER ON LEGISLATION  
ADMINISTRATION OF THE CUSTOMS UNION

SUBJECT: RULES OF ORIGIN AASM, SPECIAL EDITION OF THE OFFICIAL  
JOURNAL

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THERE APPEARS TO BE A TYPOGRAPHICAL ERROR IN THE SPECIAL EDITION OF THE OFFICIAL JOURNAL, EXTERNAL RELATIONS, VOL. 2, PAGE 71, COLUMN 3, ''WORKING...'', FIRST PARAGRAPH, LINE 5. IT READS ''NOT EXCEED 50 PER CENT''. ACCORDING TO REG. 2860/71, O.J. L 289/71, ART 15 ON PAGE 5, IT SHOULD READ ''NOT EXCEED 5 PER CENT''. THE DOCUMENTS OF THE ASSOCIATION COUNCIL ALSO SAY 5 PER CENT. PLEASE CONFIRM WHICH IS CORRECT.

REGARDS,

C. HEIDENREICH  
HEAD OF DELEGATION, A.I.

NNNNEND



## REGULATION (EEC) No 3596/73 OF THE COUNCIL

of 28 December 1973

on the definition of the concept of 'originating products' for the implementation by the new Member States of Articles 109 (2) and 119 (2) of the Act of Accession in trade with certain Associated States and overseas countries and territories

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 proposal from the Commission;

Whereas pursuant to Articles 109 (2) and 119 (2) of the Act<sup>(1)</sup> concerning the Conditions of Accession and the Adjustments to the Treaties, hereinafter referred to as 'the Act of Accession', products originating in the Associated States referred to in Article 109 (1) and products originating in the overseas countries and territories referred to in Article 119 (1) are subject on importation into the new Member States to the same arrangements as applied to them before Accession; whereas alignment with the Common Customs Tariff in the new Member States must not therefore lead to an increase in the rate of customs duty applicable to products originating in the Associated States and the overseas countries and territories; whereas, therefore, it is desirable to specify the rules to be applied for the determination of the origin of products benefiting from the arrangements resulting from this situation;

Whereas in order to simplify the customs formalities to be implemented by the States, countries and territories in question, it is necessary to apply:

- Council Regulation (EEC) No 1251/71<sup>(2)</sup> of 7 June 1971 on the implementation of Decision No 36/71 of the Association Council set up under the Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community, amended by Regulation (EEC) Nos 2860/71<sup>(3)</sup> and 2656/72<sup>(4)</sup>;
- Council Regulation (EEC) No 1289/71<sup>(5)</sup> of 7 June 1971 on the implementation of Decision No

1/71 of the Association Council set up under the Agreement establishing an Association between the European Economic Community and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya, amended by Regulation (EEC) No 686/72<sup>(6)</sup>;

- the Council Decision of 7 June 1971<sup>(7)</sup> on the definition of the concept of 'originating products' and methods of administrative cooperation for the purpose of implementing the Decision of 29 September 1970 on the Association of overseas countries and territories with the European Economic Community, amended by the Decision of 6 December 1972<sup>(8)</sup>,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. In order to define the concept of 'originating products' for the purposes of Article 109 (2) of the Act of Accession, Regulation (EEC) Nos 1251/71, 2860/71 and 2656/72 on the implementation of certain Decisions on customs matters of the Association Council set up under the Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community shall apply in respect of products from those States.

2. In order to define the concept of 'originating products' for the purposes of Article 109 (2) of the Act of Accession, Regulation (EEC) Nos 1289/71 and 686/72 on the implementation of certain Decisions on customs matters of the Association Council set up under the Agreement establishing an Association between the European Economic Community and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya shall apply in respect of products from those States.

<sup>(1)</sup> OJ No L 73, 27. 3. 1972, p. 14.

<sup>(2)</sup> OJ No L 135, 21. 6. 1971, p. 1.

<sup>(3)</sup> OJ No L 289, 31. 12. 1971, p. 2.

<sup>(4)</sup> OJ No L 287, 26. 12. 1972, p. 6.

<sup>(5)</sup> OJ No L 141, 27. 6. 1971, p. 1.

<sup>(6)</sup> OJ NO L 82, 6. 4. 1972, p. 1.

<sup>(7)</sup> OJ No L 282, 28. 12. 1970, p. 83.

<sup>(8)</sup> OJ No L 287, 26. 12. 1972, p. 17.

3. In order to define the concept of 'originating products' for the purposes of Article 119 (2) of the Act of Accession, the Council Decisions of 7 June 1971 and 6 December 1972 on the definition of the concept of 'originating products' and methods of administrative cooperation for the purpose of implementing the Decision of 29 September 1970 on

the association of overseas countries and territories with the European Economic Community shall apply.

*Article 2*

This Regulation shall enter into force on 1 January 1974.

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

Done at Brussels, 28 December 1973.

*For the Council*

*The President*

Ove GULDBERG