

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 397 final

Brussels, 18 July 1984

Draft

DECISION OF THE ACP-EEC CUSTOMS COOPERATION COMMITTEE

derogating from the definition of originating products to take account of the special situation of Jamaica with regard to tufted carpets of tariff heading ex 58.02

(submitted to the Council by the Commission)

COM(84) 397 final

EXPLANATORY MEMORANDUM

By letter No. ACP/64/9 dated 12 September 1983, the ACP States submitted a request on behalf of the Jamaican Government for a derogation from the rules of origin for carpets of tariff heading 58.02 manufactured in Jamaica. In conformity with the provisions of Article 30 and explanatory note No. 10 of Protocol No. 1, additional information necessary for the examination of the file was furnished by the Jamaican authorities in a letter to the Commission received on 22 May 1984, the date considered as the date of referral of the request to the Community as laid down in Article 30 (6).

The exports concerned from Jamaica to the Community do not acquire originating status within the meaning of the second Lomé Convention, due to the use of non-originating backing in the manufacture of the carpets.

The ACP request is based on the following considerations :

- the manufacture of the tufted carpets under consideration involves very elaborate technical processes and the value added in Jamaica by labour and manufacturing costs alone represents 56,5 % of the cost of the finished carpet ;
- the backings used are made of jute imported from Bangladesh or synthetic material imported from the USA. There used to be a firm in Jamaica which manufactured jute backings but this firm has ceased operations with the result that such backings have now to be imported from Bangladesh. The importation of synthetic backings from the Community is not feasible given the low cost of the product itself and the high cost of transport ;
- the Jamaican firm concerned employs 75 people and contributes towards the upkeep of important parallel local industry ;
- the uncertainty surrounding the application of customs duty has caused all the Community buyers to cancel their orders until this question has been settled.

.../...

In the light of these facts and having regard to the present context of the negotiations on the renewal of the Lomé Convention, the Commission is of the opinion that the derogation requested should be granted for an annual quantity of 150,000 square yards of tufted carpet of tariff heading 58.02 A II a), for a period of two years. This period should allow the Jamician firm concerned to change its sources of supply so as to fulfill the rules of origin. However given that the Convention expires on 28 February 1985, the period of application of this proposal is limited to this date and for a quantity of 80,000 square yards (which represents a proportional calculation). It should however be agreed in adopting this text that the derogation shall be quasi-automatically renewed for the remainder of the period after 28 February 1985.

Draft

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of

derogating from the definition of originating products to take account of the special situation of Jamaica with regard to tufted carpets of tariff heading ex 58.02

THE CUSTOMS COOPERATION COMMITTEE,

Having regard to the ACP-EEC Convention signed at Lomé on 31 October 1979 (1), hereinafter referred to as 'the Convention' ;

Whereas Article 30 of Protocol No. 1 of the Convention, concerning the definition of the concept of originating products and methods of administrative cooperation, provides that derogations from the rules of origin may be adopted by the Customs Cooperation Committee where the development of existing industries or the creation of new industries justifies them ;

Whereas the African, Caribbean and Pacific States (ACP) have requested a derogation from the definition set out in Protocol No. 1 for tufted carpets manufactured in Jamaica ;

Whereas the Jamaican industry should be allowed to adapt its production to the conditions required for the acquisition of origin under the Convention ;

Whereas any deflection of trade should be avoided ; whereas this can be achieved by limiting the scope of the derogation to the use of non-originating backings alone ;

Whereas a portion of the said backings originate in another developing country ; whereas under Article 30(5) of Protocol No. 1 this possibility should be taken into account in examining the derogation request ;

Whereas in these circumstances, a temporary derogation from the definition of originating products should be accorded to Jamaica,

.../...

(1) OJ No. L 347 of 22.12.1980

HAS DECIDED AS FOLLOWS :

Article 1

By way of derogation from the particular provisions of List A of Annex II to Protocol No. 1, tufted carpets falling within heading 58.02 A II a) of the Common Customs Tariff, manufactured in Jamaica, in the production of which non-originating backing falling within tariff headings 51.04 or 57.10 of the Common Customs Tariff is used, shall be considered as originating in Jamaica provided that the other conditions applicable to heading 58.02 are respected.

Article 2

The derogation referred to in Article 1 shall be in respect of a quantity of 80,000 square yards of tufted carpets exported from Jamaica between the date of entry into force of this decision and 28 February 1985.

Article 3

The Jamaican authorities shall take the steps necessary to check the quantities of exports of products referred to in Article 1 and shall forward to the Commission every three months a statement of the quantities in respect of which EUR.1 movement certificates have been issued pursuant to this Decision.

Article 4

The ACP States, the Member States and the Community shall be bound, each to the extent to which it is concerned, to take the measures necessary to implement this Decision.

Article 5

This Decision shall enter into force on the day of its adoption.
It shall apply until 28 February 1985.

Done at

For the Customs
Cooperation Committee

The Chairman