

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 637 final.

Brussels, 24 November 1978

Proposal for a

COUNCIL REGULATION (EEC)

regarding the application of Decision of the ACP-EEC Council of Ministers derogating from the definition of the concept of 'originating products' to take into account the special situation of Malawi with regard to certain items of fishing tackle (fishing flies)

DRAFT ACP-EEC COUNCIL OF MINISTERS DECISION

derogating from the definition of the concept of originating products' to take into account the special situation of Malawi with regard to certain items of fishing tackle (fishing flies)

MAR 15 1979

(Submitted to the Commission to the Council)

COM(78) 637 final.

EXPLANATORY MEMORANDUM

By letter of 23 May 1978, the Government of the Republic of Malawi forwarded to the Commission through its Ambassador in Brussels an request to renew ACP-EEC Council of Ministers Decision No 1/77⁽¹⁾ by which Malawi had obtained a derogation from the definition of the concept of originating products for artificial fishing flies. The period requested is two years.

I. Recap on the situation

A company employing some 200 people, of whom a certain number are handicapped; manufactures artificial flies in Malawi using hooks imported from third countries (notably Norway). As hooks and flies are classified under the same heading in the Customs Cooperation Council Nomenclature, the final product does not have originating status, even though there is considerable value added, as there is no change of tariff heading, which is in the order of 75%. At the request of Malawi a derogation for one year was given on condition that they sought new sources of supply for hooks in the Community.

II. Request for renewal

- a) The economic arguments are still valid: the clients are principally in the United Kingdom; the manufacture of artificial flies ensures work for more than 200 people in a country where employment is difficult to find, especially for handicapped.
- b) Contacts have been made to obtain supplies of hooks in the Community but according to the Malawi authorities it has not been possible to find the type used and requested by the clients (MUSTAD type).

(1) OJ No. L139 of 7.6.1977

- c) It seems difficult for the Community to engage itself for such a long period. A derogation for one year would seem to be sufficient.
- d) The year which Malawi would enjoy the derogation would be used to persuade existing buyers to use flies mounted on hooks produced in the Community and to find new markets.

III. Opinion of the services of the Commission

The economic arguments put forward by the Malawi authorities at the time of the first request are still valid and it is necessary to take into account that it has not been possible to find in the Community the type of hook used until now.

Even though it has been stated that the derogation given in 1977 is not renewable, as Malawi could obtain hooks in at least two Member States of the Community, the "qualitative" arguments advanced by Malawi must be considered. In addition it concerns such minimal quantities that no disturbance can be feared if the derogation is extended (340 kg for some 40.000 EJA for eight months).

Consequently the Commission recommends the annexed draft Decision as well as the draft Regulation to put the Decision into force in the Community.

COUNCIL REGULATION (EEC)

regarding the application of Decision of the ACP-EEC Council of Ministers derogating from the definition of the concept of 'originating products' to take into account the special situation of Malawi with regard to certain items of fishing tackle (fishing flies)

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 the ACP-EEC Council of Ministers set up under the ACP-EEC Convention of Lomé (1) signed on 28 February 1975, adopted, pursuant to Article 9 (2) of the Convention, Decision of derogating from the concept of 'originating products' to take into account the special situation of Malawi with regard to certain items of fishing tackle (fishing flies);

Whereas it is necessary, in accordance with Article 74 (3) of the said Convention, to take the measures required to implement that Decision,

HAS ADOPTED THIS REGULATION:

Article 1

Decision /78 of the ACP-EEC Council of Ministers annexed to this Regulation shall apply in the Community.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

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

Done at Brussels,

For the Council

The President

(1) OJ No L 25, 30. 1. 1976, p. 2.

ACP-EEC COUNCIL OF MINISTERS DECISION

derogating from the definition of the concept of 'originating products' to take into account the special situation of Malawi with regard to certain items of fishing tackle (fishing flies)

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the ACP-EEC Convention of Lomé, signed on 28 February 1975 (hereinafter referred to as 'the Convention'), and in particular Article 9 (2) thereof,

Whereas Article 27 of Protocol 1 to the Convention, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, makes provision for derogations from the rules of origin in particular to facilitate the development of existing industries or the creation of new industries;

Whereas the ACP States have submitted a request from the Government of the Republic of Malawi for a derogation from the definition set out in the Protocol for items of fishing tackle manufactured in that State;

Whereas, in accordance with Article 27 of Protocol 1, the Customs Cooperation Committee has adopted a report on this request;

Whereas, in order to take into account the special situation of the Republic of Malawi and to enable the relevant industrial sector to develop its industry and to examine the possibility of using Community products for the manufacture of the articles in question, a derogation should be made for one year, which should meet this request;

Whereas any possible deflection of trade should be avoided; whereas this aim can be achieved by fixing a maximum percentage of non-originating products incorporated in the finished product,

HAS DECIDED AS FOLLOWS:

Article 1

By way of derogation from the provisions of Protocol 1, items of fishing tackle manufactured in Malawi and falling within tariff heading No ex 97.07 'fishing flies', shall be considered as originating in Malawi, provided that the value of the non-originating fish-hooks used for their manufacture, falling within tariff heading No ex 97.07, does not exceed 25 % of the value of the finished product.

Article 2

The movement certificates EUR 1 issued for products originating by virtue of the derogation contained in Article 1 shall contain in box 7 "remarks" one of the following endorsements:

- "Dérégation mouches pour la pêche"
- "Abweichung Fliegen zum Flugangeln"
- "Derogation fishing flies"
- "Deroga mosche per la pesca"
- "Afwijking kunstvliegen voor de visserij"
- "Undtagelse fluer til fiskeri"

Article 3

The competent authorities of the Republic of Malawi shall forward to the Commission every three months a statement of the quantities in respect of which movement certificates EUR 1 have been issued pursuant to this Decision, indicating the Member States of destination.

Article 4

The ACP States, the Member States and the Community shall each take the measures required to implement this Decision.

Article 5

This Decision shall enter into force on
It shall apply until

Done at

For the ACP-EEC Council
of Ministers

The President