

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 242 final.

Brussels, 31 May 1977.

Proposal for a
COUNCIL REGULATION (EEC)

maintaining the interim protective measures
with regard to imports into the United Kingdom
of Great Britain and Northern Ireland of cotton
yarn, not put up for retail sale, originating
in the Republic of India

(submitted to the Council by the Commission)

COM(77) 242 final.

Explanatory Memorandum

1. The United Kingdom has traditionally applied restrictions on imports of cotton yarn from a large number of countries including India. Under the terms of the Multifibre Arrangement all restrictions applied in respect of parties to that Arrangement must be phased out by 31.3.1977, unless they have been replaced by a new restriction established under a bilateral agreement or under a safeguard procedure according to Article 3 of the Arrangement.

The bilateral Agreement between the Community and India on trade in textiles concluded in 1975 does not provide for restraint on cotton yarn. Accordingly the U.K. restriction should be phased out by 31.3.1977.

2. The British authorities felt, however, that the elimination of this restraint would create a great risk for the British spinning industry and they therefore requested, in December 1976, that the Community initiate a safeguard procedure under Article 3 of the M.F.A.

The U. K.'s request was discussed in the Council's Working Party on textiles on 21.12.1976 which decided, in principle, that consultations should be engaged with India under the terms of Article 3 of the M.F.A.

3. A detailed examination of the U.K.'s request was undertaken in a working party chaired by a representative of the Commission on 16 March 1977. The U.K. delegation submitted data showing that imports from India had risen from 742 in 1975 to 6,198 in 1976 and that these imports were effected at prices substantially lower than prices for imports from the majority of other origins.

In view of these facts the decision of 21.12.1976 was confirmed.

4. On 23 March 1977 the Community forwarded to India a request for consultations under Article 3, paragraph 3 of the Arrangement and on 6 April 1977 the Community requested immediate cooperation from India under the terms of Article 3, paragraph 6 of the M.F.A. No such cooperation was however obtained.

5. In these circumstances the Commission decided, after consultations in the Advisory Committee set up under Regulation (EEC) No. 1439/74, to adopt interim protective measures according to the procedure provided for under Article 12 of the said Regulation (EEC) No. 1439/74 by adopting Regulation (EEC) No. 841/1977 of 25 April 1977.

6. On 2 to 4 May 1977 consultations were continued on this matter between the EEC and India without an agreement being reached; the Indian position being that the temporary measures introduced by the Commission are contrary to the provisions of Article 2.2 of the Multifibre Arrangement.

The Community has taken the view that the adoption of these restraints is in conformity with the Multifibre Arrangement and the Commission therefore proposes that the provisional measures which expire six weeks following their entry into force unless they are confirmed by the Council, be continued until the end of 1977.

The said consultations with India on 2 - 4 May made it clear that the level of the quota introduced by the said Regulation No. 841/1977 is lower than the minimum level provided for in the MFA taking into account the quota applicable for imports into the United Kingdom of the goods in the period 1.1.1976 to 30.3.1977.

7. Article 12 (6) of Regulation No. 1439/76 stipulates that measures adopted by the Commission pursuant to that Article must be followed within ten working days by a proposal to the Council on appropriate measures to take over from the emergency measures adopted by the Commission.

In this context the Commission proposes, taking into account the outcome of the renewed consultations with India as mentioned under point 6 above, that the Council replace the provisional measures introduced by Regulation No. 841/1977 by adopting the draft Regulation attached which provides for the maintenance of the import restraint until 31 December 1977 while modifying the quota level so as to respect the rules of the MFA.

PROPOSAL FOR COUNCIL REGULATION (EEC) No.

of 1977

maintaining the interim protective measures with regard to imports into the United Kingdom of Great Britain and Northern Ireland of cotton yarn, not put up for retail sale, originating in the Republic of India

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No. 1439/74 of June 1974 on common rules for imports (1) and in particular Article 13 thereof,

After consultation within the Advisory Committee established by Article 5 of the above Regulation,

Having regard to the proposal from the Commission,

Whereas Commission Regulation (EEC) No. 841/77 of 25 April 1977⁽²⁾ established interim protective measures with regard to imports into the United Kingdom of Great Britain and Northern Ireland of cotton yarn, not put up for retail sale, originating in the Republic of India;

Whereas consultations have taken place between the Community and India;

Whereas the factors which caused the protective measures have persisted and whereas the protective measures should therefore remain in force until 31 December 1977;

Whereas, taking into account the level of the quota applied to imports into the United Kingdom of the goods concerned in the period 1 January 1976 to 30 March 1977 and the provisions of the Arrangement on International Trade in Textiles, the level of the quota introduced by the said Regulation (EEC) No. 841/77 should be increased,

HAS ADOPTED THIS REGULATION :

Article 1

1. The interim protective measures with regard to imports into the United Kingdom of Great Britain and Northern Ireland of cotton yarn, not put up for retail sale, originating in the Republic of India, adopted by Regulation (EEC) No. 841/77 and as amended by paragraph 2, shall remain applicable until 31 December 1977.

(1) OJ No. L 159, 15.6.1974, p. 1

(2) OJ No. L 103, 27.4.1977, p. 20

2. The quantity laid down in Article 1, paragraph 2 of Regulation (EEC) No. 841/77 shall be modified from 5,500 metric tons to 6,292 metric tons.

Article 2

This regulation shall enter into force the day following its publication in the Official Journal.

This regulation shall be binding in its entirety and directly applicable in all member States.

Done at Brussels ,