

COMMISSION OF THE EUROPEAN COMMUNITIES

// COM(77) 262 final

Brussels, 8 June 1977

PROPOSAL FOR A COUNCIL REGULATION

concerning import arrangements for certain
textile products originating in the Kingdom
of Thailand and repealing Regulations (EEC)
Nos. 845/77 and/77

(submitted to the Council by the Commission)

COM(77) 262 final

EXPLANATORY MEMORANDUM

1. The Council, by its Decision of 24 February 1976, authorized the Commission to open negotiations with the Kingdom of Thailand for the conclusion of an agreement on trade in textile products.

2. In accordance with that Council decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Thailand from 24 to 28 February and from 25 to 29 April 1977.

Following these negotiations, a draft agreement was drawn up and initialled by the heads of delegations on 2 May 1977. The Commission is presenting to the Council a recommendation for a Regulation concluding that agreement. The two Parties agreed, however, that the provisions of the agreement should be applied de facto as from 1 June 1977 until the procedures for the entry into force of the agreement have been completed.

3. The draft agreement provides in particular for voluntary restraint by the Thai authorities, within agreed quantitative limits, on exports of certain textile products to the Community and for checks by the Community that these limits are not being exceeded.

In order to carry out these checks, this proposal for a regulation introduces arrangements whereby imports into the Community of the products in question are subject to quantitative limits.

4. The agreement that has been initialled concerns, of course, only products originating in and coming from Thailand. The Thai authorities are applying voluntary restraint only to direct exports to the Community. So products in categories covered by the agreement and originating in Thailand can be freely exported to the Community via another country. The Community can raise objections to such indirect exports for the agreement obliges it only to admit products that originate in and come from Thailand which are accompanied by export certificates drawn up in accordance with the provisions of the agreement. Since such indirect imports are contrary to the aims of the agreement, the import system established by the Community must necessarily apply to products originating in Thailand wherever they may come from.

5. It is proposed that the Community quantitative restrictions be managed in accordance with the same procedure as the Community quantitative quotas laid down in Regulation (EEC) No. 1023/70, and in particular Article 11 thereof. This procedure requires the Council to fix the criteria for the distribution of the quantitative restrictions.

The distribution criteria referred to are those that guided the preparatory work within the Council for the adoption of decisions on the opening of bilateral negotiations under the Arrangement regarding International Trade in Textiles. The distribution⁽¹⁾ will thus be based on these criteria and in particular on the results of work already accomplished.

6. The agreement negotiated provides for the automatic and immediate acceptance by the Community authorities of imports subject to a ceiling, upon presentation by the importer of the original export certificate issued by the Thai authorities⁽²⁾ stating that the quantities exported have been charged against the agreed ceilings. In practical terms; this stipulation means that the Member States' authorities are obliged to grant import authorizations automatically and immediately upon presentation of a request from the importer which is accompanied by the export certificate referred to above, on condition that the agreed limits are not exceeded.

7. In order to enable all the aims of the agreement to be accomplished as soon as possible, the Commission proposes that the Council adopt the attached draft regulation speedily.

(1) The distribution will be the subject of a separate regulation to be adopted by the Commission, also on the basis of Regulation No. 1023/70.

(2) Department of Foreign Trade - Ministry of Commerce

PROPOSAL FOR A COUNCIL REGULATION

concerning import arrangements for certain textile products originating in the Kingdom of T H A I L A N D and repealing Regulations (EEC) Nos. 845/77 and /77.

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, in the context of the Arrangement regarding International Trade in Textiles, the European Economic Community and the Kingdom of Thailand have negotiated an Agreement on trade in textiles; whereas the Commission has submitted to the Council a recommendation for a Regulation concluding that Agreement;

Whereas, for the purpose of implementing the Agreement, import arrangements must be adopted for the products in question;

Whereas the Agreement requires the Community to admit imports of certain textiles products within quantitative limits, compliance with which will be guaranteed by an agreed system of bilateral checking;

Whereas appropriate provisions applicable in the Community should therefore be adopted for 1977, including criteria for the allocation of the quantitative limits agreed within the Kingdom of Thailand;

Whereas, in view of the considerable disparities existing between the conditions currently governing imports of the products concerned into the Member States and in view of the particular sensitivity of the Community's textile industry, standardization of these import conditions can only be achieved progressively; whereas the criterion to be adopted for the allocation of the Community quantitative limits should therefore be in particular the gradual adjustment of the quantities admitted under current import conditions to market supply requirements;

Whereas, for certain other textile products, the Agreement provides for a consultation procedure enabling safeguard measures to be adopted where there is real risk of market disruption; whereas, in accordance with this procedure, the Kingdom of Thailand has undertaken to apply voluntary restraint in respect of exports of certain textile products to certain Member States; whereas compliance with these quantitative limits will be guaranteed by an agreed system of bilateral checking;

Whereas, to this end, quantitative limits should be fixed for imports of these products into the Member States in question and detailed rules laid down for their administration by the Member States;

Whereas imports of goods exported from Thailand in 1977 should be charged against the quantitative limits fixed in the Agreement for that same period;

Whereas steps should be taken to ensure that there is no evasion of the objectives of the Agreement by indirect imports of products originating in Thailand;

Whereas the Agreement provides that those products which enter the Community's customs territory under inward processing or other temporary importation arrangements and are re-exported therefrom in their original state or after processing should not be charged against the agreed quantitative limits;

Whereas, account being taken of Article 12 of the Agreement regarding International Trade in Textiles, on which the above-mentioned Agreement between the EEC and Thailand is based, the latter does not apply to textile products of silk, of flax or of ramie;

Whereas this Regulation replaces the temporary measures laid down by Council Regulation (EEC) No. 845/77 of 25 April 1977 maintaining in force the arrangements for the authorization of imports into France and into the United Kingdom of certain knitted or crocheted undergarments originating in the Republic of the Philippines or the Kingdom of Thailand⁽¹⁾ and by Council Regulation (EEC) No. of 1977 maintaining in force the arrangements for the authorization of imports into Italy of certain woven fabrics of cotton and certain woven fabrics of synthetic textile fibres originating in the Kingdom of Thailand⁽²⁾,

(1) O.J. No. L 104, 28.4.1977, p. 1.

(2) O.J. No. L

HAS ADOPTED THIS REGULATION :

Article 1

1. Imports into the Community of the textile products listed in Annex A, originating in the Kingdom of Thailand and exported between 1 January and 31 December 1977, shall be subject to the quantitative limits agreed between the Community and Thailand and set out in that Annex.

2. These quantitative limits shall be allocated among the Member States in accordance with the procedure laid down in Council Regulation (EEC) No. 1023/70 of 25 May 1970 establishing a common procedure for administering quantitative quotas⁽¹⁾, and in particular in Article 11 thereof, in such a way as to ensure the expansion and orderly development of trade in textiles. However, the allocation shall be made on the basis of the import volumes admitted under the conditions currently applied in the Member States.

3. The importation into the Community of the products referred to in paragraph 1 is hereby made subject to the production of an import authorization issued by the competent authorities of the Member States concerned. These import authorizations shall be issued for a quantity which shall be such as to ensure that the total volume of imports does not exceed the quantities referred to in paragraph 1.

4. The import authorizations shall be issued within the limits referred to in paragraph 1, automatically and immediately either upon production of a bill of lading proving that the goods were placed on board in Thailand to be exported to the Community before the date on which this Regulation enters into force or upon production by the importer of the original of the export certificate granted by the competent authorities of Thailand containing the details set out in Annex C.

(1) O.J. No. L 124, 8.6.1970, p. 1

5. Products which enter the Community's customs territory under inward processing or other temporary admission arrangements and are re-exported from that territory in their original condition or after processing shall not be charged against the limits referred to in paragraph 1.

Article 2

1. Without prejudice to paragraphs 2, 3 and 4, imports into the Community of the textile products originating in Thailand which are listed in Annex B shall not be subject to quantitative restrictions.
2. In the Member States listed in Annex B, imports of the textile products referred to in paragraph 1 exported from Thailand between 1 January and 31 December 1977 shall be subject to the quantitative limits set out in that Annex.
3. The quantitative limits referred to in paragraph 2 may be adjusted in accordance with the procedure laid down in Regulation (EEC) No 1032/70, and in particular Article 11 thereof.
4. Article 1 (3), (4) and (5) shall apply to the quantitative limits referred to in this Article.

Article 3

Imports into the Community of certain traditional Thai handmade textile products, originating in Thailand and accompanied by a certificate conforming to the provisions of Annex D shall not be subject to quantitative restrictions.

The admission of these products into the Community without any quantitative restrictions shall be subject to the satisfactory operation of the above system of certificates.

The Commission shall define the products in question, in accordance with the description given in the context of the agreement on trade in textile products negotiated with Thailand.

Article 4

Regulations (EEC) Nos 845/77 and /77 are hereby repealed.

Article 5

This Regulation shall enter into force on the third day following 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

Quantitative limits referred to in Article 1

Category No	Common Customs Tariff No	Code Nimece (1977)	Description of goods	Quantitative limits in 1000 kg 1977
1	55.09 56.07	all all	Other woven fabrics of cotton Woven fabrics of man-made fibres (discontinuous or waste): A. Of synthetic textile fibres	14.052
1 A ¹⁾	ex 55.09 56.07	55.09-03;04;05; 51;52;53;54;55; 56;57;59;61;63; 64;65;66;67;69; ex 71;81;82;83; 84;86;87;92;93; 97 56.07-ex 01;05; 07;08;13;14;16; 18;21;23;26;27; 28;33;34;36	Other woven fabrics of cotton: - other than unbleached or bleached Woven fabrics of man-made fibres (discontinuous or waste): ex A. Of synthetic textile fibres - other than unbleached or bleached	3.811

Note: ¹⁾ Category No 1 A is a subcategory within category No 1 and the quantitative limits for category No 1 A are sublimits within the overall limits for category No 1.

Quantitative limits referred to in Article 2

Category No	GCT No	Code Nimexe (1977)	Description of goods	Units	Region(s) covered	Quantitative limits 1977
2	ex 60.04	60.04-ex 11,13, ex 19, ex 29, 41, ex 49, ex 59, ex 70, ex 80	Under garments, knitted or crocheted, not elastic nor rubberised: - Shirts, T-shirts, rollneck-undershirts, underpants and briefs, singlets and similar articles, other than silk or noil or other waste silk or of flax or ramie	1000 pieces	France United Kingdom	1.450 1.400
3	60.05	60.05-01,22,23, 26,27,29,31,32, 35,37,39	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised: ex A. Outer garments and clothing accessories: - Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, other than silk or noil or other waste silk or of flax or ramie	1000 pieces	Germany United Kingdom Ireland Denmark	2.475 2.672 38 408
4	ex 60.04 60.05	60.04-ex 11,13, ex 19, ex 29, 41, ex 49, ex 59, ex 70, ex 80 60.05-01,22,23, 26,27,29,31,32, 35,37,39	Under garments, knitted or crocheted, not elastic nor rubberised: - Shirts, T-shirts, rollneck-undershirts, underpants and briefs, singlets and similar articles, other than silk or noil or other waste silk or of flax or ramie Outer garments and other articles, knitted or crocheted, not elastic nor rubberised: ex A. Outer garments and clothing accessories: - Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed-jackets and jumpers, other than silk or noil or other waste silk or of flax or ramie	 1000 pieces	 Benelux	 1.050

Details referred to in Article 1 (3)

The export certificates issued by the competent Thai authorities (1) for products covered by this Regulation shall specify or contain:

1. the destination, and in particular the Member State for which the goods are intended;
2. the serial number;
3. the name and address of the importer;
4. the name and address of the exporter;
5. the quantity, in the units specified in Annexes A and B and for quantities expressed in units other than weight, the equivalent weight calculated on the basis of the table of equivalence below;
6. the category against which the products have been charged by the competent Thai authorities and the description of the products;
7. a declaration to the effect that the quantity in question has been charged against the Member State of destination's share of the agreed ceiling for exports to the Community, or, where appropriate, that the quantity is intended for immediate re-export from the Community or for re-export from the Community after processing.

TABLE OF EQUIVALENCE

CCT No	Description of goods	Rate of equivalence
ex 60.04	- Shirts, T-shirts, rollneck undershirts, knitted or crocheted	6,4 units/kg
	- Singlets, knitted or crocheted	12,8 units/kg
ex 60.05	- Jerseys, pull-overs, slip-overs, twin-sets, cardigans, bed-jackets and jumpers, knitted or crocheted	5,18 items/kg

(1) Department of Foreign Trade, Ministry of Commerce

CERTIFICATE referred to in Article 3

The certificate issued by the competent Thai authorities for the products referred to in Article 3 shall contain:

1. the following heading:

"Certificate relating to the traditional Thai hand-made textile products referred to in Article 3 of the Agreement between the EEC and Thailand on trade in textile products";

2. name and address of the manufacturer;

3. name and address of the exporter;

4. name and address of the importer in the Community;

5. description of goods;

6. quantity (in kg or items);

7. name of vessel or flight number;

8. port or airport of destination;

9. the following declaration:

"This document is to certify that the above shipment consists of:

- traditional Thai hand-made textile products, woven, cut, sewn or otherwise fabricated by hand, by units of the cottage industry".