

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 578 final.

Brussels, 10 November 1976.

Proposal for a
COUNCIL REGULATION (EEC)

concerning import arrangements for certain textile products originating in MACAO

(submitted to the Council by the Commission)

COM(76) 578 final.

EXPLANATORY MEMORANDUM

1. By a Decision of 16 June 1975, the Council authorized the Commission to open negotiations with Macao for the conclusion of an agreement on trade in textile products.

2. In accordance with this Council Decision and in consultation with the Article 113 Committee, the Commission held negotiations with Macao on 24 and 25 September 1975.

Following these negotiations, a draft Agreement was drawn up and initialled by the Heads of Delegation on 27 September 1975. The Commission has submitted to the Council a recommendation for a regulation concluding this Agreement¹.

3. The draft Agreement provides in particular for voluntary restraint to be applied by Macao authorities, within agreed quantitative limits, to exports of certain textile products to the Community, and supervision by the Community to ensure that these limits are observed.

In order to enable this supervision to be carried out, this proposal for a regulation envisages the adoption of arrangements making the importation into the Community of the products in question subject to quantitative limits.

4. The initialled Agreement naturally concerns only products originating in and coming from Macao. The Macao authorities therefore apply voluntary restraint only in respect of direct exports to the Community. This products falling within the categories covered by the Agreement and originating in Macao may be freely exported to the Community via other third countries. The Community can oppose indirect imports of this kind, since the Agreement only requires it to admit products originating in and coming from Macao which are accompanied by export licences complying with the provisions of the Agreement. Since indirect imports of this kind run counter to the objective of the agreement, the import arrangements adopted by the Community must be applied to products originating in Macao irrespective of where they come from.

5. It is proposed that the Community's quantitative limits be administered according to the procedure for administering Community quantitative quotas established by Regulation (EEC) No 1023/70, in particular Article 11 thereof. Under this procedure, the Council must fix the criteria according to which the quantitative limits will be allocated.

These allocation criteria are those which have guided the preliminary work carried out within the Council with a view to the adoption of the decisions relating to the opening of bilateral negotiations under the Arrangement regarding International Trade in Textiles. Allocation² will therefore be based on these criteria and in particular on the results of the work already undertaken.

¹ Doc. S /334/76 (COMER 90).

² This allocation will be the subject of a separate regulation to be adopted by the Commission, likewise on the basis of Regulation n° 1023/70.

6. The Agreement negotiated provides for the automatic and immediate acceptance by the Community authorities of imports subject to a ceiling on production by the importer of an export licence issued by the Macao authorities, certifying that the quantities in question have been charged against the agreed ceiling. As regards administration by the Community, this stipulation means that the Member States' authorities are obliged to grant import licences, automatically and immediately, on production of a request accompanied by an export licence, provided that the agreed limits are observed.

7. In order to enable the objectives of the Agreement to be fulfilled as soon as possible, the Commission proposes that the Council adopt the regulation the draft of which is annexed at the earliest possible date.

PROPOSAL FOR A COUNCIL REGULATION

concerning import arrangements for certain textile products
originating in M a c a o

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 Macao have negotiated
an Agreement on trade in textile products; whereas the Commission has
submitted to the Council a recommendation for a Regulation concluding
that Agreement;

Whereas, for the purpose of applying the Agreement which has been negotiated,
import arrangements for the products in question should be adopted;

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

Whereas, appropriate provisions applicable in the Community should therefore
be adopted for the duration of the Agreement, including the criteria for
the allocation of the quantitative limits agreed with Macao;

Whereas, because of the considerable disparities between the conditions
currently governing imports of the products concerned into the Member States
and because 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 the gradual adjustment of the
quantities admitted under current import conditions to market supply
requirements;

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
Macao;

Whereas the quantitative limits laid down in the Agreement apply to exports
from Macao, and whereas the goods imported therefore should be charged
against the quantitative limit fixed for the year in which these goods were
exported from Macao;

Whereas for certain textile products, the Agreement provides for a consultation procedure enabling safeguard measures to be adopted where there is a real risk of market disruption; whereas, in accordance with this procedure, Macao has undertaken to apply voluntary restraint in respect of its exports of certain textile products to certain Member States; whereas the observance of 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 should be laid down for their administration by the Member States;

Whereas the Agreement provides that those products which enter the Community's custom 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 the provisions of Article 12 of the Arrangement regarding International Trade in Textiles, on which the abovementioned Agreement between the European Economic Community and Macao is based, this Agreement does not apply to textile products of silk or of flax or ramie;

Whereas the Community and Macao have agreed that in certain cases the quantitative limits for the period 1.10.1975 to 31.12.1977 should be established by taking into account, the carry-over of unutilized quantitative limits valid under the rules in effect until 30.9.76.

HAS ADOPTED THIS REGULATION

Article 1

1. Imports into the Community of the textile products listed in Annex A, originating in Macao and exported between 1 October 1975 and 31 December 1977, shall be subject to the quantitative restrictions agreed between the Community and Macao 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, and in particular in Article 11 thereof, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit amounts to be carried over or brought forward from one year to another.

However, the allocation shall be made on the basis of the import volumes admitted under the conditions currently applied in the Member States and shall provide for annual rates of increase that are appreciably higher for those Member States whose import volumes are relatively the lowest, in order to align them gradually with market supply requirements.

3. The competent authorities of the Member States concerned shall, within the quantitative limits prescribed, automatically authorize the import of the products referred to in paragraph 1 immediately upon production by the importer of the original of the export licence issued by the relevant Macao authorities and containing the details set out in Annex C.

4. Authorized imports shall be charged against the quantitative limits valid for the year during which the products were taken aboard in Macao for export to the Community.

5. 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 shall not be charged against the quantitative limits referred to in paragraph 1.

Article 2

1. Notwithstanding paragraphs 2, 3 and 4, imports into the Community of the textile products listed in Annex B originating in Macao shall not be subject to quantitative restrictions.

2. In the Member States specified in Annex B, imports of the textile products referred to in paragraph 1 and exported from Macao between 1 October 1975 and 31 December 1977 shall be subject to the quantitative limits stated in that Annex.

3. The quantitative limits referred to in Paragraph 2 may be modified according to the procedure laid down by Regulation (EEC) No 1023/70, and in particular Article 11 thereof.

4. Paragraphs 3, 4 and 5 of Article 1 shall apply to the quantitative restrictions referred to in this Article.

Article 3

Imports into the Community of the textile products referred to below, originating in Macao and accompanied by a certificate issued and endorsed by the relevant authority from this territory and containing the details set out in Annex D, shall not be subject to quantitative restrictions:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5% by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) handmade goods made up by the cottage industry from such handloom cotton fabrics;
- (iii) jerseys and pull-overs knitted by hand from wool yarns without use of machine;
- (iv) traditional Macao folklore handicraft textile products cut, sewn, or otherwise fabricated by hand in cottages which are units of the cottage industry.

¹ Repartição Provincial de Serviços de Economia de Macao.

Article 4

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

ANNEX A : QUANTITATIVE LIMITS REFERRED TO IN ARTICLE 1

Category	CCT heading No	NIMEXE code (1976)	Description	Level of quantitative limits 1.000 pieces	
				1.10.75 -31.12.76	1 9 7 7
1	ex 61.01 61.02	61.01-61; 63; 65; 67; ex 69 61.02-ex 91; ex 93; ex 95; ex 96; ex 98; ex 99	Men's and boys' outer garments: - Trousers (including jeans), breeches and the like, other than of silk or waste silk or of flax or ramie Women's, girls' and infants' outer garments : ex. B Other than babies garments : - Trousers (including jeans), breeches and the like, other than of silk or waste silk or of flax or ramie		11.980.000

ANNEX B : QUANTITATIVE LIMITS REFERRED TO IN ARTICLE 2

Categorie n°	CCT heading n°	Code NIMEXE (1976)	description	Member State	Units	Level of quantitative limits	
						1975/1976	1 9 7 7
2	ex 60.04	60.04-ex11;13; ex24;ex29;ex35; 41;ex45;ex59; ex70;ex80	Undergarments, knitted or crocheted, not elastic or rubberized: - Shirts, ubdervests, T-shirts, sin- glets and the like, other than of silk or noil or other waste silk or of flax or ramie	France	pieces	(3)	1.800.000 (3)
3	60.05	60.05-01;22;23; 24;25;ex29;31; 33;34;ex 39	Outer garments and other articles knit- ted or crocheted, not elastic nor rub- berized : ex A. Outer garments and other articles: - Jerseys, pull-overs, slip-overs, twinsets, cardigans, bed jackets and jumpers, other than of silk or waste silk or of flax or ramie	Benelux France	pieces	600.000 (1) 2.200.000 (1)	513.500 1.900.400
4	61.02	61.02-83;85;87; ex89	Women's, girls' and infants outer gar- ments : ex B. Other than babies' garments : - Shirts and blouses, other than of silk or noil or other waste silk or of flax or ramie	France	pieces	1.600.000 (1)	1.369.700
5	ex 61.03	61.03-11;15;ex ex19	Men's and boys' under garments, in- cluding collars, shirts fronts and cuffs : - Shirts, other than of silk or noil or other waste silk or of flax or ramie	Benelux France Royaume- Uni	pieces	400.000 (2) 2.459.200 (2) (3)	342.500 2.631.400 2.030.000 (3)
6	ex 61.03	61.03-ex(31;35; 39)	Men's and boys' under garments, inclu- ding collars, shirts fronts and cuffs: - Pyjamas, other than of silk or noil or other waste silk or of flax or ramie	France	pieces	2.014.000 (2)	2.155.000

ANNEX B - : QUANTITATIVE LIMITS REFERRED TO IN ARTICLE 2

Category no	CCT heading no	NIMEXE Code	Description	Member State	Units	Level of quantitative limits	
						1975 / 1976	1977
7	61.05	61.05-30	Handkerchiefs ex B. other : - of cotton	Benelux Italy France	1000 kg	90 (1) 273,3 (1) 83,3 (2)	73,4 222,8 85,0
8	62.02	62.02-11;41;43; 47;71;73;81;	Bed linen, table linen, toilet linen and kitchen linen, curtains and other furnishing articles : ex B. other than net curtains : - of cotton	Italy	1000 kg	320 (1)	273,9

- (1) The quantitative restrictions established by the present Regulation enter into effect from 1 October 1976 and the first quota-period runs from the 1 October 1976 until the 31 December 1976.
- (2) The quantitative restrictions established by the present Regulation enter into effect from 1.1.1976 and the first quota-period is the year 1976.
- (3) The quantitative restrictions established by the present Regulation enter into effect from 1.10.1976 and the first quota-period runs from the 1 October 1976 until the 31 December 1977.

Details referred to in Article 1(3)

The export licences issued by the "Repartição Provincial de Serviços de Economia de Macao" 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 net weight, in kilograms or tonnes, and the value of the products covered by the licence;
6. the category against which the product has been charged by the Macao authorities and the description of the product;
7. a certificate 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, or for re-export after processing, from the Community;
8. the year when the products were exported, that is when they were taken aboard in Macao for export to the Community

Certification referred to in Article 3

The certificate issued by the "Repartição Provincial de Serviços de Economia de Macao" for the products referred to in Article 3 of this Regulation shall contain:

The following headings:

"Certificate in respect of cotton handloom fabrics and handmade products

Name and address of manufacturer.

Name and address of exporter.

Name and address of importer within the Community.

Description of goods.

Quantity (in tonnes or items).

Name of vessel or flight number.

Port or airport of destination.

The following certification:

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

- (i) "cotton handloom fabrics (as defined in Article 4.1(i) of the Agreement¹) containing not more than 5% by weight of man-made fibres," or
- (ii) "handmade goods made up by the cottage industry from cotton handloom fabrics"(as defined in Article 4.1(i) of the Agreement¹, or
- (iii) "jerseys and pull-overs knitted by hand from wool yarns without use of machine";
- (iv) "traditional Macao folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry".

Signed

¹The conditions referred to are those set out in Article 3 of this Regulation.

