

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 425 final

Brussels, 8 September 1977

Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration  
of a Community tariff quota for certain textile fibres  
falling within heading No 56.04 of the Common Customs  
Tariff, originating in Cyprus (1978)

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Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration  
of a Community tariff quota for men's and boys' outer  
garments falling within heading No 61.01 of the Common  
Customs Tariff, originating in Cyprus (1978)

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(submitted to the Council by the Commission)

COM(77) 425 final



## EXPLANATORY MEMORANDUM

1. The Agreement establishing an Association between the European Economic Community and the Republic of Cyprus, together with the Protocol laying down certain provisions relating to that Agreement consequent on the accession of new Member States to the European Economic Community and the Additional Protocol to this Agreement provides for the opening of the following annual duty-free Community tariff quotas for products originating in Cyprus :

Common Customs Tariff heading	Description of goods	Annual quota
56.04	Man-made fibres (discontinuous or waste) carded, combed or otherwise prepared for spinning	100 metric tons
61.01	Men's and boys' outer garments	500 metric tons

2. In order to fulfil the Community's obligation to Cyprus in 1978, regulations should be adopted opening, allocating and providing for the administration of these Community tariff quotas.

This is the purpose of the proposals annexed hereto.

3. The regulations provide, as is the rule, for each of the quotas to be divided into two instalments, the first of which is allocated among the Member States while the second constitute the reserve.

The allocation of the first instalment is usually based on the statistics for the previous three years and the forecasts for the quota period concerned. However, in this case, this principle cannot be applied to the products in question. For, during the past three years, there were no imports of man-made fibres falling within tariff heading No 56.04 and the imports of outer garments falling within tariff heading No 61.01 were insignificant. In this situation it seems also very difficult to draw up forecasts for 1978.

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To allocate the quotas in question nevertheless equitably among Member States, it appears desirable to provide for a significant share of the quota amount for each of the Member States. Obviously, this formula will have to be adapted subsequently in the light of actual trade movements.

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Annexes :

2 proposals of Regulations of the Council.

Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for certain textile fibres falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus (1978)

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 Agreement establishing an association between the European Economic Community and the Republic of Cyprus <sup>(1)</sup>,

the Protocol laying down certain provisions concerning that Agreement as a result of the accession of new Member States to the European Economic Community <sup>(2)</sup>, and the Additional Pro-

tol to this / Agreement <sup>(3)</sup> provide for the opening of an annual duty-free Community tariff quota of 100 metric tons of man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning, falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus; whereas, the tariff quota in question should therefore be opened for 1978;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect more accurately the actual development of the market in the products concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both the statistics of each State's imports of the said goods from Cyprus over a representative reference period and the economic outlooks for the quota period concerned;

Whereas, however, during the past three years no such products originating in Cyprus have been imported into the Community;

whereas no forecast can be made for 1978; whereas to ensure fair distribution of the two quota amounts between the Member States each Member State should make a significative contribution to the relevant quota amount; whereas such contributions

<sup>(1)</sup> OJ No L 133, 21. 5. 1973, p. 1.

<sup>(2)</sup> OJ No L 133, 21. 5. 1973, p. 88.

<sup>(3)</sup> OJ No L

may approximately correspond to the following percentages:

Benelux	13
Denmark	10
Germany	20
France	20
Ireland	8
Italy	17
United Kingdom	12

Whereas, to take account of future import trends in the various Member States of the product under consideration, the total quota volume should be divided into two instalments, the first being shared among the Member States and the second held as a reserve to cover at a later date the requirements of those Member States having used up their initial share; whereas to give Member State importers some certainty, the first of the Community quota might be fixed at 60% of the quota volume;

Whereas the initial shares of Member States may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that each State should return a significant proportion to the reserve to prevent a part of the Community quota from remaining unused in one Member State while it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, any measure concerning the administration of the quota shares allocated to that economic union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

#### Article 1

From 1 January until 31 December 1978, the Common Customs Tariff duties in respect of man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning, falling within heading 56.04 of the Common Customs Tariff, originating in Cyprus shall be entirely suspended within the limits of a Community tariff quota of 100 metric tons.

3. If after its second share has been exhausted 90% or more of the third share drawn by that Member State has been used, it shall, in the manner provided for in paragraph 1, draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

#### Article 2

1. The tariff quota referred to in Article 1 shall be divided into two instalments.

2. A first instalment, amounting to 60 metric tons, shall be shared among the Member States; the shares, which subject to Article 5 shall be valid until 31 December 1978, shall be as follows:

Benelux	8	metric tons,
Denmark	6	metric tons,
Germany	12	metric tons,
France	12	metric tons,
Ireland	5	metric tons,
Italy	10	metric tons,
United Kingdom	7	metric tons.

3. The second instalment of 40 metric tons shall constitute the reserve.

#### Article 3

1. If 90% or more of any Member State's initial share, as laid down in Article 2 (2), or 90% of that share less the amount returned into the reserve, where Article 5 has been applied, has been exhausted, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If after its initial share has been exhausted 90% or more of the second share drawn by a Member State has been used, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7.5% of its initial share.

#### Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1978.

#### Article 5

Member States shall return to the reserve, not later than 1 October 1978, the unused portion of their initial share which, on 15 September 1978, is in excess of 20% of the initial amount. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

The Member States shall, not later than 1 October 1978, notify the Commission of the total imports of the products concerned effected under the Community quota up to 15 September 1978 inclusive and, where appropriate, the proportion of their initial shares that they are returning to the reserve.

#### Article 6

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3, and shall inform each of them of the extent to which the reserve has been used as soon as it receives the notifications.

The Commission shall, not later than 5 October 1978, notify the Member States of the state of the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

*Article 7*

1. The Member States shall take all appropriate measures to ensure that when additional shares are drawn pursuant to Article 3 it is possible for charges to be made without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the said goods established in their territory have free access to the shares allocated to them.

3. The Member States shall charge imports of the said goods against their share as and when the goods are entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

*Article 8*

On receipt of a request from the Commission, Member States shall inform it of imports actually charged against their shares.

*Article 9*

The Member States and the Commission shall cooperate closely in order to ensure that this Regulation is observed.

*Article 10*

This Regulation shall enter into force on 1 January 1978.

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

Done at Brussels,

*For the Council*

*The President*

Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota  
for men's and boys' outer garments falling within heading No 61.01 of the Common  
Customs Tariff, originating in Cyprus (1978)

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 Agreement establishing an association between the European Economic Community and the Republic of Cyprus <sup>(1)</sup>,

the Protocol laying down certain provisions concerning that Agreement as a result of the accession of new Member States to the European Economic Community <sup>(2)</sup>, and the Additional Protocol to this Agreement <sup>(3)</sup>, provide for the opening of an annual duty-free Community tariff quota of 500 metric tons of men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus; whereas, the tariff quota in question should therefore be opened for 1978;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect more accurately the actual development of the market in the products concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both the statistics of each State's imports of the said goods from Cyprus over a representative reference period and the economic outlooks for the quota period concerned

Whereas, however, during the past three years only one Member State has imported, and in an insignificant quantity, the products in question;

whereas no forecast can be made for 1978; whereas to ensure fair distribution of the quota amount between the Member States each Member State should make a significant contribution to the relevant quota amount; whereas such contributions may

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<sup>(2)</sup> OJ No L 133, 21. 5. 1973, p. 88.

<sup>(3)</sup> OJ No L

approximately correspond to the following percentages:

Benelux	12
Denmark	8
Germany	14
France	10
Ireland	8
Italy	8
United Kingdom	40

Whereas, to take account of future import trends in the various Member States of the product under consideration, the total quota volume should be divided into two instalments, the first being shared among the Member States and the second held as a reserve to cover at a later date the requirements of those Member States having used up their initial share; whereas to give Member State importers some certainty, the first of the Community quota might be fixed at 50% of the quota volume;

Whereas the initial shares of Member States may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that each State should return a significant proportion to the reserve to prevent a part of the Community quota from remaining unused in one Member State while it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, any measure concerning the administration of the quota shares allocated to that economic union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

#### Article 1

From 1 January until 31 December 1978, the Common Customs Tariff duty in respect of men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus shall be entirely suspended within the limits of a Community tariff quota of 500 metric tons.

3. If after its second share has been exhausted 90% or more of the third share drawn by that Member State has been used, it shall, in the manner provided for in paragraph 1, draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

#### Article 2

1. The tariff quota referred to in Article 1 shall be divided into two instalments.

2. A first instalment, amounting to 250 metric tons, shall be shared among the Member States; the shares, which subject to Article 5 shall be valid until 31 December 1978, shall be as follows:

Benelux	30	metric tons,
Denmark	20	metric tons,
Germany	35	metric tons,
France	25	metric tons,
Ireland	20	metric tons,
Italy	20	metric tons,
United Kingdom	100	metric tons.

3. The second instalment of 250 metric tons shall constitute the reserve.

#### Article 3

1. If 90% or more of any Member State's initial share, as laid down in Article 2 (2), or 90% of that share less the amount returned into the reserve, where Article 5 has been applied, has been exhausted, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If after its initial share has been exhausted 90% or more of the second share drawn by a Member State has been used, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7.5% of its initial share.

#### Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1978

#### Article 5

Member States shall return to the reserve, not later than 1 October 1978, the unused portion of their initial share which, on 15 September 1978, is in excess of 20% of the initial amount. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

The Member States shall, not later than 1 October 1978, notify the Commission of the total imports of the products concerned effected under the Community quota up to 15 September 1978 inclusive and, where appropriate, the proportion of their initial shares that they are returning to the reserve.

#### Article 6

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3, and shall inform each of them of the extent to which the reserve has been used as soon as it receives the notifications.

The Commission shall, not later than 5 October 1978, notify the Member States of the state of the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

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Article 7

1. The Member States shall take all appropriate measures to ensure that when additional shares are drawn pursuant to Article 3 it is possible for charges to be made without interruption against their accumulated shares of the Community quota.
2. The Member States shall ensure that importers of the said goods established in their territory have free access to the share allocated to them.
3. The Member States shall charge imports of the said goods against their share as and when the goods are entered for home use.
4. The extent to which a Member State used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

On receipt of a request from the Commission, Member States shall inform it of imports actually charged against their shares.

Article 9

The Member States and the Commission shall co-operate closely in order to ensure that this Regulation is observed.

Article 10

This Regulation shall enter into force on 1 January 1978.

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

Done at Brussels,

*For the Council*  
*The President*

# FINANCIAL STATEMENT

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1. Budget line concerned : Ch. 12 Art. 120

2. Legal basis : Art. 113

3. Title of the tariff measure :

Proposal for a Regulation (EEC) of the Council on the opening, allocation and administration of a Community tariff quota for certain textile fibres falling within heading No 56.04 of the Common Customs Tariff, originating in Cyprus (1978)

Proposal for a Regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for men's and boys' outer garments falling within heading No 61.01 of the Common Customs Tariff, originating in Cyprus (1978)

4. Objectives :

Fulfilment of contractual obligation - Agreement EEC/Cyprus

5. Method of calculation :

- No of CCT	:	56.04	61.01
- Quota volume	:	100 MT	500 MT
- Quota duty rate	:	duty-free	duty-free
- Duty rate CCT	:	9.25%	17%
- Price/MT 1975 plus annual growth rate of 5%	:	1 179 EUR	8 545 EUR

6. Loss of receipts :

- 56.04 : 1974-1976 no imports;  
0-10 900 EUR according to the use of the quota (estimate)
- 61.01 : 1974-1976 insignificant imports;  
73 000 - 720 000 EUR according to the use of the quota (estimate)

