

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 181 final.

Brussels, 28 April 1976

Proposal for a
COUNCIL REGULATION
concerning import arrangements for certain textile products
originating in the Republic of Korea

(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

1. By a decision of 11 February 1975 the Council authorized the Commission to open negotiations with the Republic of Korea for the conclusion of an agreement on trade in textile products.

2. In accordance with the above Council decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Korea in the months of April, May, July, August and November 1975.

As a result of those negotiations, a draft agreement was drawn up and initialled by the Heads of the Delegations on 28 November 1975. The Commission has recently placed before the Council a recommendation for a regulation concluding the agreement.

3. The draft agreement provides in particular for voluntary restraint by the Korean authorities, within the quantitative limits agreed, of exports of certain textile products to the Community, and for checks by the Community that the agreed limits are observed.

For the purpose of such checks, this proposal for a regulation deals with the introduction of arrangements subjecting imports into the Community of the products in question to quantitative limits.

4. Obviously the agreement initialled is concerned only with products originating in and coming from Korea. The Korean authorities are therefore applying voluntary restraint only to direct exports to the Community. Products in the categories covered by the agreement, originating in Korea, may accordingly be exported freely to the Community via other non-member countries. The Community can appose such indirect exports since under the agreement it is obliged only to admit products originating in and coming from Korea and accompanied by the export licences specified by the agreement. Since such indirect exports run counter to the objective of the agreement, it is essential that the import arrangements introduced by the Community be applied to products originating in Korea no matter which country they come from.

5. It is proposed that the Community quantitative limits be administered in accordance with the procedure for administering Community quantitative quotas laid down by Regulation (EEC) No 1023/70, in particular Article 11 thereof. Under this procedure the Council must establish the criteria for the allocation of the quantitative limits.

The allocation criteria referred to are those which have guided the preparatory work in the Council for the adoption of the decision concerning the opening of bilateral negotiations in the context of the Arrangement regarding International Trade in Textiles. The allocation¹ will thus be based on those criteria and in particular on the results of the work already done.

6. The agreement negotiated provides that imports covered by a ceiling shall be accepted automatically and without delay by the Community authorities upon presentation of an export licence issued by the Korean authorities certifying that the quantities have been set off against the ceilings. As regards administration by the Community, this stipulation means that the authorities of the Member States are obliged to grant import authorizations automatically and without delay upon presentation of an application accompanied by an export licence, provided that the agreed limits are observed.

7. The agreement negotiated will replace various quantitative restrictions applied at national or Community level, including certain autonomous safeguard measures adopted by the Community in 1975². In view of the fact that those measures expired on 31 December 1975 the Commission considered it necessary, in order to safeguard the objectives of the agreement and to forestall the danger of imports rising to excessive levels following the expiry of the measures in question, to adopt provisional arrangements to enter into force from 1 January 1976 subjecting imports of the products covered by the agreement to a licensing procedure³. These arrangements were extended by a Council Regulation⁴ pending the introduction of the definitive arrangements which are the subject of this proposal for a regulation.

In order to enable the objectives of the agreement to be fully attained as soon as possible, the Commission proposes that the Council adopt as speedily as possible the draft regulation annexed hereto.

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

²Commission Regulation (EEC) No 2138/75 of 14 August 1975; OJ No L 217, 15.8.1975.
Council Regulation (EEC) No 2148/75 of 27 September 1975; OJ No L 248, 24.9.1975.
Council Regulation (EEC) No 1686/75 of 30 June 1975; OJ No L 171, 2.7.1975.
Commission Regulation (EEC) No 1522/75 of 13 June 1975; OJ No L 154, 14.6.1975.
Council Regulation (EEC) No 184/75 of 22 July 1975; OJ No L 191, 24.7.1975.

³Commission Regulation (EEC) No 3351/75 of 22 December 1975; OJ No L 330, 24.12.1975.

⁴Council Regulation (EEC) No 277/76 of 9 February 1976; OJ No L 36, 11.2.1976.

PROPOSAL FOR A
COUNCIL REGULATION

concerning import arrangements for certain textile products
originating in the Republic of Korea

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, within the framework of the Arrangement on International Trade in
Textiles, the European Economic Community and the Republic of Korea 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 and put
into force immediately;

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 the provisions valid in the Community for 1976 and 1977 and
criteria for the allocation of the quantitative limits agreed with Korea should
therefore be fixed;

Whereas, because of the considerable differences between the conditions now governing imports of the products concerned into the Member States and also because the particular sensitivity of the Community's textile industry, standardisation of these import conditions can only be achieved gradually; whereas the criterion to be adopted for the allocation of the Community quantitative limits should therefore be the gradual adaptation to the supply requirements of the market of those amounts admitted under current import condition be adapted progressively;

Whereas, for certain other textile products, the Agreement makes provision for a consultation procedure permitting the adoption of safeguard measures in the event of a real risk of market disruption; whereas under this procedure Korea has undertaken to introduce voluntary restraint on its exports to certain Member States; whereas the Agreement provides that the observance of these quantitative limits will be ensured by the agreed system of bilateral checking;

Whereas such quantitative limits should therefore be fixed for 1976 and 1977, together with detailed rules for their administration by the Member States;

Whereas imports should be set off against the quantitative limits fixed for the year in which the goods were exported from Korea;

Whereas those products which enter the Community's customs territory under inward processing or temporary admission arrangements and are re-exported therefrom in the same state or after processing should not be set off against the abovementioned quantitative limits;

HAS ADOPTED THIS REGULATION:

Article 1

1. During 1976 and 1977 imports into the Community of the textile products listed in Annex A and originating in the Republic of Korea shall be subject to the quantitative limits agreed for the Community with the Republic of Korea which are set out in the said 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 quotas¹, 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.

Nevertheless, 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 to the supply requirements of the market.

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 a certified copy of an export licence granted by the authorities of the Republic of Korea containing the details set out in Annex C.

4. Authorized imports shall be set off against the quantitative limits valid for the year during which the products were loaded on board ship in Korea for export.

5. Products which enter the Community's customs territory under inward processing or other temporary admission arrangements and are re-exported therefrom in the same state or after processing shall not be set off against the limits referred to in paragraph 1.

¹OJ No L 124, 8.6.1970, p.1.

Article 2

1. Subject to paragraphs 2, 3 and 4, imports into the Community of the textile products originating in the Republic of Korea 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 shall be subject, during 1976 and 1977, 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 1023/70, and in particular in Article 11 thereof.
4. Article 1(3), (4) and (5) shall apply to the quantitative limits referred to in this Article.

Article 3

Council Regulation (EEC) No 277/76 of 9 February 1976 maintaining in effect the interim measures adopted with regard to imports of certain textile products originating in the Republic of Korea is hereby repealed.

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

ANNEX A

Quantitative limits referred to in Article 1

Category n°	CCT heading No	Nimexe code (1975)	Description	Units	Quantitative limits	
					1976	1977
1	55.09		Other woven fabrics of cotton	1 000 kg	8 997	9 627
	56.07		Woven fabrics of man-made fibres (discontinuous or waste); A. Of synthetic textile fibres			
1 A (a)	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;ex 03; 05;07;08;13;14;16; 18;21;23;26;27;28; 33;34;36	Other woven fabrics of cotton - other than unbleached and bleached Woven fabrics of man-made fibres (discontinuous or waste): ex A. Of synthetic textile fibres: - Other than unbleached and bleached	1 000 kg	1 008	1 079

(a) The quotas established for productions in category 1A are sub-quotas of the quotas established for products in category 1.

Quantitative limits referred to in Article 1

Category n°	CCT heading No	NIMEXE code (1975)	Description	Units	Quantitative limits	
					1976	1977
2	56.05	56.05-12 to 37	Yarn of man-made fibres (discontinuous or waste), not put up for retail sale: ex A: Of synthetic textile fibres - containing 85% or more by weight of synthetic textile fibres	1 000 kg	5 544	5 877
3	ex 60.04	60.04-ex 11;13; ex 24;ex 29;ex 35; 41;ex 45;ex 59; ex 70; ex 80	Undergarments, knitted or crocheted, not elastic or rubberized: - Shirts, undervests, T-shirts, singlets and the like	1 000 units (b)	9 300	10 044
4	ex 60.05	60.05-01; (21 to 39)	Outer garments and other articles, knitted or crocheted, not elastic or rubberized: ex A. Outer garments and clothing accessories - Jerseys, pullovers, slipovers, twinsets, cardigans, bed jackets and jumpers	1 000 items	26 300	27 090

(b) Shirts, undervests and T-shirts are regarded as a unit each; singlets are regarded as half a unit.

Quantitative limits referred to in Article 1

Category n°	GCT heading No	NIMEXE code (1975)	Description	Units	Quantitative limits	
					1976	1977
5	ex 61.01 61.02	61.01-ex 11; - ex (41 to 49) 61.02-ex 11; ex 41; ex 43; 45; 47	Men's and boys' outer garments: - Raincoats of the overcoat type Women's girls' and infants' outer garments: ex B. Other than babies' garments: - Raincoats of the overcoat type	1 000 items	4 151	4 317
6	ex 61.01 61.02	61.01-ex(31 to 39) -ex(21 to 29) 61 to 69 61.02-ex21,ex23 -ex32,ex35, ex38 -ex(91 to 99)	Men's and boys' outer garments: - Trousers, breeches and the like Women's, girls' and infants' outer garments: ex B. Other than babies' garments: - Trousers, jeans, shorts and the like except divided skirts	1 000 pairs	4 000	4 240
7	ex 61.01	61.01-51 to 59 - 71 to 79	Men's and boys' outer garments: - Suits - Jackets, blazers and the like	1 000 units (o)	5 280	5 755

(c) One suit shall be regarded as two units.

Quantitative limits referred to in Article 1

Category n°	CCT heading No	NIMEXE code (1975)	Description	Units	Quantitative limits	
					1976	1977
8	61.02	61.02-81 to 89	Women's girls' and infants' outer garments: ex B. Other than babies' garments: - Shirts and blouses	1 000 items	7 000	7 420
9	ex 61.03	61.03-.11 to 19	Men's and boys' under garments, including collars, shirt fronts and cuffs: - Shirts	1 000 items	31 000	31 775

Quantitative limits referred to in Article 2

Category N°	CCT heading No	NIMEKE code (1975)	Description	Member State	Units	Quantitative limits	
						1976	1977
10	51.04		Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No 51.01 or 51.02 ex A. Woven fabrics of man-made fibres	Benelux United Kingdom	1 000 kg 1 000 m ²	350 14 000	374 14 980
11	ex 60.02	60.02-40 60.02-60	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized: - Gloves impregnated or coated with artificial plastic materials - Other: - Of synthetic textile fibres	France	1 000 pairs	2 750	2 819
12	ex 60.03	60.03-25; 27	Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberized - Of synthetic textile fibres: - Other than women's stockings	Benelux Germany France Denmark	1 000 pairs	12 000 1 500 175	12 300 1 605 187
13	ex 60.05	60.05-02 to 19 - 41 to 89	Outer garments and other articles, knitted or crocheted, not elastic nor rubberized: ex A. Outer garments and clothing accessories: - Other than jerseys, pullovers, slipovers, twinsets, cardigans, bed-jackets and jumpers	United Kingdom	1 000 kg	300	321
14	ex 61.04	61.04-10	Women's girls' and infants' under garments: - Of synthetic textile fibres	Ireland	1 000 items	60	64

Details referred to in Article 1(3)

The export licences issued by the authorities of the Republic of Korea in respect of the products subject to restraint under this Regulation shall specify or state:

1. destination; and in particular the Member State
2. serial number;
3. importer's name and address;
4. exporter's name and address;
5. quantity in the units as designated in Annexes A and B to this Regulation and, where the quantity is expressed other than in weight, the equivalent weight calculated in accordance with the table of equivalences set out hereunder;
6. category to which it has been debited by the Korean authorities and description of product;

7. certification of the Republic of Korea that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or is for processing and subsequent re-export outside the Community;
8. year during which the products were exported, that is, were placed on board in Korea for export.

Table of equivalences

Category No	Brussels Tariff Nomenclature heading	Description	Ratio of equivalency
3	ex 60.04	- Shirts, undervests and T-shirts, knitted or crocheted	6.4 units/kg
		- Singlets, knitted or crocheted	12.8 units/kg
4	ex 60.05	Jerseys, pullovers, slipovers, twinsets, cardigans, bed-jackets and jumpers, knitted or crocheted	5.18 items/kg
5	ex 61.01 ex 61.02	Raincoats of the overcoat type	1.29 items/kg
6	ex 61.01 ex 61.02	Men's, boys', women's, girls' and infants' trousers, jeans, breeches, shorts and the like	2.47 items/kg
7	ex 61.01	- Men's and boys' jackets, blazers and the like	1.40 items/kg
		- Men's and boys' suits	0.70 units/kg
8	ex 61.02	Women's, girls' and infants' shirts and blouses	5.55 items/kg
9	ex 61.03	Men's and boys' shirts	4.60 items/kg
10	ex 60.02	Gloves	11.5 pairs/kg