

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 222 final

Brussels, 2 June 1977

Recommendation for a

COUNCIL DECISION

authorizing the Commission to open
negotiations with Hungary for the
conclusion of an Agreement on trade
in textiles

(submitted to the Council by the Commission)

COM(77) 222 final

EXPLANATORY MEMORANDUM

1. The Community is a party to the Arrangement regarding International Trade in Textiles (MFA). Article 4 of this Arrangement leaves open the possibility for participating countries to conclude bilateral agreements between importing and exporting countries. The Community was of the opinion that it was through the conclusion of such bilateral agreements with its principal suppliers that the main objectives of the MFA, particularly the orderly and equitable development of trade in textiles, could best be achieved.

In accordance with this view, negotiations have been conducted with a number of non-Community countries.

2. The Permanent Representatives Committee decided at its meeting on 12 March 1975 that negotiations should also be proposed by the Community to the three State-trading countries which are parties to the MFA - Hungary, Poland and Romania (without prejudice to negotiations on a comprehensive trade agreement). It also agreed the text of a letter to be addressed by the Commission to the three countries indicating the willingness of the Community to open negotiations which, "while taking account of the differences in commercial structures, would be based on the provisions of Article 4 of the MFA" (see text of letter in Annex A).

On 8 March 1977 the Hungarian authorities replied (see Annex B) that they were prepared to open bilateral negotiations with the Community with a view to concluding an Agreement on trade in textiles, negotiations which would take place on the basis of proposals concerning bilateral negotiations made in the framework of the provisions of the M.F.A., taking particular account of Article 4 thereof.

3. In view of Hungary's reply to the Community offer, the Commission is of the opinion that negotiations with Hungary should be opened as soon as possible.

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In unofficial conversations between the Commission's services and the Hungarian authorities and in meetings of the Council's Textiles Group on the preparation of negotiations with one of the State-trading countries referred to above ¹ certain elements which could serve as a basis for these negotiations have emerged.

In the light of these elements the Commission considers that the negotiations with Hungary should be governed by the same criteria as those used for the other negotiations which have already taken place, preserving those items which are necessary to take account of the differences in commercial structures mentioned in the Commission's letter, referred to above in point 2.

On the internal level, the provisions adopted for the prededing negotiations, particularly burden-sharing, should apply.

4. Consequently, the Commission recommends to the Council, pursuant to Article 113 of the Treaty, that it adopt the attached decision.

¹ It should be noted that negotiations have meanwhile taken place with Romania, this country having accepted the Community's offer to negotiate, and an Agreement was initialled with that country on 10 November 1976. A recommendation for a Council Decision authorizing the Commission to open negotiations with Poland is at present being examined by the Council, now that Poland has also accepted the Community's offer to negotiate.

RECOMMENDATION FOR A COUNCIL DECISION

authorizing the Commission to open negotiations with Hungary
for the conclusion of an Agreement on trade in textiles

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 recommendation from the Commission ,

Whereas Article 4 of the Arrangement regarding International Trade in
Textiles leaves open the possibility for the conclusion of bilateral
agreements between importing and exporting countries ;

Whereas the Community has considered that the conclusion of such bilateral
agreements with the third countries which are its principal suppliers would
best enable it to achieve the objectives of the said Arrangement regarding
international trade in textiles ;

Whereas, consequently, the Community has proposed to Hungary, a party to
the said Arrangement, the opening of negotiations for the conclusion of
an Agreement on trade in textiles; whereas Hungary has responded favourably ,

HAS DECIDED AS FOLLOWS :

Article 1

The Commission is hereby authorized to open negotiations with
Hungary for the conclusion of an Agreement on trade in textile products,
in accordance with the provisions of the Arrangement regarding International
Trade in Textiles.

The Commission shall conduct these negotiations in consultation with the Article 113 Committee and on the basis of the directives annexed hereto.

Done at Brussels,

For the Council

The President

Directives for negotiations with Hungary

I. Items identical with those adopted with regard to all the third countries with which the Community has negotiated.

- a) Voluntary restraint agreement, with
an administration system which includes double-checking.
- b) Coverage of the agreement established selectively on the
basis of the criteria in Article 4 of the MFA: elimination
of real risks of market disruption and the fixing of ceilings
based on that concept.
- c) Binding consultation clause and regional measures.
- d) Provisions for flexibility, carry-over and anticipation.

II. Additional items

- a) Inclusion of linen in the coverage of the agreement.
- b) Provisions relating to outward processing traffic : of the kind
adopted for Yugoslavia.

III. Specific items

deriving from the differences in commercial structures
(particularly prices).

- Conditions analogous to those adopted on this subject in the
negotiations with Romania.

COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES

Direction Générale des
Relations Extérieures

1347

Bruxelles, le 24 mars 1975

Monsieur l'Ambassadeur,

Divers problèmes se posent à l'heure actuelle dans le commerce international des textiles auxquels il importe maintenant de rechercher des solutions. Votre pays est comme la Communauté économique européenne partie à l'Arrangement concernant le commerce international des textiles.

La Communauté est prête par conséquent à entamer avec la Hongrie des négociations bilatérales en ce qui concerne les produits textiles qui, tout en tenant compte des différences de structures commerciales en présence, seraient fondées sur les dispositions de l'article 4 de l'Arrangement.

La Commission tient par ailleurs à rappeler la communication qu'elle a faite à votre pays en novembre 1974 visant l'ouverture de négociations commerciales destinées à pouvoir couvrir aussi les produits textiles et c'est également dans cette perspective qu'elle vous adresse la présente communication.

Veuillez agréer, Monsieur l'Ambassadeur, l'assurance de ma haute considération.

E.P. WELLENSTEIN

Son Excellence Monsieur László PERCZEL,
Ambassadeur extraordinaire et plénipotentiaire
de la République Populaire Hongroise,

rue Edmond Picard, 41
1180 BRUXELLES



ANNEXE B

*Uper 11 / 10.000
11.000 / 10.000*

RÉPUBLIQUE POPULAIRE HONGROISE
MINISTÈRE DU COMMERCE EXTÉRIEUR
Représentant Spécial
du Gouvernement Hongrois
auprès des Organisations
Économiques Internationales

Budapest, le 8 mars 1977

Monsieur le Directeur Général,

En me référant à l'offre de négociation contenue dans la lettre du 24 mars 1975 du directeur général M.E.P. Wellenstein et aux consultations préparatives consécutives entre les représentants des deux parties, j'ai l'honneur de vous confirmer que la République Populaire Hongroise est prête à entamer des négociations bilatérales avec la Communauté Economique Européenne en ce qui concerne les produits textiles visés par l'Arrangement concernant le commerce international des textiles, fait à Genève le 20 décembre 1973. Ces négociations seront fondées sur l'ensemble des dispositions dudit Arrangement tenant compte particulièrement de son Article 4.

Veuillez agréer, Monsieur le Directeur Général,
l'assurance de ma haute considération.

Nyerges János

NYERGES JANCS

Monsieur Th. C. HIJZEN
Directeur Général

Direction Générale des Relations
Extérieures

Commission des
Communautés Européennes

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