

**COMMISSION OF THE EUROPEAN COMMUNITIES**

COM(80) 777 final

Brussels, 21st November 1980

**RECOMMENDATION FOR A COUNCIL DECISION  
AUTHORISING THE COMMISSION TO OPEN NEGOTIATIONS WITH THE  
REPUBLIC OF TUNISIA FOR A VOLUNTARY RESTRAINT ARRANGEMENT  
IN RESPECT OF CERTAIN TEXTILE PRODUCTS**

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(presented by the Commission to the Council)

COM(80) 777 final



## EXPLANATORY MEMORANDUM

- I. On 19 March 1979 Tunisia concluded a voluntary restraint arrangement with the Community covering exports of a number of its textile products to the EEC. The arrangement established Community and regional quotas for ten categories of textile product ; it is due to expire on 31 December.
- II. Given the present state of the European textile industry a new arrangement will be needed from 1 January 1981. This has been explained to the Tunisian authorities, inter alia by Mr. Davignon, who visited Tunis from 28-30 August.
- III. On that occasion the Tunisian Government indicated that while deploring the absence of any prospect for a rapid return to the letter of the co-operation agreement, it intended to take a realistic and co-operative attitude towards the Community, and therefore agreed in principle to a further voluntary restraint arrangement.
- IV. Tunis feels that the new arrangement should be both temporary and more favourable than its predecessor, so as to constitute a significant step back towards the "legality" of the co-operation agreement.
- As regards the content of the arrangement, Tunisia has informed the Commission that it considers the following points essential :
- the number of products subject to quota should be reduced
  - the Community should not treat imports of indigo denim of Tunisian origin less favourably than imports of the same product produced in similar conditions
  - greater flexibility should be allowed for trousers (category 6).
- V. In the course of the exploratory talks which took place in Brussels on 3 October the Commission again indicated the need for a new arrangement, particularly so that the Community would not be obliged to apply the safeguard clause during the year. It also emphasised that it was in the interests of both parties to introduce closer administrative co-operation based on the double-checking system.

The Tunisian delegation was not in a position at that stage to be more specific about the improvements Tunis wanted to see incorporated in the new arrangement. However, it repeated the points made in Tunis by the Minister for the National Economy (see III and IV above), with particular reference to indigo denim, its exports of which Tunisia feels are being discriminated against since the United States, a non-preferential country, exports this product to the Community free of any quantitative limitation.

RECOMMENDATION FOR A COUNCIL DECISION AUTHOR-  
ISING THE COMMISSION TO OPEN NEGOTIATIONS WITH  
THE REPUBLIC OF TUNISIA FOR A VOLUNTARY RE-  
STRAINT ARRANGEMENT IN RESPECT OF CERTAIN TEX-  
TILE PRODUCTS

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Com-  
munity, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Community has concluded bilateral textile agreements and  
arrangements with certain third countries, whereas it is necessary  
to renew the arrangement with Tunisia, which expires on 31 December  
1980,

HAS DECIDED AS FOLLOWS :

Sole Article

The Commission is hereby authorised to open negotiations with the  
Republic of Tunisia with a view to concluding a voluntary restraint  
arrangement in respect of certain textile products.

The Commission shall conduct the negotiations in accordance with the  
directives contained in Annex 1 and in consultation with the Special  
Committee provided for in Article 113 of the Treaty.

Negotiating directives

1. Duration of the arrangement

One year (from 1 January 1981 to 31 December 1981) with a review clause for 1982 (1).

2. Group I products

a) Category 2 : (2)

- removal of quota, establishment of Community and regional limits beyond which the safeguard clause can be brought into operation ;
- setting up of compulsory machinery (coupled with suspension of exports) to operate when imports stand at 80 % of the limit.

b) Category 4 :

- increase in line with the 1977 burden-sharing formula.

c) Category 6 :

- Community quota to be raised 10 % from 1980 administrative level, and adjustment of regional quotas.

d) Category 7 :

- increase of 10 % in Community quota, adjustment of regional allocation.

e) Category 8 :

- increase in line with the 1977 burden-sharing formula.

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(1) Not later than three months before the end of 1981 the parties shall review the textile situation to determine what arrangements are to apply to Tunisian textile exports from 1 January 1982, in the context of the relevant provisions of the co-operation agreement.

(2) Indigo denim accounts for nearly all Tunisian exports of category 2 fabrics. It is planned to create a separate statistical heading for denim. Once this is done, the terms of the arrangement - assuming it is still in force - will apply only to denim.

3. Group II products :

- elimination of regional quotas (categories 13, 21, 26 + 27, and 27) ; less than 50 % of the 1979 quotas for these products was taken up
- statistical surveillance of imports plus consultation clause and re-introduction of quantitative controls in the event of abnormal trade flows developing.

4. Exports to Greece :

- the arrangement will include quotas for exports to Greece corresponding to the "theoretical minimum share" (1).

5. Outward processing :

- if the outward processing regulation currently under consideration is adopted specific outward processing quotas will have to be incorporated in the arrangement.

6. Flexibility :

- flexibility margin to be increased.

7. Administrative co-operation :

- As a quid pro quo for the above substantial concessions Tunisia will have to agree to the introduction of the double-checking system, which is both administratively simpler than the present system and able to prevent any occurrence of fraud (it has so far been extremely reluctant to do so).

8. The implications for Morocco :

- Morocco agreed to a voluntary restraint arrangement with the Community which is not due to expire until 31 December 1981. In the course of the negotiations Morocco was rightly concerned lest it should receive less favourable treatment than Tunisia simply because it had agreed to a longer-term arrangement.

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(1) 5 % of 2 % of the total EEC (9) quota (a minimum level of 1 tonne or 1500 pieces, according to the product).

In return for use of the double-checking system, the Community could accept to remove, for Morocco, the quotas of Group II and the increase in the flexibility margin.



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Q U O T A S

CATEGORY	UNIT	D	F	I	BNL	UK	IRL	DK	GR	CEE
4 T - shirts	1,000 pieces	1 310	3,090	330	330	670	30	100	5	4,865
6 Trousers	1,000 pieces	3,070	3,480	550	3,480	650	20	90	15	11,355
7 Blouses	1,000 pieces	685	555	90	420	80	4	14	2	1,850
8 Shirts	1,000 pieces	4,225	2,130	380	300	600	25	50	10	7,420

SAFEGUARD CLAUSE TRIGGER LEVEL FOR CATEGORY 2  
PRODUCTS

2 Woven Cotton fabrics	Tonnes	510	6,530	550	2,800	135	35	35	10	10,605
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