

COMMISSION OF THE EUROPEAN COMMUNITIES

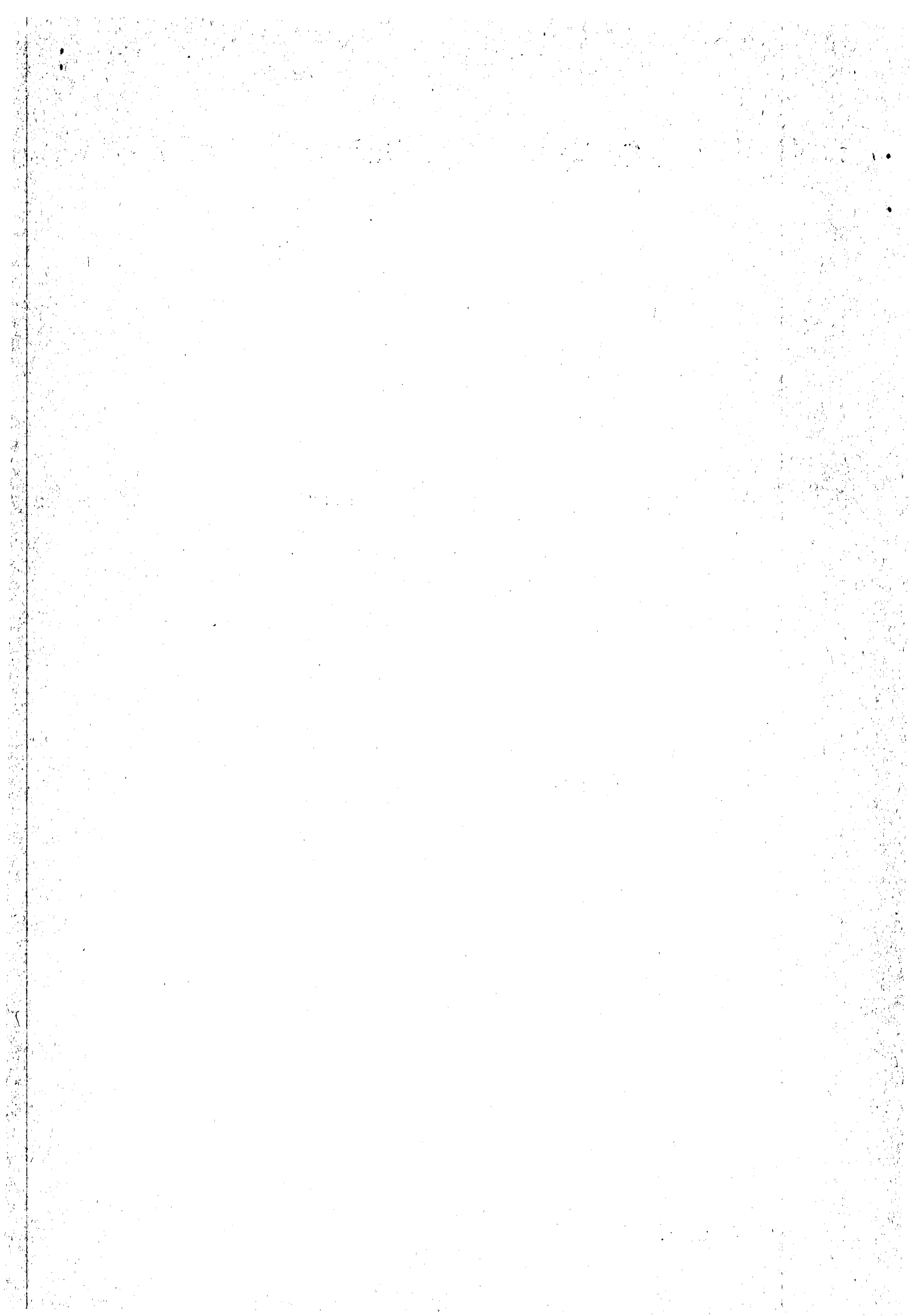
COM(74) 849 final/A

Brussels, 17 June 1974

RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of an Agreement between the European
Economic Community and the
People's Republic of Bangladesh on trade in jute products

(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

1. By Council Decision of 12 December 1972 the Community concluded with Bangladesh, an important supplier of jute products, an Agreement on trade in jute products, which expired on 31 December 1972¹. Under that agreement, Bangladesh had assumed the rights and obligations of the Agreement between the Community and Pakistan, jute being produced mainly in the former eastern part of Pakistan, which became Bangladesh.

The Agreement made provision, in particular, for:

the establishment of a Joint Cooperation Committee, the task of which was to review all important aspects of the situation of the jute industry as a whole in order to seek and put forward mutually acceptable solutions ;

limitation by Bangladesh of its exports of certain categories of jute products to an agreed level.

2. When drawing up its offer of generalized tariff preferences, the Community considered that as regards jute products "duty-free entry would be one of the special measures to be adopted with regard to developing countries which are exporters". The Council further noted that a negotiated arrangement should be urgently sought with Bangladesh on all problems concerning jute products.

Following Bangladesh's request for tariff preferences for the products in question, the Commission considered that the "special measures" to be adopted with that country in order to enable it to enjoy such preferences could form part of a new Agreement to be negotiated in the Joint Cooperation Committee.

3. By its Decision of 11 December 1972 the Council authorized the Commission to open negotiations with Bangladesh for the conclusion of such an Agreement.

¹The Arrangement laid down in that Agreement have been extended de facto by common accord until 30 June 1974.

In accordance with that decision and in consultation with the Special Committee provided for in Article 113 the Commission, on behalf of the Community, was engaged in negotiations with the Bangladesh Delegation from December 1973 to February 1974. These negotiations, the last phase of which took place on 8 February last, gave rise to a draft Agreement which makes provision, in particular, for a suspension of the Common Customs Tariff duties of the Community at agreed percentages and in accordance with an agreed timetable. It also provides for the suspension of the quantitative restrictions in force in the Community in respect of a number of jute products (yarn and wide fabrics of jute) provided that Bangladesh takes the necessary measures to ensure that exports of these products intended for internal consumption in the Community do not exceed the agreed self-limitation ceilings.

Finally, provision is made in the draft Agreement for the establishment of a Joint Cooperation Committee, the task of which will be, inter alia, to review any problems that may arise concerning the production of and trade in jute products.

The Heads of the two Delegations have agreed that this draft Agreement correctly reflects the results of the negotiations.

4. The Commission considers that this draft Agreement is acceptable to the Community. It recommends the Council to approve the outcome of the negotiations and to decide on the annexed draft Decision as soon as possible for the provisions of this draft Agreement are more favourable for Bangladesh than those of the arrangement which has been extended. Moreover, the Agreement with India on jute products was concluded on 17 December last.

The Commission will make proposals to the Council as soon as possible on the provisions necessary for the implementation of the Agreement.

RECOMMENDATION FOR A
COUNCIL DECISION

on the conclusion of an Agreement between the European
Economic Community and the People's Republic of Bangladesh
on trade in jute products

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 of the Commission,

Whereas the Agreement on trade in jute products negotiated between the
European Economic Community and the People's Republic of Bangladesh
should be concluded,

HAS DECIDED AS FOLLOWS :

Article 1

An Agreement with the People's Republic of Bangladesh on trade in
jute products is concluded on behalf of the European Economic Community
The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the
person empowered to sign the Agreement and to confer on him the powers re-
quired in order to bind the Community.

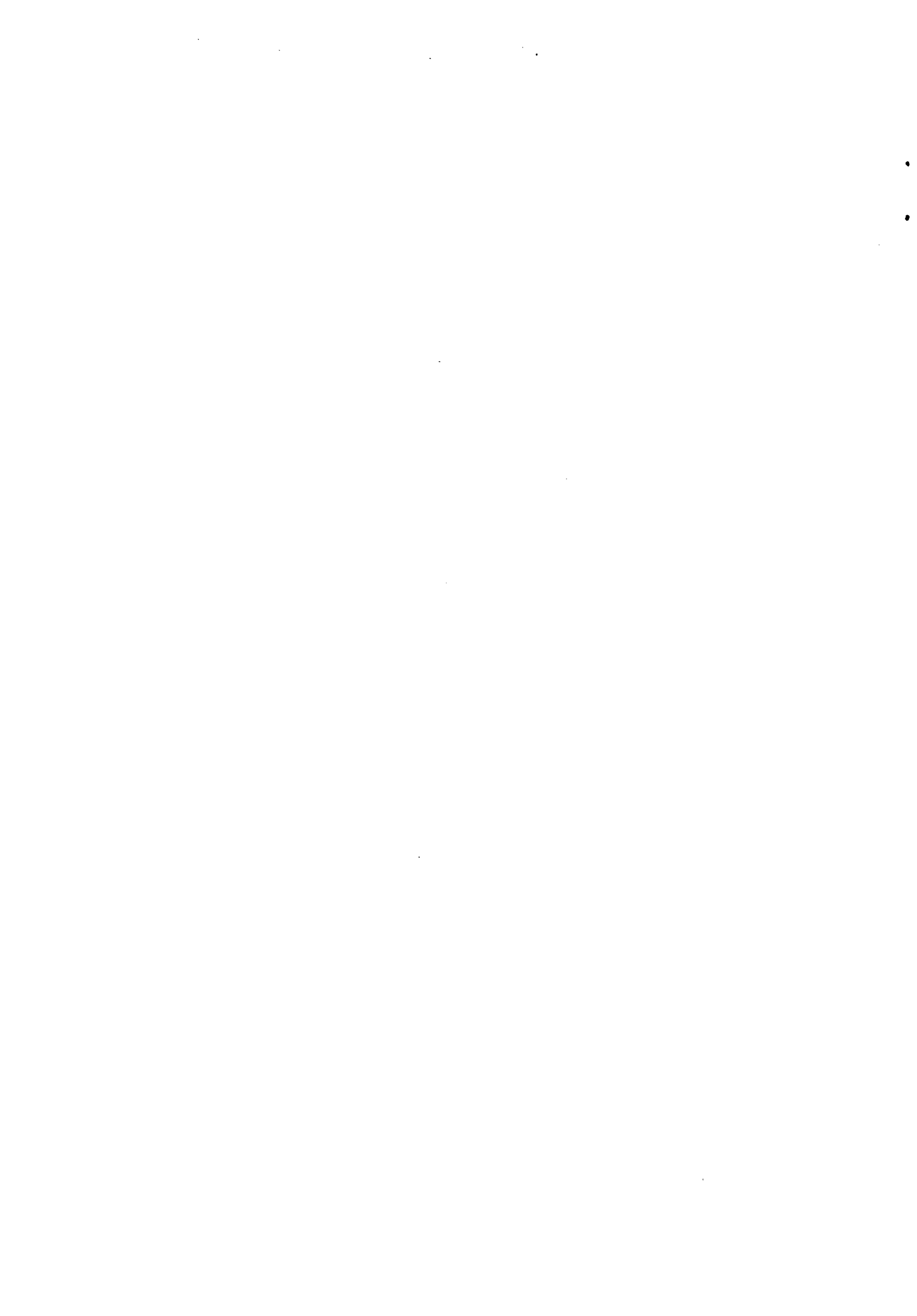
Done at Brussels,

For the Council
The President



A G R E E M E N T

BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND
THE PEOPLE'S REPUBLIC OF BANGLADESH
REGARDING TRADE IN JUPE PRODUCTS



Whereas

The COUNCIL of the European Communities, of the one part, and the Government of the People's Republic of Bangladesh, of the other part, hereafter referred to respectively as The Community and Bangladesh desirous of ensuring the development of the use of jute products and the orderly development of the trade in these products between the Community and Bangladesh

noting the Joint Declaration of Intent on the development of trade relations with Ceylon (now Sri Lanka), India, Malaysia, Pakistan (now Bangladesh and Pakistan), and Singapore, annexed to the Final Act concerning the conditions for the Accession of the Kingdom of Denmark, the Kingdom of Norway, Ireland and the United Kingdom of Great Britain and Northern Ireland to the treaties establishing the European Economic Community and the European Atomic Energy Community, of 22 January 1972, conscious of the provisions of the G.A.T.T. have, in a spirit of mutual co-operation, decided to conclude this Agreement :

Article 1

This Agreement concerns manufactured jute products, as defined in Annex A, originating in and coming from Bangladesh.

Article 2

1. Pending a solution within a multilateral context and as a means of extending its system of generalised tariff preferences, the Community shall apply autonomously to manufactured jute products originating in and coming from Bangladesh the duties of the common external tariff suspended according to the rates and timetable set out in Annex B.

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2. In Denmark, Ireland and the United Kingdom tariff adjustments resulting from the application of the preceding paragraph may be performed gradually.

Article 3

The Community shall not submit imports of the products defined under Article 1 to new quantitative restrictions. The Community is willing to examine, together with Bangladesh appropriate solutions to problems arising out of the current quantitative restrictions. To this end, and as a first step, the Community shall suspend the existing quantitative restrictions on the imports of the products defined in Article 4, subject to Bangladesh applying such measures as are necessary to keep exports intended for internal consumption in the Community within the ceilings set out under Article 4.

Article 4

For the calendar year 1974 the ceilings are as follows:

- category 4 and 5	4,075 metric tons
- category 6	7,000 metric tons

2. For every following year, each ceiling shall subsequently be increased with reference to the preceding year by 10% of the initial ceiling.

3. The Community shall be prepared to give especial consideration to the overwhelming dependence of Bangladesh on jute goods trade and, therefore, shall not object to the aforementioned ceilings being exceeded in the event of additional demand developing in the market of the Community, on the understanding that the additional quantities shall be fixed by common agreement between both Parties.

Article 5

1. Unused portions, not exceeding 10% of one annual ceiling, may be carried over and added to the ceiling for the subsequent year.

2. Each annual ceiling may, within a 10% limit of this ceiling, be exceeded in anticipation over the ceiling of the subsequent year, subject to consultations with the Community. Bangladesh shall nevertheless endeavour to ensure as regular a supply as possible in the course of each annual period.

3. Quantities used in anticipation shall be deducted from the ceiling of the subsequent year.

Article 6

The management of the ceilings shall occur according to the double checking scheme and along the lines defined under Annex C.

Article 7

Bangladesh and the Community shall exchange all useful information relating to trade in jute products between the two parties.

2. Should it transpire during the validity of the agreement that the provisions of this Agreement do not fully satisfy its interests, Bangladesh shall have the right to make specific representation to the Community for finding satisfactory solutions.

Article 8

The implementation of the provisions of this Agreement shall not disrupt the normal trade channels between Bangladesh and the Community for the products covered by this Agreement.

2. Should one Party inform the other that abnormal difficulties have arisen in connection with the use of normal trade channels, then both Parties shall consult each other on measures necessary to remedy the situation.

Article 9

Subject to policies of the Government of the People's Republic of Bangladesh concerning the regulation of its exports in the light of its production

situation and of the external demand for products, set out above, Bangladesh agrees to take all useful measures to ensure that the needs of the Community market and industries are met in a non-discriminatory manner.

Article 10

A Joint Committee of Co-operation shall be set up and entrusted with :

- the examination of any problem which may arise as a result of the implementation of this Agreement;
- exploring possibilities, and formulating suggestions, in matters of co-operation in the fields of research and use of advanced technology of development of production, and expansion of uses of jute products, promotion, marketing and publicity thereof;
- developing contacts between representatives of the jute industries trade and of both the Community and Bangladesh.

2. The Joint Committee shall be composed of representatives of Bangladesh on one part and representatives of the Community on the other part.

3. The Joint Committee will be convened upon request by one of the Parties and in any case at least once a year.

Article 11

This Agreement shall enter into force with effect from the first day of the second month following the date of its signature. Subject to such modifications as might be mutually agreed during its period of validity, the Agreement is valid till 31st December 1975.

Article 12

The Annexes constitute an integral part of this Agreement.

Article 13

The present Agreement has been done in duplicate in the Danish, English, French, German, Italian, Dutch and Bengali languages, all texts being equally authentic.

ANNEX A

Definition of categories of jute products
covered by Article 1 of this Agreement

- Category 1 : Jute fabrics weighing over 500 grammes per square metre and having a width equal to, or below, 150 centimetres, and jute bags of fabric weighing more than 500 grammes per square metre.
- Category 2 : Jute fabrics weighing 310 grammes or more per square metre but less than or equal to 500 grammes per square metre and of a width less than or equal to 150 centimetres, and bags manufactured out of jute fabric weighing equal to or over 310 grammes but less than or equal to 500 grammes per square metre.
- Category 3 : Jute fabrics weighing under 310 grammes per square metre and having a width of 150 centimetres or less, and bags of jute fabric weighing less than 310 grammes per square metre.
- Category 4 : Jute fabrics having a width more than 150 centimetres but not exceeding, or equal to, 230 centimetres, irrespective of weight per square metre.
- Category 5 : Jute fabrics having a width above 230 centimetres irrespective of weight per square metre.
- Category 6 : Jute yarns.



TARIFF SUSPENSIONS COVERED BY ARTICLE 2

(Headings and subheadings of the C.C.T.)

<u>Heading Number</u>	<u>Description</u>	<u>Rate of reduction applied</u>	
		<u>1.1.1974</u>	<u>1.1.1982</u>
57.06	Yarn of jute or of other textile bast fibres of heading No. 57.03	40 %	60 %
57.10	Woven fabrics of jute or of other textile bast fibres of heading No. 57.03:		
	A. Of a width of not more than 150 cm and weighing per square metre:		
	I. Less than 310 g	40 %	60 %
	II. Not less than 310 g but not more than 500 g	40 %	60 %
	III. More than 500 g	40 %	60 %
	B. Of a width of more than 150 cm	40 %	50 %
62.03	Sacks and bags, of a kind used for the packing of goods:		
	A. Of jute or of other textile bast fibres of heading No. 57.03:		
	II. Other:		
	a) Of fabric weighing less than 310 g/m ²	40 %	60 %
	b) Of fabric weighing not less than 310 g/m ² but not more than 500 g/m ²	40 %	60 %
	c) Of fabric weighing more than 500 g/m ²	40 %	60 %

The Community hereby undertakes to continue to suspend customs duties on all the imports of products used for packing goods, in accordance with the provisions of the Customs convention on temporary imports of packing items.



Particulars on the implementation of the system of
double control as provided by Article 6

1. In the Community, the competent authorities shall accept, without delay, the import of products listed under article 4 of this agreement upon production of the importer's request together with the original copy of the export permit. (1)
2. The competent authorities in Bangladesh shall deliver export permit for all the products listed under Article 4 of this Agreement within the limits of the ceilings set out in that Article.
3. The export permit shall mention :
 - a) the destination,
 - b) the serial number,
 - c) the names and address of the importer,
 - d) the names and address of the exporter,
 - e) the net weight (in kilogrammes or metric tonnes) and the value,
 - f) the category and the classification of the product,
 - g) the certificate delivered by the authorities and stating the ceiling under which the products are falling.
4. In the Community the competent authorities shall accept, within reasonable limits, differences between the weight as stated in the import permit and the cargo weight or the imported weight. In Bangladesh the competent authorities shall, however, endeavour to reduce to a minimum such possible discrepancies.
5. In Bangladesh the competent authorities shall notify any withdrawal, or part withdrawal, of an export permit to the competent authorities in the Community. The latter shall, within the context of the administrative regulations governing such matters, take appropriate steps.

(1) In case where any import licence may be required by national procedures, such licences shall be issued automatically, within a limited number of days.

6. The competent authorities in Bangladesh shall forward to the competent authorities in the Community, through the channel of the Embassies of the member-States and directly to the Commission, every six months a survey of the delivery of export permits. Such surveys shall state, for every category of product, the net weight in metric tons of the authorised exports, their assignment to the various ceilings and the member-States of the Community, to which the goods have been consigned.