

# COMMISSION OF THE EUROPEAN COMMUNITIES

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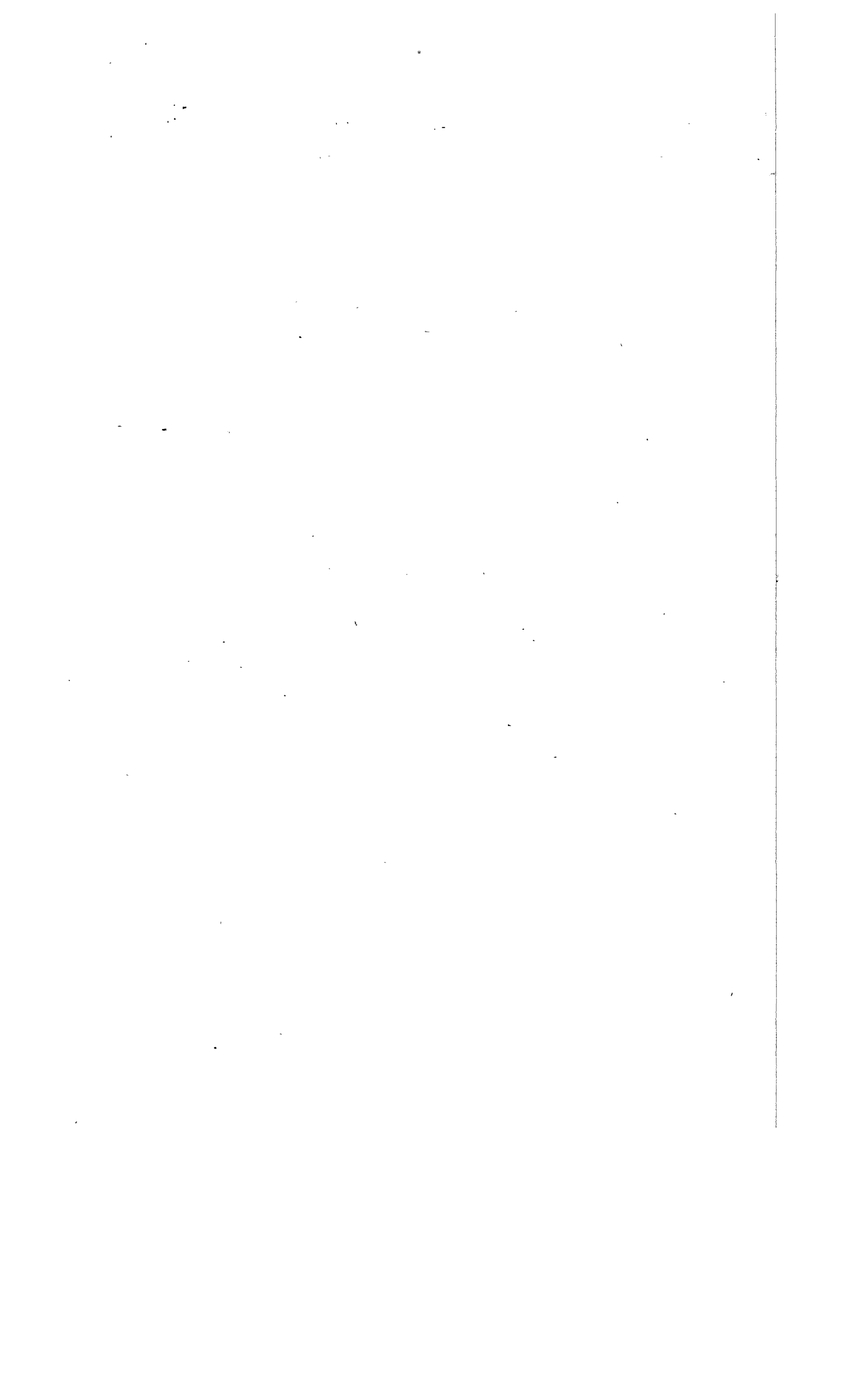
## PROPOSAL FOR COUNCIL REGULATION (EEC)

maintaining the arrangements for the authorization of imports into France and into the United Kingdom of certain knitted or crocheted under garments originating in the Kingdom of Thailand or the Republic of the Philippines

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(Submitted by the Commission to the Council)

COM(77) 104 final



EXPLANATORY MEMORANDUM

1. As a result of a sharp increase in imports into France and into the United Kingdom of knitted or crocheted shirts and similar garments from a number of non-member countries, in particular Thailand, the Philippines and Singapore, those two Member States requested in September and October 1976 that the Commission initiate consultations with the three countries concerned with a view to limiting the imports in question.

2. The request were examined in a Working Party comprising representative of the Member States, with a Commission representative in the chair.

During this examination it was found that the total imports, from all non-member countries, of these products had increased substantially and that they had come to take up a very significant share of the market for these products in the two Member States concerned. This development has had as a consequence a substantial decrease of the domestic consumption and employment in this sector.

The examination showed furthermore that the development of imports did not, at this moment, justify the introduction of a restraint on imports of these products in the other regions of the Community in respect of the Philippines and Thailand.

As a conclusion of the examination the Commission representative proposed that action be taken as requested by the two Member States concerned; the other delegations gave a favourable opinion on this proposal.

3. Consultations began with Thailand and the Philippines (1) in accordance with the procedure under Article 3 of the Multifibre Arrangement; these two non-member countries, with which the Community has not concluded a bilateral agreement on trade in textiles, are both party to the Arrangement.

4. The consultations with Thailand began on 18 November 1976 and ended on 28 January 1977 with the initialling of a note whereby Thailand agreed to the introduction of voluntary restraint of the exports in question.

5. The consultations with the Philippines began on 26 November 1976 and ended on 21 January 1977 with the Philippines agreeing to introduce voluntary restraint of the exports in question.

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(1) The consultations with Singapore were opened in the context of the bilateral agreements negotiated between the Community and Singapore on trade in textile products. These consultations began on 3 January 1977 only and have not yet been concluded

6. The details of the measures accepted by Thailand and by the Philippines are the same : they involve voluntary restraint of exports in 1977, which must be supplemented by a system of import licences if it is to be effective. Otherwise exporters and importers could circumvent the control of exports by sending goods to the Community via an intermediary destination to which goods may be exported freely.

7. Since the two non-member countries in question were not able to establish such export control immediately, there is a danger that the firms concerned may seek to circumvent the effects of the proposed restriction by anticipated deliveries. This danger is a very real one, in view of the unusual rate of imports in recent months and the fact that the Thai and Philippine industrialists are aware of the result of the consultation.

In order to prevent such actions, the Commission decided to introduce the import arrangements referred to in point 6 under the emergency procedure provided for in Article 12 of Regulation (EEC) No 1439/74, by adopting Regulations (EEC) 558/77 of 16 March 1977 and No 557/77 of the same date.(1)

8. Article 12 (6) of Regulation No 1439/74 stipulates that measures adopted by the Commission pursuant to that Article must be followed within ten working days by a proposal to the Council on appropriate measures which could be adopted by the Council to take over from the emergency measures adopted by the Commission.

It is pointed out that Commission Regulations adopted pursuant to Article 12 of Regulation (EEC) 1439/74 expire six weeks following their entry into force unless they are confirmed by the Council.

In this context, the Commission proposes that the Council adopt the regulation proposed hereunder, the purpose of which is to confirm the measures adopted by the two Commission regulations referred to in point 7 above.

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(1) OJ No L 21, of 18.3.1977



Proposal for Council Regulation (EEC)

maintaining the arrangements for the authorization of imports into France and into the United Kingdom of certain knitted or crocheted under garments originating in the Kingdom of Thailand or the Republic of the Philippines

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1439/74 of 4 June 1974 on common rules for imports (1), and in particular Article 13 thereof,

After consultation within the Advisory Committee established by Article 5 of the above Regulation,

Having regard to the proposal from the Commission,

Whereas by Regulations (EEC) No 558/77 (2) and No 552/77 of 16 March 1977 (3) the Commission introduced arrangements for the authorization of imports into France and into the United Kingdom of certain knitted or crocheted under garments originating in the Kingdom of Thailand or the Republic of the Philippines

Whereas the factors which caused the arrangements to be introduced have persisted and whereas it is accordingly necessary for the arrangements to remain in force until 30 June 1978,

HAS ADOPTED THIS REGULATION :

Article 1

The arrangements for the authorization of imports into France and into the United Kingdom of certain knitted or crocheted under garments originating in the Kingdom of Thailand or the Republic of the Philippines, adopted by Regulations (EEC) No 558/77 and (EEC) No 552/77, shall remain applicable until 30 June 1978.

Article 2

This Regulation shall enter into force on

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

Done at Brussels,

For the Council

The President

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(1) OJ No L 159, 15.6.1974, p. 1

(2) OJ No L 21, 18.3. 1977 ,p.

(3) OJ No L 21, 18.3. 1977