

COMMISSION OF THE EUROPEAN COMMUNITIES

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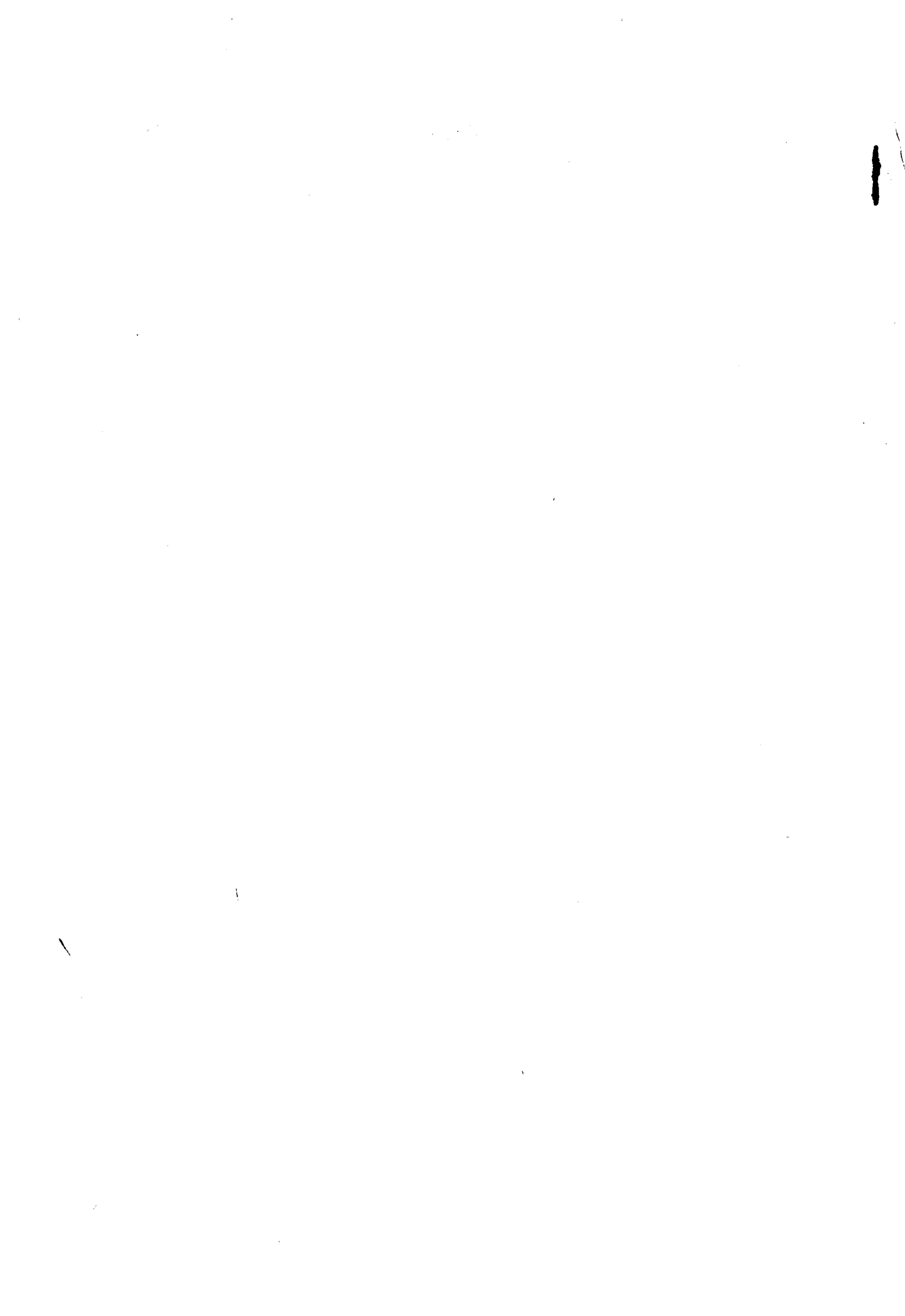
Brussels, 21 January 1976.

HILLMAN

PROPOSAL FOR A COUNCIL REGULATION

on the common arrangements applicable
to imports of textile products under
the outward processing system

(Submitted by the Commission to the Council)



EXPLANATORY MEMORANDUM

1. A proposal for a directive on the harmonization of provisions laid down by law, regulation or administrative action in respect of outward processing is being examined by the Council with a view to its adoption.

The purpose of this directive is to harmonize the Community rules on temporary exportation for outward processing and to ensure the uniform application of the provisions relating to the tariff treatment of re-imported products.

The differences in the administrative provisions of Member States with regard to the quantitative control of products re-imported after processing therefore remain. Imports resulting from processing operations are, in the case of products which have not been liberalized, subject either to special quotas, or to deductions from the normal quotas, or to authorization on a case-by-case basis, depending on the Member State; in the case of products which have been liberalized, the operations in question are subject to authorization in some Member States, and entirely unrestricted in others.

2. In connection with the application of the Arrangement Regarding International Trade in Textiles, the Community has negotiated and is at present negotiating with the third countries which are the principal suppliers of textile products bilateral agreements based in general on voluntary restraint exercised by these countries in respect of their exports to the Community of certain products which are regarded as sensitive. The voluntary restraint ceilings provided for in these agreements in general relate only to direct imports; the re-importation into the Community of products resulting from processing operations in these countries is normally kept outside the scope of these agreements, for several reasons: to comply with the provisions of the MFA, which provides for special and individualized treatment for these imports, because the ceilings agreed are generally managed by the exporting country and this is incompatible with processing traffic, and because it is logical that the Community should retain the responsibility for assessing the volume of this traffic, which depends on the general economic situation in each of the Member States.

However, certain textile products (in particular clothing) exported from some of these third countries to the Community consist very largely (up to 80% in some Member States) of products resulting from processing operations.

It has therefore proved necessary to lay down Community provisions making it possible to control the quantities of these re-imports. It would be illogical to make direct imports subject to restrictions or to voluntary restraint, or to the consultation mechanisms resulting in voluntary restraint which are provided for in the agreements, while leaving re-imports, which are sometimes considerable in volume, outside the scope of any Community control mechanism.

3. Consequently, the Commission recommends that the Council adopt the proposal for a regulation annexed hereto.

With regard to the Annex to this decision, in which are fixed the amounts of the annual Community quotas for the re-importation of certain products from certain third countries, the Commission reserves the right to submit quantified proposals during the discussion of the proposal in the appropriate Council group; the list of third countries in the Annex could thus be reviewed according to whether or not the Community has opened negotiations with these countries.

PROPOSAL FOR A COUNCIL REGULATION

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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 the use of outward processing is of great importance in the textiles
sector;

Whereas it is therefore essential, as part of the implementation
of the import arrangements for textiles, to adopt certain measures
regarding the quantities involved in outward processing traffic for
textiles without prejudice to the provisions applicable to the tariff
aspect of such processing traffic;

Whereas therefore these imports must be made subject to surveillance
and must be limited by means of quotas for certain products and
for certain third countries,

HAS ADOPTED THIS REGULATION:

Article 1

1. Importation into the Community of textile products falling within
Chapters 51 to 62 inclusive of the CCT under the outward processing
system shall be subject to Community surveillance.

Importation of these products shall therefore be conditional upon the presentation of a special authorization granting the benefit of the outward processing system issued by the competent authorities of the Member State of temporary exportation, in accordance with the provisions of the Council Directive of _____ on the harmonization of provisions laid down by law, regulation or administrative action in respect of the outward processing system.

2. Where compensating products are re-imported into a Member State other than the State which temporarily export the relevant goods, the competent authorities of the Member State of temporary exportation shall, before issuing the authorization, inform the authorities of the Member State of re-importation and the Commission of the nature of the processing operations, the description and quantities of the compensating products and the time limit for re-importation.

In the event of such re-imports being likely to cause economic difficulties, consultations shall take place on the initiative of a Member State or of the Commission in order to find an appropriate solution.

Article 2

1. In the case of the compensating products and the third countries listed in the Annex, the authorizations referred to in Article 1 shall be issued within the limits of the Community quotas whereof the size for the calendar year is fixed in the said Annex.

2. The quotas shall be administered in accordance with the procedure laid down in Regulation (EEC) No 1023/70⁽¹⁾ and shall be allocated according to requirements for the supply of the compensating products concerned.

(1) OJ No L 124, 8.6.1970, p. 1.

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Article 3

Until 30 November of each year any necessary amendments shall be adopted for the following year to the measures provided for in Article 2.

Article 4

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council
The President

Community Quotas referred to in Article 2

Compensating Products

YUGOSLAVIA

Amount of Quota

- 60.04 Knitted undergarments
- 60.05 Knitted outergarments
- 61.01 Outergarments for men
- 61.02 B Outergarments for women
- 61.03 Undergarments for men

ROUMANIA

- 60.05 Knitted outergarments
- 61.01 Outergarments for men
- 61.02 Outergarments for women
- ex 61.03 Men's shirts

HUNGARY

- 60.04 Knitted undergarments
- 60.05 Knitted outergarments
- 61.01 Outergarments for men
- 61.02 Outergarments for women
- 61.03 Undergarments for men
- 61.04 Undergarments for women

POLAND

- 60.04 Knitted undergarments
- 60.05 Knitted outergarments
- 61.01 Outergarments for men
- 61.02 Outergarments for women
- 61.03 Undergarments for men