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COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 14 December 1973

PROPOSAL FOR A

REGULATION (EEC) OF THE COUNCIL

on the opening of tariff preferences (partial suspension of customs duties) for products made from jute and coir originating in India and products made from jute originating in Bangladesh

(submitted to the Council by the Commission)

COM(73) 2131 final

EXPLANATORY MEMORANDUM

1. In its offer on generalized preferences made at UNCTAD the Community has provided that the preferential treatment will cover, in general, all manufactured and semi-manufactured products falling within Chapters 25 to 99 of the Brussels Nomenclature and originating in developing countries. This preference will consist in the elimination of customs duties.

However, as regards jute and coir products the Community's offer only provides for an elimination of customs duties in the framework of special measures to be determined with the exporting developing countries.

2. In order to complete these arrangements the Commission has been authorized to negotiate on behalf of the Community with the applicant countries, namely: India as regards jute and coir products and Bangladesh as regards jute products. The negotiations with India have resulted in the drawing up of two Agreements; those with Bangaladesh are in process and will shortly lead to the same results.

There is not provision, in particular, in these agreements (except in the agreement on coir products) that the exporting countries will apply appropriate measures in order that exports of the products intended for consumption within the Community will not exceed certain agreed ceilings.

3. The Commission believes that the Agreements concluded with India and, in the near future, with Bangladesh on trade in products manufactured from jute and coir contain special measures provided for in the Community's offer of preferences for these two products. It proposes, therefore, to extend to the products concerned from 1 January 1974 the Community's generalized tariff preferences.

in accordance with the rules and timetable contained in the proposed Regulation attached hereto and summarized below:

(a) The generalized tariff preferences for products manufactured from jute in India and Bangladesh shall be subject to preferential duties for 1974 as shown for each of these products;

(b) Similar provisions shall apply to coir products originating in India;

(c) In Denmark, Ireland and the United Kingdom tariff adjustments arising out of the application of the preferential duties shown in the proposed Regulation may be introduced gradually in accordance with Article 2(2) of the Agreements. In 1974, the United Kingdom and Denmark will continue to apply the duties appearing in their 1973 tariff to products coming from India and Bangladesh so that, in accordance with the Joint Declaration of Intent[1], they may avoid a deterioration in traditional trade flows brought about by too speedy a removal of duties which formerly applied to these products. As regards Ireland, it is considered appropriate that, taking account of the very high rates in force at present for jute products it should be allowed to align its rates gradually with those provided for, that is to say on the dates and in order fixed in Article 39 of the Treaty of Accession.

[1] Joint Declaration of Intent on the development of trade relations with Ceylon (Sri Lanka), India, Malaysia, Pakistan and Singapore annexed to the Act of Accession.

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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 within the framework of UNCTAD the European Economic Community has made an offer concerning the granting of tariff preferences for finished and semi-finished products from developing countries; whereas the preferential treatment provided for by that offer covers, in general, all finished and semi-finished products falling within Chapters 25 to 99 of the Brussels Nomenclature and originating in developing countries.

Whereas the offer contains a clause stipulating that the Community has made the offer on the basis that all the principal industrial countries which are members of the OECD grant preferences and devote comparable efforts to that end and it follows from the conclusions reached within UNCTAD that the offer is provisional does not constitute a binding commitment and, in particular, may subsequently be withdrawn in whole or in part; whereas withdrawal might be decided on, among other measures, in order to correct any unfavourable situations which might arise in the associated countries as a result of the application of the system of generalized preferences;

Whereas, however, as regards jute and coir products, the offer only includes the elimination of customs duties where special arrangements have been made with the developing exporting countries;

Whereas Agreements have just been concluded between the Community and India and Bangladesh respectively concerning products made from jute and coir; whereas the said Agreements refer, in particular, to the "Joint Declaration of Intent on the development of trade relations with Ceylon (Sri Lanka), India, Malaysia, Pakistan and Singapore" contained in the Act annexed to the Treaty concerning the Accession of new Member States to the European Economic Community, and to the European Atomic Energy Community, signed on 22 January 1972, and laying down special regulations governing trade in these products with the Community;

Whereas , it is provided, in particular, that the Commission should, autonomously and within the scope of its offer on the granting of generalize tariff preferences for products made from jute and coir, partially and by stages suspend out Common Customs Tariff duties relating to these products from 1 January 1

Whereas in the light of Protocol No 23 annexed to the Act joined to the Treaty concerning the Accession of new Member States to the European Economic Community and to the European Atomic Energy Community the new Member States are authorized to defer until 1 January 1974 the application of the generalized tariff preference scheme applied by the European Economic Community to products originating in the developing countries; whereas it follows that from that date the new Member States will have to apply in full the customs duties provided for in the generalized tariff preference scheme of the European Economic Community to products made from jute and coir; whereas, however, Article 2(2) of the abovementioned Agreements concerning these products lays down that in Denmark, Ireland and the United Kingdom the tariff adjustments resulting from the opening of the preferences in question may be introduced gradually;

(1) O.J. nr. L 73 dated 27.3.1972, p. 195
(2) P.J. nr. L 73 dated 27.3.72, p. 178

Whereas, therefore, in respect of the products covered by Article 1 of this Regulation, the Commission should until 31 December 1974 allow imports to be partially free from customs duties; whereas the benefit of these reductions should be granted only for the products originating in India and Bangladesh; whereas for this reason the provisions concerning the definition of the concept of the origin of goods should be applied to tariff preferences granted by the European Economic Community for products from developing countries for the period from 1 January until 31 December 1974.

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January until 31 December 1974, the Common Customs Tariff duties on the products listed hereafter shall be suspended preferentially at the rates shown in respect thereof.

Heading number in the Common Customs Tariff	Description	Preferential rates of duty
ex 57.06	Jute yarn	4.8
ex 57.10	Woven fabrics of jute	
	A. Of a width of not more than 150 cm and weighing per square metre:	
	I. Less than 310 g;	12
	II. Not less than 310 g but not more than 500 g;	11.4
	III. More than 500 g.	9
	B. Of a width more than 150 cm	13.2
ex 58.02	Other carpets, carpeting, rugs, mats and matting, and "Kilim", "Schumacks" and "Karamanie" rugs and the like (made up or not):	
	A. Carpets, carpeting, rugs, mats and matting:	
	ex I. Coir mats and matting	13.8
ex 62.03	Sacks and bags, of a kind used for the packing of goods:	
	ex A. Of jute:	
	II. Other:	
	(a) Of fabric weighing less than 310 g/m^2	12

62.03 (cont.)	(b) of fabric weighing not less than 310 g/m^2 but not more than 500 g/m^2	11.4
	(c) of fabric weighing more than 500 g/m^2	9

2. In 1974 Denmark and the United Kingdom shall retain the national customs tariff that they applied in 1973 for the products concerned. For jute textile products falling within tariff headings ex 57.06, ex 57.01 and 62.03 ex A mentioned above Ireland shall align its national customs tariff duties with the abovementioned preferential rates on the dates and in the order fixed in Article 39(1) and (2) of the Act of Accession.

3. The benefit of the suspensions referred to in Article 1 shall be reserved for products originating in India; products originating in Bangladesh shall also benefit from these suspensions, except coir mats and matting falling within tariff heading 58.02 A ex I. The concept of the origin of goods shall be as provided for by the provisions relating thereto which apply to products benefitting from tariff preferences granted by the European Economic Community to developing countries for the period from 1 January until 31 December 1974.

Article 2

1. The Commission, in close collaboration with Member States, shall take all necessary measures to ensure that the foregoing provisions are applied.

2. The Member States shall regularly inform the Commission of imports benefitting under the preceding provisions.

Article 3

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council
The President