REGULATION (EEC) No 3502/73 OF THE COUNCIL

of 18 December 1973

opening, allocating and providing for the administration of Community tariff quotas for certain textile products originating in developing countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Haivng regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, within the context of UNCTAD, the European Economic Community offered to grant tariff preferences on finished and semi-finished products coming from developing countries; whereas the preferential treatment proposed in that offer covers, generally speaking, all finished and semi-finished industrial products covered by Chapters 25 to 99 of the Brussels Nomenclature which originate in developing countries; whereas the preference consists in the granting of exemption from customs duties; whereas preferential imports are effected up to the level of ceilings calculated by value in respect of each product on the basis of factors which are uniform for all the products; whereas, in order that the preferences granted to the most competitive developing country or countries should be restricted and that a substantial share should be reserved for the least competitive, preferential imports from any one developing country in respect of a given product should not, as a general rule, exceed 50% of the ceiling fixed for that product;

Whereas, in the offer made by the Community, the annual ceilings should normally be calculated on the basis of total value for 1968 of cif imports from the countries benefiting from this scheme, excluding those already enjoying various preferential tariff arrangements granted by the Community (basic amount) plus 5% of the value of cif imports from the other countries and from the countries already enjoying such arrangements (additional amount);

Whereas, however, in respect of cotton textile products covered by the long-term arrangement regarding international trade in cotton textiles, the offer made by the Community lays down that the preferences in the form of duty-free ceilings normally calculated according to the formula set out in the preceding recital, will be granted to the countries enjoying generalized preferences which are signatories to the long-term arrangement or possibly to those countries which undertake *vis-à-vis* the Community commitments similar to those existing under that arrangement and for the duration of the said arrangement; whereas the arrangement expired on 30 September 1973 and was extended to 31 December 1973; whereas it may, however, be anticipated that, on a transitional basis, the countries concerned thereby will adopt measures with equivalent aims at least for 1974; whereas it is apparent that only imports from these countries are to form the basis for calculating the abovementioned ceilings; whereas, with particular regard to the link which Article 6 of the said long-term arrangement establishes between cotton products and substitute products, it appears justified in these circumstances and by virtue of the fact that a total suspension of customs duties is involved to include in the same scheme as that described above those substitute textile products given in the conditional list of partial and limited reductions of customs duties deposited with GATT by the Community during the last series of tariff negotiations; whereas, moreover, in view of the special nature which trade in the products concerned may have, it appears expedient, wherever this is justified by the particular sensitivity of the product, to determine in terms of tonnages the ceilings for the preferential imports of such products, taking due account of deliveries effected during 1968 by the beneficiary countries alone; whereas, moreover, particularly in view of the high level of deliveries of the textiles in question to the Community by the third countries concerned, it appears appropriate, except in particular instances, to restrict preferential imports from any single beneficiary country to 30% of the ceiling laid down for each category of textile products concerned;

Whereas the offer made by the Community includes a clause stating that the Community drew up the offer on the assumption that all the main industrialized countries which are members of the OECD would participate in granting preferences and would make similar efforts in this direction; whereas, moreover, it is evident from the conclusions worked out in UNCTAD that this offer, while being of a temporary nature, does not constitute a binding commitment and, in particular, may be withdrawn wholly or in

part at a later date; whereas this possibility may be adopted *inter alia* with a view to remedying any unfavourable situations which might arise in the associated countries following the implementation of the generalized preference scheme;

Whereas, moreover, the Conference of Heads of State or of Government of the Member States and the States acceding to the European Communities held in Paris from 19 to 21 October 1972 invited the Community institutions and the Member States progressively to adopt an overall policy of development cooperation on a world-wide scale comprising in particular the improvement of generalized preferences with the aim of achieving a steady increase in imports of manufactures from the developing countries;

Whereas tariff preferences have been applied from the second half of 1971 under the conditions set out above and whereas these preferences should continue to be applied throughout 1974;

Whereas, in accordance with Protocol No 23 to the Act of Accession [1], the generalized tariff preferences scheme will be fully applicable in the new Member States from 1 January 1974;

Whereas in respect of textile products, the complexity of the measures to be implemented, combined with the abovementioned aim of improving the generalized preferences, can be overcome only by means of a flat-rate increase of some 50% in the ceilings fixed for 1973;

Whereas it is expedient, therefore, in respect of the products referred to in Annex A which originate in the countries listed in Annex B, that the Community should open, for 1974, duty-free Community tariff quotas within the limits of the amounts in metric tons given in respect of each of these products;

Whereas charges against each of these tariff quotas must, in respect of the products originating in any of the abovementioned countries, come within a specified percentage of the amount of the quota; whereas the benefit of such tariff quotas should be reserved for products originating in the countries under consideration, the concept of 'originating products' being determined in accordance with the procedure laid down in Article 14 of Council Regulation (EEC) No 802/68 [2] of 27 June 1968 on the common definition of the concept of the origin of goods;

Whereas it is necessary to ensure equal and continuous access for all Community importers to the abovementioned quotas and the uninterrupted application of the rate laid down for those quotas to all imports of the products concerned into all Member States until those quotas are used up; whereas, having regard to the principles defined above, the Community nature of the quotas can be respected by allocating the Community tariff quota among Member States; whereas, moreover, to this end and in the context of the utilization system, the actual charges against the quotas may relate only to goods which are entered for home use and which are accompanied by a certificate of origin;

Whereas the application of the generally accepted principles in respect of the allocation of the Community tariff quotas which have been opened until now entails, under these circumstances and in view of the variety of the products concerned and in view of the fact that the benefiting countries are specified, calculations which are all the more problematic in that the statistical data required sometimes prove to be incomplete or not sufficiently accurate or representative; whereas the time required for these calculations cannot be reconciled with the continuity necessary for the application of the tariff preferences concerned; whereas, under these conditions, it would be advisable still at this stage to adopt a fixed scale for allocating the Community tariff quotas concerned among the Member States; whereas, using as a basis general economic criteria relating to external trade, in textiles, the gross national product and population, the percentages for the initial shares of the Member States in the quota amounts are as follows for the quota amounts are as follows for the quota year under consideration:

Germany	27%
Benelux	10%
France	19%
Italy	14%
Denmark	7%
Ireland	1%
United Kingdom	22%

Whereas, without affecting the Community nature of the tariff quotas under consideration, it appears possible to provide at this stage for a utilization

[1] OJ No L 73, 27. 3. 1972, p. 14.

[2] OJ No L 148, 28. 6. 1968, p. 1.

scheme based on a single allocation among the Member States; whereas, moreover, the allocation set out by this Regulation in no way prejudices the possibility of adopting, following a limited experimental period, the general method of allocation of Community quotas comprising the setting up of a reserve share; whereas at the present juncture it appears feasible that such allocation could as a rule be made according to the percentages set out in the table above; whereas, however, one of the new Member States, the Kingdom of Denmark, has for a number of years been importing relatively large quantities of certain cotton yarns and woven fabrics falling within heading Nos ex 55.05 and ex 55.09 of the Common Customs Tariff from a number of developing countries and has therefore ceased to produce the articles in question; whereas this special situation should temporarily be taken into account and this Member State should be granted an increased share without restricting the access thereto of countries benefiting from generalized preferences;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of the shares allocated to the Benelux Economic Union may be carried out by any one of its Members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1974 the Common Customs Tariff duties and the tariff duties of the new Member States on the products listed in Annex A shall be completely suspended within the framework of Community tariff quotas of volumes which shall be expressed in metric tons and which shall be indicated against each product in column 3 of that Annex.

Ireland is authorized to apply customs duties equal to the duties it applied in respect of the same products *vis-à-vis* Member States other than the United Kingdom.

2. These tariff quotas shall be enjoyed solely by products originating in the countries listed in Annex B. However, those imports which already enjoy exemption from customs duties under other preferential tariff arrangements granted by the Community may not be charged against these tariff quotas. For the purposes of this Regulation, the concept of originating products shall be determined in accordance with the procedure laid down in Article 14 of Regulation (EEC) No 802/68.

3. The amount to be charged in respect of each country referred to in paragraph 2 against each of the tariff quota amounts mentioned above shall be limited to the maximum amount given as a percentage and in metric tons in column 4 of Annex A against each category of products.

4. Any amendement to Annex B, in particular by the addition of new countries enjoying tariff preferences, may entail a corresponding adjustment to the volumes of the quotas and to the maximum amounts appearing in columns 3 and 4 of Annex A.

Article 2

1. The Community tariff quotas referred to in Article 1 shall be allocated in shares which shall be, for each Member State, the amounts corresponding to quantities shown in column 5 of Annex A against each category of products.

2. The shares allocated to Denmark for certain products falling within heading Nos ex 55.05 and ex 55.09 shall be increased by an amount determined in a footnote to Annex A.

Article 1 (3) shall not apply to such an increase.

Article 3

1. The Member States shall ensure free access to the shares which have been allocated to them for importers of the said goods established in their territory.

2. The extent to which a Member State used up its share shall be determined on the basis of the imports of the said goods which have been entered for home use, and which are accompanied by a certificate of origin in accordance with the rules referred to in Article 1 (2).

3. Goods shall qualify for a tariff quota only if the certificate of origin referred to in paragraph 2 is submitted before the date on which the levying of duties is reintroduced.

Article 4

The Commission shall take all necessary measures to ensure that the maximum amount referred to in Article 1 (3) is observed. When the charges, at Community level, of products originating in each of the countries listed in Annex B, against any one of the Community tariff quotas reach the maximum amount

laid down in column 4 of Annex A, the Commission shall immediately notify the Member States of the date on which, as a result of this factor, the normal tariff is to be reintroduced in respect of the country in question. This notification shall be published in the *Official Journal of the European Communities*.

Article 5

Member States shall inform the Commission at regular intervals of imports of the products in question actually charged against their share.

Article 6

Member States and the Commission shall cooperate closely to ensure that the above Articles are observed.

Article 7

This Regulation shall enter into force on 1 January 1974.

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

Done at Brussels, 18 December 1973.

For the Council

The President

J. CHRISTENSEN

ANNEX A

List of products subject to zero-duty Community tariff quotas under the generalized tariff preferences granted to developing countries

Order No	CCT heading No	Description	Quota amount in metric tons	Maximum amount per country (4)		Volume of shares allocated to Member States in metric tons	
				%	metric tons		
	(1)	(2)	(3)			(5)	
	55.05	Cotton yarn, not put up for retail sale:					
		B. Other:					
		II. Not specified:					
		Single, measuring per kg:					
1		— 14 000 m or less	1 132	30	340	Germany	305·64
						Benelux	113·20
						France	215·08
						Italy	158·48
						Denmark	79·24
						Ireland	11·32
						United Kingdom	249·04
2		— More than 14 000 m and up to 40 000 m	4 274	30	1 282	Germany	1 153·98
						Benelux	427·40
						France	812·06
						Italy	598·36
						Denmark (1)	299·18
						Ireland	42·74
						United Kingdom	940·28
3		— More than 14 000 m and up to 80 000 m	1 470	30	441	Germany	396·90
						Benelux	147·00
						France	279·30
						Italy	205·80
						Denmark (2)	102·90
						Ireland	14·70
						United Kingdom	323·40
4		— More than 80 000 m and up to 120 000 m	210	30	63	Germany	56·70
						Benelux	21·00
						France	39·90
						Italy	29·40
						Denmark	14·70
						Ireland	2·10
						United Kingdom	46·20

(1) Pursuant to Article 2 (2), this share is increased by 1 100·82 metric tons.
(2) Pursuant to Article 2 (2), this share is increased by 597·01 metric tons.

Order No	CCT heading No	Description	Quota amount in metric tons	Maximum amount per country (4)		Volume of shares allocated to Member States in metric tons	
				%	metric tons		
	(1)	(2)	(3)			(5)	
	55.09	Other woven fabrics of cotton:					
		A. Containing 85 % or more by weight of cotton:					
		ex I . Of a width of less than 85 cm:					
5		— Unbleached	766	30	230	Germany	206·82
						Benelux	76·60
						France	145·54
						Italy	107·24
						Denmark	53·62
						Ireland	7·66
						United Kingdom	168·52
		II. Other:					
		— Unbleached, of a width of:					
6		— 85 cm to 115 cm	3 826	30	1 148	Germany	1 033·02
						Benelux	382·60
						France	726·94
						Italy	535·64
						Denmark	267·82
						Ireland	38·26
						United Kingdom	841·72
7		— More than 115 cm and up to 165 cm	2 326	30	698	Germany	628·02
						Benelux	232·60
						France	441·94
						Italy	325·64
						Denmark (1)	162·82
						Ireland	23·26
						United Kingdom	511·72
8		— More than 165 cm	750	30	225	Germany	202·50
						Benelux	75·00
						France	142·50
						Italy	105·00
						Denmark	52·50
						Ireland	7·50
						United Kingdom	165·00
9		— Not specified	316	30	95	Germany	85·32
						Benelux	31·60
						France	60·04
						Italy	44·24
						Denmark (2)	22·12
						Ireland	3·16
						United Kingdom	69·52

(1) Pursuant to Article 2 (2), this share is increased by 787·18 metric tons.
(2) Pursuant to Article 2 (2), this share is increased by 1 177·88 metric tons.

Order No	CCT heading No	Description	Quota amount in metric tons	Maximum amount per country (4)		Volume of shares allocated to Member States in metric tons	
				%	metric tons		
	(1)	(2)	(3)			(5)	
	ex 60.03	Stockings, under stockings, socks anklesocks, sockettes and the like, knitte or crocheted, not elastic or rubberized:					
10		— Of cotton	166	30	50	Germany Benelux France Italy Denmark Ireland United Kingdom	44·82 16·60 31·54 23·24 11·62 1·66 36·52
	61.01	Men's and boys' outer garments:					
11		— In woven fabrics of cotton	200	30	60	Germany Benelux France Italy Denmark Ireland United Kingdom	54·00 20·00 38·00 28·00 14·00 2·00 44·00
12		— Others	200	30	60	Germany Benelux France Italy Denmark Ireland United Kingdom	54·00 20·00 38·00 28·00 14·00 2·00 44·00
	61.02	Women's, girls' and infants' outer garments:					
13		— In woven fabrics of cotton	200	30	60	Germany Benelux France Italy Denmark Ireland United Kindom	54·00 20·00 38·00 28·00 14·00 2·00 44·00
14		— Others	200	30	60	Germany Benelux France Italy Denmark Ireland United Kingdom	54·00 20·00 38·00 28·00 14·00 2·00 44·00
	61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs:					
15		— In woven fabrics other than cotton	200	30	60	Germany Benelux France Italy Denmark Ireland United Kingdom	54·00 20·00 38·00 28·00 14·00 2·00 44·00

Order No	CCT heading No	Description	Quota amount in metric tons	Maximum amount per country (4)		Volume of shares allocated to Member States in metric tons	
				%	metric tons		
	(1)	(2)	(3)			(5)	
	62.02	Bed linen, table linen, toilet linen and kitchen linen, curtains and other furnishing articles:					
16		— In woven fabrics of cotton	166	30	50	Germany	44·82
						Benelux	16·60
						France	31·54
						Italy	23·24
						Denmark	11·62
						Ireland	1·66
						United Kingdom	36·52
17		— Other	88	30	26	Germany	23·76
						Benelux	8·80
						France	16·72
						Italy	12·32
						Denmark	6·16
						Ireland	0·88
						United Kingdom	19·36

ANNEX B

List of developing countries benefiting under generalized tariff preferences for certain textile products

Afghanistan
Argentina
Bangladesh
Colombia
Egypt, Arab Republic of
El Salvador
India
Indonesia
Jamaica
Korea (South)
Malaysia
Mexico
Pakistan
Philippines
Thailand