REGULATION (EEC) No 3503/73 OF THE COUNCIL

of 18 December 1973

opening preferential tariffs for certain textile products originating in developing countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, within the context of UNCTAD, the European Ecomomic 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 the 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 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 preference, in the form of duty-free ceilings ordinarily 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 to calculate in terms of tonnages the ceilings for preferential imports of such products;

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 Member States progressively to adopt an overall policy of development cooperation on a world wide scale comprising in particular the improvement of generalized pref-

erences 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 22 to the Act of Accession [1], the generalized tariff preference scheme will be 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 normally only by means of a flat-rate increase of some 50% in the ceilings fixed for 1973, the calculations for the additional amount of the ceilings having already been made on the basis of 1970 figures;

Whereas, in respect of the products listed in Annex A originating in the countries listed in Annex B, the Community should therefore allow, for each category of these products during 1974, duty-free imports within the limits of the Community ceilings calculated in the manner set out above; whereas the benefit of such tariff exemption 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 charges against each of these ceilings must, as a general rule, come within a maximum Community amount of 50% in respect of the products originating in any of the abovementioned countries;

Whereas, under these circumstances, these objectives may be reached by applying a method of administration based on the charging, at Community level, against the abovementioned ceilings and maximum amounts, of imports of the products concerned as and when these products are presented for customs clearance under cover of declarations that they have been entered for home use and accompanied by a certificate of origin; whereas this method of administration must make provision for the reintroduction of customs duties as soon as the said ceilings or maximum amounts are reached at Community level;

Whereas such method of administration calls for very close and particularly rapid cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which charges are made against the ceilings and maximum amounts and inform Member States thereof; whereas such cooperation should be particularly close in view of the need for the Commission to be able to taken appropriate measures to reintroduce customs duties, either generally or individually, when any of the ceilings or maximum amounts are reached,

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, subject to Article 2 and Article 4 (2) be totally suspended.

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

2. This suspension 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 shall not be charged against the ceilings specified in paragraph 3. 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. Subject to the provisions of Article 2 and Article 4 (2) this suspension shall be granted, in respect of each category of products, within a Community ceiling which shall be equal to 150% of the amount obtained by adding together imports in 1968, expressed in metric tons, of the products concerned from the countries listed in Annex B, excluding those already enjoying various preferential tariff arrangements granted by the Community, and 5% of the tonnage of imports in 1970 from other countries and from countries already enjoying such arrangements.

[1] OJ No L 73, 27. 3. 1972, p. 14.
[2] OJ No L 148, 28. 6. 1968, p. 1.

4. Subject to the provisions of Article 2 and Article 4 (2), within each ceiling thus calculated, charges of products originating in any one of the countries listed in Annex B should not exceed a Community maximum amount equivalent to 50% of this ceiling with the exception of certain products for which the maximum amount shall be reduced to the percentage shown in Annex A.

5. Any amendment to Annex B, in particular by the addition of new countries enjoying tariff preferences, may entail a corresponding adjustment to the Community ceilings and the maximum amounts referred to in paragraphs 3 and 4.

Article 2

1. As soon as the ceilings calculated in accordance with the provisions of Article 1 (3), which are laid down for Community imports of products originating in all of the countries referred to in Article 1 (2) are reached at Community level, the levying of customs duties on imports of the products in question from all the countries concerned may at any time be reintroduced until the end of the period referred to in the first subparagraph of Article 1 (1).

2. As soon as the maximum amounts calculated in accordance with the provisions of Article 1 (4) which are laid down for Community imports of products originating in each of the countries referred to in Article 1 (2) are reached for any one of these countries at Community level, the levying of the customs duties on imports of the products in question from the country concerned may at any time be reintroduced until the end of the period referred to in the first subparagraph of Article 1 (1).

Article 3

1. Imports of the products in question shall be actually charged against the Community ceilings and maximum amounts as and when the goods are entered for home use, and provided that they are accompanied by a certificate of origin pursuant to the rules referred to in Article 1 (2).

2. Goods may be charged against a ceiling or maximum amount only if the certificate of origin referred to above is presented before the date on which the levying of duties is reintroduced.

3. The extent to which the ceilings and maximum amounts have been actually filled shall be determined at Community level on the basis of the imports charged in accordance with paragraphs 1 and 2.

Article 4

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

2. The Commission shall reintroduce the levying of customs duties in respect of all the countries referred to in Article 1 (2) or in respect of any one of them by means of a Regulation in the conditions laid down in Article 2 (1) and (2).

Article 5

Member States shall inform the Commission at regular intervals of imports of the products in question actually charged against the Community ceilings and maximum amounts laid down in Article 1 (3) and (4).

Article 6

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 originating in developing countries to which the generalized tariff preferences for certain textile products will apply (a)

Order	CCT heading No	Description
		CHAPTER 54
1	54.05	Woven fabrics of flax or of ramie
		CHAPTER 55
2	55.05	Cotton yarn, not put up for retail sale:
		A. Multiple or cabled, finished, in balls or on cards, reels, tubes or similar supports, of a weight (including support) not exceeding 900 g
3		B. Other:
		I. Measuring, per single yarn, 120 000 m or more per kg
4	55.06	Cotton yarn, put up for retail sale
5	55.07	Cotton gauze
6	55.08	Terry towelling and similar terry fabrics, of cotton
	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:
7		— Other than raw cotton (1)
8		B. Other
		CHAPTER 56
	56.05	Yarn of man-made fibres (discontinuous or waste), not put up for retail sale:
9		B. Of regenerated textile fibres
	56.07	Woven fabrics of man-made fibres (discontinuous or waste):
10		B. Of regenerated textile fibres

(a) Products qualifying, under the ordinary arrangements, for exemption or total temporary suspension of the Common Customs Tariff duty are only token entries as regards the Member States of the Community as originally constituted, whereas the exemption or suspension is directly and fully applicable by the new Member States under these arrangements, except for Ireland, which is authorized to apply customs duties equal to the duties it applies in respect of the same products *vis-à-vis* Member States other than the United Kingdom.

(1) For products falling within subheading No 55.09 A ex I (other than raw cotton), the maximum Community amount referred to in Article 1 (4) of this Regulation is reduced to 30%.

Order No	CCT heading No	Description
		CHAPTER 58
11	58.04	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading No 58.05)
12	58.10	Embroidery, in the piece, in strips or in motifs
		CHAPTER 60
	60.01	Knitted or crocheted fabric, not elastic or rubberized:
13		B. Of man-made fibres C. Of other textile materials
14	ex 60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized, of cotton (1)
	60.04	Under garments, knitted or crocheted, not elastic or rubberized:
15		A. Of cotton (2)
	60.05	Outer garments and other articles, knitted or crocheted, not elastic or rubberized:
16		A. Outer garments and clothing accessories: ex II. Other, of cotton (2) ex B. Other, of cotton (2)
	60.06	Knitted or crocheted fabric and articles thereof, elastic or rubberized (including elastic knee-caps and elastic stockings):
17		A. Fabric
		CHAPTER 61
	ex 61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs:
18		— Of cotton fabric (1)
19	ex 61.04	Women's, girls' and infants' under garments, of cotton fabric
	61.05	Handkerchiefs:
20		— Of cotton fabric
21		— Of fabrics other than cotton

(1) For products falling within heading Nos 60.02 (of cotton) and ex 61.03 (of cotton), the maximum Community amount referred to in Article 1 (4) of this Regulation is reduced to 30%.

(2) For products falling within subheading Nos 60.04 A, 60.05 A ex II, 60.05 ex B (of cotton fabric), and 62.03 B I ex b) (of cotton fabric), the maximum Community amount referred to in Article 1 (4) of this Regulation is reduced to 30%.

Order No	CCT heading No	Description
		CHAPTER 62
	62.01	Travelling rugs and blankets:
		B. Other:
22		I. Of cotton
	62.03	Sacks and bags, of a kind used for the packing of goods:
		B. Of other textile materials:
23		I. Used: ex b) Other: — Of cotton (1) ex II. Other: — Of cotton
24	62.04	Tarpaulins, sails, awnings, sunblinds, tents and camping goods

(1) For products falling within subheading Nos 60.04 A, 60.05 A ex II, 60.05 ex B (of cotton fabric), and 62.03 B I ex b) (of cottton fabric), the maximum Community amount referred to in Article 1 (4) of this Regulation is reduced to 30 %.

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