REGULATION (EEC) No 354/74 OF THE COUNCIL

of 4 February 1974

opening, allocating and providing for the administration of Community tariff quotas for certain textile products falling within heading Nos 55.05 and 55.09 and subheading No ex 58.01 A of the Common Customs Tariff (1974), coming from Turkey

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, pending the entry into force of the Supplementary Protocol signed in Ankara on 30 June 1973 containing the adjustments to be made to the Agreement establishing an Association between the European Economic Community and Turkey and to the Additional Protocol [1] consequent on the Accession of new Member States, the Community has undertaken, in an Interim Agreement [2] which runs only for the period prior to the entry into force of this Supplementary Protocol but which, in any case, may not extend beyond 31 December 1974, to implement certain provisions of the Supplementary Protocol relating to trade in goods; whereas, under Article 6 of this Interim Agreement amending Article 1 of Annex 2 to the Additional Protocol, the Community must, as from 1 January 1974, reduce by 75% the customs duties on imports from Turkey of certain textile products falling within heading Nos 55.05 and 55.09 of the Common Customs Tariff, within the limit of annual Community tariff quotas of 390 metric tons for cotton yarn and 1 390 metric tons for woven fabrics of cotton, whereas the above-mentioned Article 6 allocates these Community tariff quotas as follows:

— for cotton yarn:

  300 metric tons to the Community as originally constituted, 40 metric tons to Denmark, 10 metric tons to Ireland and 40 metric tons to the United Kingdom;

— for woven fabrics of cotton:

  1 000 metric tons to the Community as originally constituted, 20 metric tons to Denmark, 10 metric tons to Ireland and 360 metric tons to the United Kingdom;

Whereas, moreover, it appears desirable to provide for a provisional adjustment of the tariff advantages for these goods:

— for the Community as originally constituted by a total suspension of the customs duties of the Common Customs Tariff, and an increase of 50% of the volume of quotas allocated to these Member States;

— for the new Member States by a total suspension of the duties applicable within the limits of the quotas fixed above, increased by 50%;

Whereas pursuant to Article 1 of Annex No 2 to the Supplementary Protocol together with Article 2 of the Interim Agreement, for the duration of 1974 in particular, the Community must reduce by 25% the duties applicable in respect of third countries to carpets, carpeting and rugs, knotted (made up or not) of wool or of fine animal hair, (with the exception of hand-made carpets) imported from Turkey; whereas it also appears advisable to improve this tariff advantage provisionally by means of a total suspension of the duties applicable to the products in question within a Community tariff quota of 160 metric tons allocated in accordance with the same percentages as those adopted under the generalized tariff preferences;

Whereas, in order to comply with the special provisions of the Interim Agreement, different systems should be provided for the Member States of the Community as originally constituted and for the new Member States;

Whereas, as regards the Community as originally constituted:

— it is necessary to guarantee to all Community importers equal and uninterrupted access to the

[1] OJ No L 293, 29. 12. 1972, p. 4.
[2] OJ No L 277, 3. 10. 1973, p. 2.

abovementioned quotas and uninterrupted application of the rate laid down for those quotas to all imports of the product concerned into all Member States until the quota has been used up;

— in the light of the principles mentioned above, the Community nature of the quotas can best be respected by allocating the Community tariff quotas among the Member States; whereas, in order to reflect most accurately the actual development of the market in the product concerned, such allocation shall be in proportion to the needs of the Member States, assessed by reference both to the statistics of each State's imports from Turkey over a representative period and to the economic outlook for the quota period concerned; whereas, in spite of the limited need for imports from Turkey of the products concerned, as shown by the statistics for the majority of the Member States the Community character of the tariff quotas concerned should be safeguarded by making provisions to cover needs which might arise in these Member States;

— imports into the various Member States from Turkey were as follows during the past three years for which complete statistics are available:

	1970		1971		1972	
	metric tons	%	metric tons	%	metric tons	%
Cotton yarn						
Germany	4 167	34·91	8 458	49·19	11 736	48·35
Benelux	2 071	17·35	4 626	26·90	6 144	25·31
France	244	2·04	242	1·41	412	1·70
Italy	5 455	45·70	3 867	22·50	5 982	24·64
Other woven fabrics of cotton						
Germany	419	20·17	371	13·99	570	21·17
Benelux	207	9·97	848	31·97	995	36·96
France	449	21·62	603	22·74	747	27·75
Italy	1 002	48·24	830	31·30	380	14·12

— in view of these figures and foreseeable market trends for the products concerned during 1974, the initial shares may be fixed approximately at the following percentages:

	Cotton yarn	*Other woven fabrics of cotton*
Germany	43·8	23·1
Benelux	19·7	30·8
France	5·2	34·6
Italy	31·3	11·5

— in order to take into account the uncertainty of the import trends for the products concerned in the Member States, the quota volumes should be divided into two instalments, the first instalment being allocated to the Member States, and the second held as a reserve intended ultimately to cover the requirements of those Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security to importers, the first instalment should be determined at a relatively high level, which, under present circumstances, may be about 80% of each quota volume;

— the initital quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member States having used up almost the whole of one of its intitial quota shares should draw an additional quota share from the corresponding reserve; whereas, this must be done by each Member States as and when each of its additional quota shares is almost entirely used up, and repeated as many times as each of the reserves allows; whereas each of the initial and additional

quota shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used and inform Member States thereof;

— if, at a specified date in the quota period, a considerable balance remains in one or other Member State it is essential that that Member State pays a percentage of it back into the corresponding reserve, in order to avoid a part of one or other of the Community quotas remaining unused in one Member State when it could be used in others;

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

Whereas as regards the new Member States in particular:

— the quota volumes to be allocated to those new Member States under Article 6 of the Interim Agreement as well as the duties to be applied in those Member States for the purposes of these quotas determined in accordance with Article 2 of the said Agreement, are to be adjusted as set out below;

— equal and uninterrupted access to the quotas should be ensured to all importers and the duties should be applied without interruption to all imports of the products concerned until the quotas have been used up,

HAS ADOPTED THIS REGULATION:

Article 1

1. Until 31 December 1974, Community tariff quotas shall be opened for the following products coming from Turkey, as shown below:

CCT heading No	Description	Quota
55.05	Cotton yarn, not put up for retail sale	885 metric tons
55.09	Other woven fabrics of cotton	2 085 metric tons
58.01	Carpets, carpeting and rugs (made up or not):	
	ex A. Of wool or of fine animal hair with the exclusion of hand-made carpets	160 metric tons

2. The quotas shall be allocated and administered in accordance with the following provisions.

SECTION I

Provisions relating to the Community as originally constituted

Article 2

1. Within the quota Customs Tariff duties shall be totally suspended within the limit of 750 metric tons for cotton yarn not put up for retail sale, 1 500 metric tons for other woven fabrics of cotton, and 112 metric tons for carpets made of wool or fine animal hair.

Article 3

1. The quotas referred to in Article 2 shall be divided into two instalments.

2. The first instalment of each of these quotas shall be shared amongst the Member States; the shares which, subject to Article 6, shall be valid until 31 December 1974, shall be as follows:

(in metric tons)

	CCT heading No		
	55.05	55.09	ex 58.01 A
Germany	252	240	34·7
Benelux	113	320	12·9
France	30	360	24·4
Italy	180	120	18·0

The second instalment of each quota, amounting to 175, 460 and 22 metric tons respectively, shall make up the corresponding reserve.

Article 4

1. If 90% or more of one of any Member State's initial shares, as laid down in Article 3 (2) or 90% of that share less the amount returned into the corresponding reserve, where Article 6 has been applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after one or other of its initial shares has been used up, 90% or more of the second share drawn by one of the Member States has been used up, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7·5% of its initial share.

3. If, after one or other of its second shares has been used up, 90 % or more of the third share drawn by a Member State has been used up, the latter shall, in the same manner, draw a fourth share equal to the third.

This procedure shall be followed until the reserve has been exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 5

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 6

If, on 15 September 1974, a Member State has not used up one or other of its initial shares, it shall, not later than 10 October 1974, return to the reserve the unused portion of this share in excess of 20 % of the initial amount. It may return a larger quantity if there are reasons to consider that this may not be used.

The Member States shall, not later than 10 October 1974, notify the Commission of the total imports of the products concerned effected under the Community quotas up to and including 15 September 1974 and, where appropriate the proportion of each of their initial shares that they are returning to each of the reserves.

Article 7

The Commission shall keep account of the shares opened by Member States in accordance with Article 3 and 4, and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications.

It shall, not later than 15 October 1974, notify the Member States of the state of each of the reserves after the return of shares pursuant to Article 6.

It shall ensure that any drawing which uses up a reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 8

The Member States shall take all measures necessary to ensure that, when additional shares are drawn pursuant to Article 4, it is possible for imports to be counted without interruption against their accumulated shares of the Community tariff quotas.

SECTION II

Provisions relating to the new Member States

Article 9

1. Within the tariff quotas referred to in Article 1, the following shares shall be allocated to the new Member States:

(in metric tons)

	55.05	55.09	ex 58.01 A
Denmark	60	30	11·2
Ireland	15	15	1·6
United Kingdom	60	540	35·2

2. Within the limits of these quotas, the new Member States shall apply zero duties for the textile products concerned.

SECTION III

General provisions

Article 10

1. The Member States shall take all measures necessary to ensure for importers of the products concerned established in their territory free access to the shares allocated to them.

2. The Member States shall count imports of the products concerned against their shares as and when such products are presented for customs clearance under cover of a declaration that they have been made available for consumption.

3. The extent to which the Member States' shares have been used up shall be established on the basis of imports counted in accordance with paragraph 2.

Article 11

Member States shall inform the Commission at regular intervals of imports of the products concerned actually counted against their shares.

Article 12

The Member States and the Commission shall cooperate closely in order to ensure that this Regulation is respected.

Article 13

The tariff quotas laid down in this Regulation shall be opened for 1974.

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, 4 February 1974.

For the Council

The President

W. SCHEEL