COMMISSION REGULATION (EC) No 560/95

of 14 March 1995

deducting from the quantitative limits on import of textile products of categories 4 and 5 originating in the People's Republic of China amounts corresponding to those imported into the Community in circumvention of the Agreement between the European Community and the People's Republic of China on trade in textile products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for import of certain textile products from third countries [1], as last amended by Regulation (EC) No 3289/94 [2], and in particular Article 15 in conjunction with Article 17 thereof,

Whereas enquiries carried out in accordance with the procedures established in Annex IV to Regulation (EEC) No 3030/93 have led the Commission to conclude that certain textile products of categories 4 and 5 have been imported into the Community under false declarations of origin and possibly in circumvention of the provisions of Regulation (EEC) No 3030/93;

Whereas, on the basis of further verifications, carried out with the assistance of third countries' authorities, it has appeared that these products physically emanated from the territory of the People's Republic of China before having been transhipped and imported into the Community under false declarations of origin;

Whereas consultations with the People's Republic of China have been requested and held on several occasions to clarify the situation in order to determine, on the basis in particular of the documentary evidence submitted by the Commission, the true origin of the products concerned and, if appropriate, to reach an agreement on an equivalent adjustment of the quantitative limits applicable to exports to the Community of products originating in the People's Republic of China;

Whereas during the course of the consultations, the Chinese authorities have not challenged the fact that the products in question emanated from the territory of the People's Republic of China, nor the conclusion drawn by the Community that they were therefore of Chinese origin;

Whereas, under the Agreement between the European Community and the People's Republic of China on trade in textile products initialled on 9 December 1988 as extended and modified by the exchange of letters initialled on 8 December 1992, and in particular to Article 7 thereof, exports to the Community of products of categories 4 and 5 originating in the People's Republic of China must be set off against the quantitative limits established for the year in which the shipment of the goods is effected and must be accompanied by an export licence issued by the competent Chinese authorities which, upon presentation to the competent authorities of the Community, will automatically entitle the bearer to an import authorization into the Community for the amount of products covered by the export licence if, after verification, it appears that the agreed quantitative limit has not been exhausted;

Whereas, on the basis of all the elements mentioned above, there are sufficient grounds to conclude that the products imported under false declaration of origin have for origin the People's Republic of China, that they have been imported into the Community without having been set off against the quantitative limits established under the bilateral agreement and that they have, therefore, been imported into the Community in circumvention of the Agreement;

Whereas under the Bilateral Agreement and Regulation (EEC) No 3030/93, in such circumstances, where clear evidence of circumvention has been provided, the Community is entitled to deduct from the quantitative limits established amounts equivalent to the products imported in circumvention of the Agreement if within a specific time limit no satisfactory solution is reached;

Whereas the Community and the People's Republic of China have reached an agreement on the method by which adjustments of the quantitative limits should be made which is deemed to constitute a satisfactory solution within the meaning of Article 15 of Regulation (EEC) No 3030/93;

Whereas it is appropriate to implement the solution agreed and to this end to deduct from the quantitative limits concerned the agreed quantities;

Whereas the adjustments made to the quantitative limits of categories 4 and 5 should not prevent the importation into the Community of products shipped from the People's Republic of China before the entry into force of the present Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Textile Committee established by Regulation (EEC) No 3030/93,

[1] OJ No L 275, 8. 11. 1993, p. 1.
[2] OJ No L 349, 31. 12. 1994, p. 85.

HAS ADOPTED THIS REGULATION:

Article 1

The amounts specified in the Annex to the present Regulation are deducted from the corresponding quantitative limits for imports of products of categories 4 and 5 originating in the People's Republic of China laid down in Annex V to Regulation (EEC) No 3030/93, as indicated in the Annex to the present Regulation.

Article 2

The adjustment referred to in Article 1 to the quantitative limits applicable to products of categories 4 and 5 originating in the People's Republic of China shall not prevent the importation of such products provided they have been shipped from the People's Republic of China to the European Community before the date of entry into force of the present Regulation.

Article 3

This Regulation shall come into force on the 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, 14 March 1995.

For the Commission

Leon BRITTAN

Member of the Commission

ANNEX

Adjustments to the Community quantitative limits applicable for the years 1994 and 1995 to imports of textile products falling into categories 4 and 5 and originating in the People's Republic of China

Year	Category	Amount to be deducted from the existing quantitative limits (pieces)
1994	4	3 500 000 (1)
1995	4	5 437 784
1994	5	212 924 pieces

(1) Should this quantity not be available within the quantitative limits established for the year 1994, the difference will be deducted from the quantitative limits established for the year 1995.