

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 706 final.

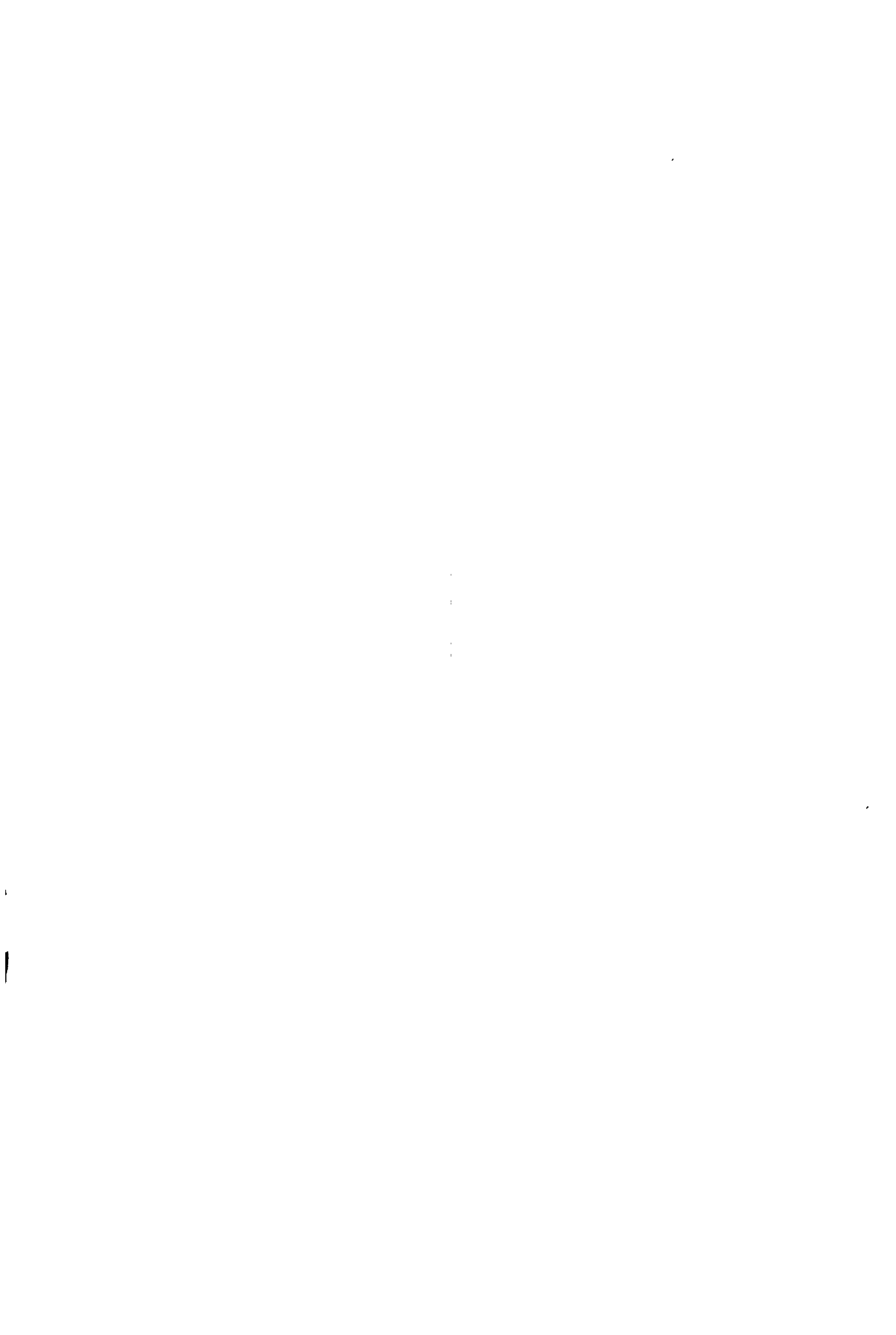
Brussels, 23 December 1976.

RECOMMENDATION FOR A COUNCIL REGULATION

concluding an Agreement between the European Economic
Community and the Republic of India on Trade and
Commercial Cooperation in Jute Products

(submitted to the Council by the Commission)

COM(76) 706 final.



EXPLANATORY MEMORANDUM

1. By a decision of 20 January 1976 the Council authorized the Commission to open negotiations with India for the conclusion of an Agreement on trade in jute products.

2. Pursuant to this decision and in consultation with the Article 113 Committee, the Commission held negotiations with India on 1, 2, 5 and 6 April and from 28 June to 1 July 1976.

3. Following these negotiations a draft Agreement was drawn up, the main provisions of which are as follows¹:
 - (i) India will continue voluntarily to restrict its exports to the Community of certain jute fabrics to agreed levels (categories 4, 5 and 7);
 - (ii) the establishment of a consultation procedure in respect of jute fibres (category 6), which are not subject to import restrictions, to enable such restrictions to be introduced under certain conditions;
 - (iii) provisions to ensure flexibility in the quantitative limits fixed (carryover, advance delivery and transfer);
 - (iv) continuation of a programme of progressive suspension of CCT duties which the Community is carrying out as part of its offer regarding generalized tariff preferences for the products in question (the duty which is currently reduced by 50% or 60% will be reduced by 80% on 1 January 1977 and by 100% (total exemption) on 1 July 1978. In the case of jute fibres, however, duties will be suspended entirely on 1 January 1977, and the total exemption already in force in the United Kingdom and Denmark will continue to be applied.
 - (v) assurances by India that it will provide on non-discriminatory terms the jute products necessary to supply the Community market and industry;
 - (vi) definition of the terms of reference of the Joint Cooperation Committee with a view, inter alia, to examining the possibilities and formulating suggestions regarding research and development cooperation in the production and use of the products in question.

After establishing that the draft Agreement conformed with the outcome of the negotiations, the Heads of Delegation initialled the text on 2 July 1976.

4. The Commission considers the draft Agreement in question an acceptable result for the Community. It recommends that the Council conclude this Agreement by adopting the regulation of which a draft is annexed hereto.

¹An earlier Agreement concluded between the Community and India (cf. OJ L 82, 24 March 1974) on the same products expired on 31 December 1975.

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An Exchange of Notes Verbales in which the two parties have agreed to the de facto application of the provisions of the Agreement pending the completion of the procedures necessary to its formal entry into force is also annexed.

RECOMMENDATION FOR A COUNCIL REGULATION

concluding an Agreement between the European Economic Community and the Republic of India on Trade and Commercial Cooperation in Jute Products

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 Recommendation from the Commission,

Whereas the Agreement on Trade and Commercial Cooperation in Jute Products negotiated between the European Economic Community and the Republic of India should be concluded,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement between the European Economic Community and the Republic of India on Trade and Commercial Cooperation in Jute Products, the text of which is annexed hereto, is hereby concluded on behalf of the European Economic Community.

Article 2

The President of the Council shall notify the other Contracting Party of the completion by the Community of the procedures necessary for the entry into force of the Agreement.

Article 3

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

Done at Brussels,

For the Council

The President

A G R E E M E N T

between the European Economic Community and the Republic of India
on trade and commercial cooperation in Jute products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

and

THE GOVERNMENT OF THE REPUBLIC OF INDIA

of the other part,

DESIROUS of ensuring an increasing use of jute products and
the orderly development of trade in these products between the
European Economic Community, hereinafter referred to as "the
Community", and India;

HAVING REGARD to the Commercial Cooperation Agreement between
the Republic of India and the Community,

NOTING the Joint Declaration of Intent on the development of
trade relations with Ceylon (now Sri Lanka), India, Malaysia, Pakistan
(now Bangladesh and Pakistan) and Singapore, annexed to the Final
Act of the Treaty of Accession of the Kingdom of Denmark, Ireland, the King-
dom of Norway and the United Kingdom of Great Britain and Northern
Ireland to the European Economic Community and the European Atomic
Energy Community, of 22 January 1972,

CONSCIOUS of the provisions of the General Agreement on Tariffs
and Trade,

BELIEVING that it is necessary to encourage and facilitate
contacts and cooperation between their respective jute interests,

STRESSING the need for promoting cooperation in research and
development in the jute sector,

HAVE DECIDED, in a spirit of mutual cooperation, to conclude
this Agreement.

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76.

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Article 1

This Agreement shall apply to manufactured jute products,
originating in and coming from India, as defined in Annex A.

AE

[Signature]

Article 2

For the duration of this Agreement and within the framework of its offer on generalized tariff preferences, the Community shall apply autonomously to manufactured jute products originating in and coming from India, the duties of the Common Customs Tariff suspended in accordance with the rates and timetable set out in Annex B.

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Article 3

1. The Community shall not subject imports of products defined under Article 1 to new quantitative restrictions.
2. As a first step in the direction of eliminating in stages remaining quantitative restrictions, the Community shall suspend the existing quantitative restrictions on the imports of the products defined in Annex C provided that the Government of India applies such measures as are necessary to keep its exports within the quantitative limits set out in this Annex.
3. If additional demand should arise on the Community market, the Community will not object ~~to~~ these quantitative limits being increased on the understanding that the additional quantities shall be determined on the basis of mutual agreement between both Parties.
4. Quantities of the quota shares set out in Annex C not taken up by a Member State of the Community may be used in another Member State, within the limits and in accordance with the procedures in force in the Community. The Community undertakes to reply to any request for re-allocation made by India within four weeks of its receipt.



Article 4

The Community shall not subject imports of jute yarn to quantitative restrictions. However, the Community may, when in its view the conditions prevailing in the Community or in any of its markets are such that a limitation on further trade may be necessary, request consultations with India, provided that the level of imports into such region of the Community market has exceeded the indicative level indicated in Annex E, and provided further that the request for such consultations is accompanied, within a reasonable period of time, by a statement of the market conditions in the Community or in the region of the Community concerned. Until such time as a mutually satisfactory solution has been reached, India undertakes, if so requested by the Community, to limit the issue of export licences for jute yarn to the Community, or to the region or regions of the Community market concerned, at the level ^{to be} indicated by the Community.



Article 5

1. Imports into the Community of jute products covered by this Agreement which are intended for immediate re-export from the Community or for processing and subsequent re-export outside the Community shall not be subject to the quantitative limits established by this Agreement. The Community authorities shall ascertain, under the administrative system of control in force for this purpose within the Community, the quantities of jute products imported from India which are immediately re-exported or processed and subsequently re-exported from the Community, and inform the Indian authorities thereof.

2. In any case where the competent authorities within the Community ascertain under the administrative system of control in force that imports of jute products covered by this Agreement have been charged against the ceilings established under this Agreement but have subsequently been re-exported from the Community, the authorities concerned will inform the Indian authorities of the quantities involved and will authorize imports of the same quantities which shall not be charged against the ceilings fixed by the Agreement.

3. In any case, where ^{the} Community authorities ascertain that the imports referred to in paragraph 1 have been retained for consumption within the Community, the latter will notify the Government of India on a quarterly basis of the amounts involved. In such cases the Government of India shall, at the request of the Community, charge such amounts against the quantitative limit or limits in question for the current year.



Article 6

1. Within any one Agreement year, the unused portions of one of the quantitative limits established under this agreement in respect of any region of the Community market may be transferred to another quantitative limit established for the same region of the Community market as follow:

from the category 4/5 to the category 7, and vice-versa provided that the quantities involved do not exceed 20 % of the quantitative limit to which they are transferred.

2. Unused quantities, not exceeding 10 % of one annual ceiling, may be carried over and added to the ceiling for the following year.

3. Each annual ceiling may be exceeded, up to a limit of 10 % of its total, in anticipation of the ceiling for the following year.

4. The above flexibility provisions must not, in any single given Agreement year, result in any ceiling being exceeded by more than 20 %.

5. The provisions of the preceding paragraphs shall only be applied by India following written notification to the Community by the Indians authorities.

Article 7

1. The agreed quantitative limits shall be administered using a system of double checking the details of which are set out in Annex D, subject to such changes as may be mutually agreed upon in the Joint Cooperation Committee set up in Article 10.

2. India undertakes to inform the Community, on a quarterly basis of the total quantities covered by export authorisations issued by the Indian authorities for all the jute products referred to in Article 3 and, where appropriate, in Article 4.

3. Similarly the Community will inform the Indian authorities, on a quarterly basis, of the total volume of imports into the Community of the products in question.



Article 8

1. The implementation of this Agreement shall not disrupt the normal trade channels between India and the Community.

2. Should one of the Parties inform the other that special difficulties have arisen in this connection, the two Parties shall consult each other, within the framework of the Joint Cooperation Committee, in order to determine the measures necessary to remedy the situation.



Article 9

Without prejudice to the policies of the Government of India concerning the regulation of its exports according to the production situation and the external demand for the above mentioned products, India undertakes to take appropriate steps to ensure that the needs of the Community market and industries are met in a non-discriminatory manner.

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Article 10

1. A Joint Cooperation Committee shall be set up and entrusted with the following tasks:

- to arrange consultations promptly at the request of either Party on any matter concerning this trade in jute products in a spirit of cooperation;
- to examine any problem which may arise as a result of the implementation of this Agreement, including the perspectives, in the light of the economic situation in the Community's jute sector, for the elimination in stages of quantitative restrictions;
- to examine ways and means of increasing and diversifying the end-uses of jute products, including studies of the experience of other markets in this regard;
- to investigate possibilities, and formulate suggestions for, cooperation in regard to research into and development of, the production and uses of jute products;
- to develop contacts between, and facilitate joint projects and programmes mutually agreed upon by, representatives of the jute trade and industries of both India and the Community.

2. The Joint Cooperation Committee shall be composed of representatives of the Republic of India and the Community.

3. The Joint Cooperation Committee shall be convened ~~at~~^{on} the request of either Contracting Party and, in any case, at least once a year.



Article 11

This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other that the procedures necessary for this purpose have been completed, and shall apply from 1 January 1976. It shall remain in force until 31 December 1979.

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[Signature]

Article 12

The Annexes form an integral part of this Agreement.

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Article 13

This Agreement has been drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Hindi languages, each text being authentic.

Done at

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on the

A handwritten signature in black ink, appearing to be a stylized 'L' or similar character.

ANNEX A

Definition of categories of jute products covered by Article 1

- Category 1 Jute fabrics weighing more than 500 g/m² and of a width of not more than 150 cm, and jute bags of fabric weighing more than 500 g/m².
- Category 2 Jute fabrics weighing not less than 310 g/m² but not more than 500 g/m², and of a width of not more than 150 cm, and jute bags of fabrics weighing not less than 310 g/m² but not more than 500 g/m².
- Category 3 Jute fabrics weighing less than 310 g/m² and of width of not more than 150 cm, and jute bags of fabric weighing less than 310 g/m².
- Category 4 Jute fabrics of a width of more than 150 cm but not more than 230 cm, irrespective of their weight per m², other than these referred to in category 7.
- Category 5 Jute fabrics of a width of more than 230 cm, irrespective of their weight per m², other than those referred to in category 7.
- Category 6 Jute yarn^d.
- Category 7 Jute fabrics (1), bleached, dyed or printed, either whole or in part, of a width of more than 150 cm, irrespective their weight per m².

(1) With no patent selvages at any interval throughout .../...
the width of the cloth

Tariff suspensions covered by Article 2

CCT Heading N°	Description of goods	Rate of reduction to be applied	
	 1.1.1977	1.7.1978
57.06	Yarn of jute or of other textile bast fibres of heading No 57.03.	100 %	
57.10	Woven fabrics of jute or of other textile bast fibres of heading No 57.03		
	A. Of a width of not more than 150 cm and weighing per m ²		
	I. Less than 310 g	80 %	100%
	II. Not less than 310 g but not more than 500 g	80%	100%
	III. More than 500 g	80%	100%
	B. Of a width of more than 150 cm	80%	100%
62.03	Sacks and bags of a kind used for the packing of goods		
	A. Of jute or of other textile bast fibres of heading No 57.03		
	II. Other		
	(a) Of fabrics weighing less than 310 g/m ²	80%	100 %
	(b) Of fabric weighing not less than 310 g/m ² but not more than 500 g/m ²	"	"
	(c) Of fabric weighing more than 500 g/m ²	"	"

The Community hereby undertakes to continue to suspend customs duties on all imports of packaging materials, in accordance with the provisions of the Customs Convention on temporary imports of packing items.

.../...

Products for which India will exercise restraint towards the Community from the entry into force of this Agreement.

The Community hereby notifies India that the quantitative limits for the jute products mentioned below will be allocated between the Member States as follows:

Categories 4/5

Quantitative limits

(Metric tons)

Member State	1976	1977	1978	1979
BNL	4.547	4.569	4.592	4.615
DK	696	698	701	705
F	825	940	1.083	1.224
FRG	1.820	2.058	2.332	2.607
IRL	500	700	800	1.000
I	348	402	462	487
UK	1.450	1.600	1.800	1.990
EEC	10.186	10.967	11.770	12.628

Products for which India will exercise restraint towards the Community from the entry into force of this Agreement.

The Community hereby notifies India that the quantitative limits for the jute products mentioned below will be allocated between the Member States as follows :

Category 7 Quantitative limits (Metric tons)

Member State	1976	1977	1978	1979
BNL	586	589	592	595
DK	174	175	176	177
F	185	205	227	251
FRG	455	490	530	571
IRL	100	140	170	200
I	93	97	108	117
UK	350	390	430	480
EEC	1.943	2.086	2.233	2.391

System of double checking referred to in Article 7

1. In the Community, the competent authorities shall accept, without delay, imports of products listed in Article 3 of this Agreement upon production of the importer's request together with the original copy of the export permit (1).
2. The competent Indian authorities shall issue export permits for all the products listed in Article 3 of this Agreement within the quantitative limits set out in Annex C (and in any case where the provisions of article 4 have been invoked).
3. The export permit must mention :
 - (a) the destination, (relevant Member State)
 - (b) the serial number,
 - (c) the name and address of the importer,
 - (d) the name and address of the exporter,
 - (e) the net weight (in kilogrammes or metric tons) and the value,
 - (f) the category and the classification of the products,
 - (g) the certification issued by the authorities stating that the quantity has been debited against the agreed quantitative limits for export to the Community (relevant Member State) or, where appropriated is for immediate re-export or for inward processing and subsequent re-export outside the Community.
4. In the Community, the competent authorities shall accept, within reasonable limits, differences between the weight as stated in the export permit and the cargo weight or the imported weight. The competent Indian authorities shall however endeavour to reduce such discrepancies to a minimum.
5. The competent Indian authorities shall notify the competent authorities in the Community of any withdrawal, or part withdrawal, of an export permit. The latter shall, within the context of the administrative regulations governing such matters, take appropriate steps.
6. The competent Indian authorities shall forward every three months to the competent authorities in the Community, via the Commission, a summary of the export permits issued. These summaries shall state, for every category of product, the net weight in metric tons of the authorized exports, their assignment to the various ceilings and the Member States of the Community to which the goods have been consigned.
7. The competent Community authorities shall forward every three months to the competent authorities in India, via the Mission of India to the European Economic Community in Brussels a summary of the most recent figures available for imports of products covered by this Agreement.

(1) Where import licences are required under the regulation in force in one or other Member State, such licences shall be issued automatically on demand, within a limited number of days.

Indicative levels for the imports of jute yarn with reference
to article 4 of the Agreement

Metric tons

Benelux

640

United Kingdom

240



JOINT DECLARATION

The Contracting Parties agree to make a special effort to fulfil the tasks set out in Article 10 of the Agreement. To this end they will:

- a) encourage and facilitate contacts between Indian and Community jute interests, in particular through
 - annual review and monitoring meetings between the industrial and commercial interests of the two sides;;
 - exchange of delegations ;
 - the formulation and execution of joint promotion and publicity campaigns;
- b) examine the possibility of providing support for any programmes or projects jointly recommended by the jute interests of the two sides as likely to be of mutual benefit to these interests;
- c) to consider modalities to facilitate contacts and cooperation between the Indian Jute Industries Research Association and interested European research institutes and examine the possibility of providing support for any specific projects jointly drawn up or recommended by them.