

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 619 final.

Brussels, 25 November 1976.

RECOMMENDATION FOR A COUNCIL REGULATION

concluding an Agreement between the European Economic
Community and the People's Republic of Bangladesh in
jute products

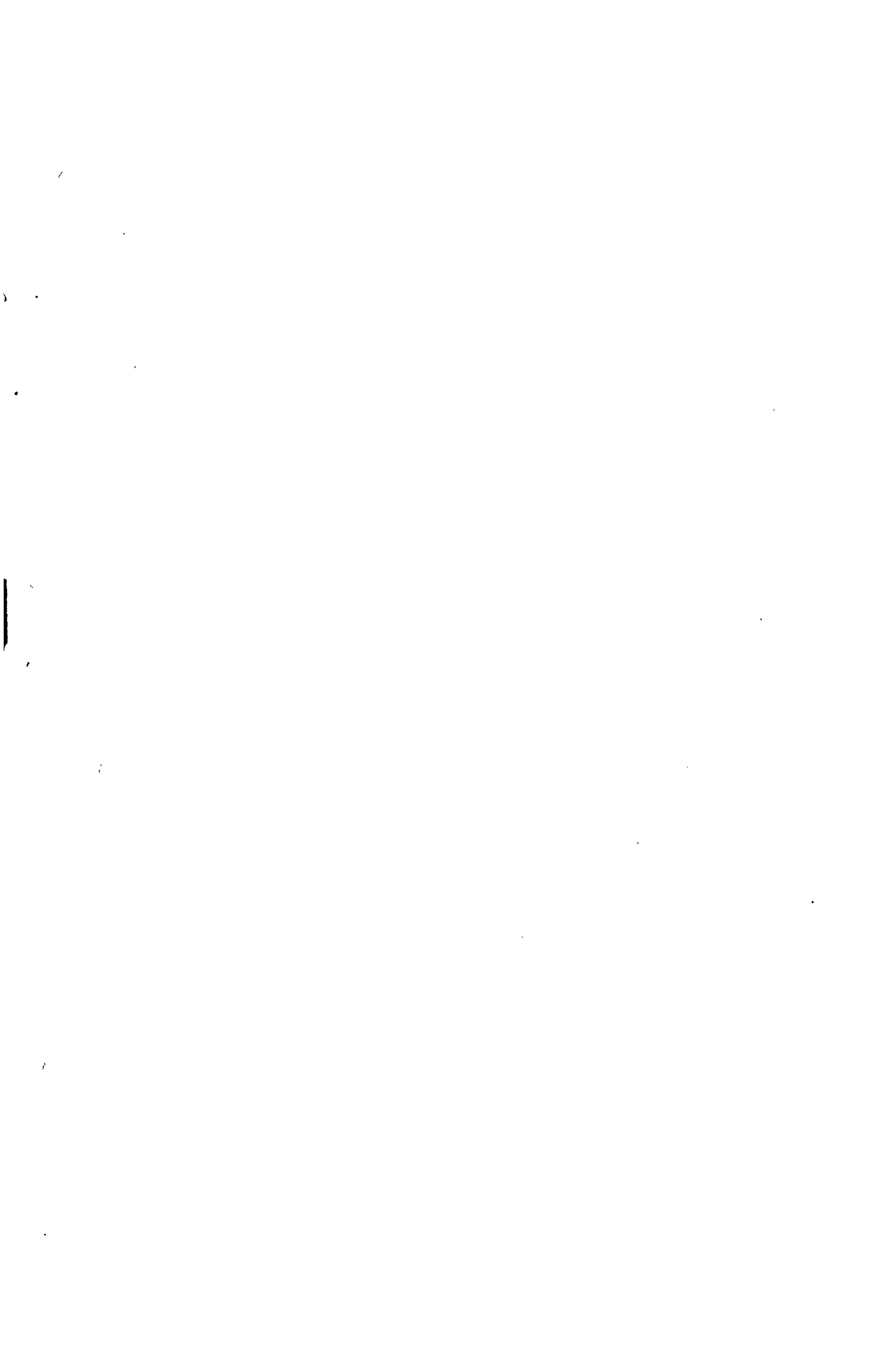
(submitted to the Council by the Commission)

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EXPLANATORY MEMORANDUM

1. By a decision of 20 January 1976 the Council authorized the Commission to open negotiations with Bangladesh 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 Bangladesh during the months of April, May and July 1976.
3. Following these negotiations a draft Agreement was drawn up, the main provisions of which are as follows (1) :
 - Bangladesh will continue voluntarily to restrict its exports to the Community of certain jute fabrics to agreed levels (categories 4,5 and 7);
 - 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;
 - provisions to ensure flexibility in the quantitative limits fixed (carryover, advance delivery and transfer);
 - 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 fibres, however, duties will be suspended entirely on 1 January 1977, and the total exemption already in force on the United Kingdom and Denmark will continue to be applied;
 - assurances by India that it will provide on non-discriminatory terms the jute products necessary to apply the Community market and industry;
 - 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.

(1) An earlier Agreement concluded between the Community and Bangladesh (cf. OJ L 323/18, 3 December 1974) on the same products expired on 31 December 1975.

After establishing that the draft Agreement conformed with the outcome of the negotiations, the Heads of Delegation initialled the text on 23 July 1976.

4. The Commission considers this 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.

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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 People's Republic of Bangladesh on Trade 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 in Jute Products negotiated between the European Economic Community and the People's Republic of Bangladesh should be concluded,

HAS ADOPTED THIS REGULATION :

Article 1

The Agreement between the European Economic Community and the People's Republic of Bangladesh 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

AGREEMENT BETWEEN THE
PEOPLE'S REPUBLIC OF BANGLADESH
and the
EUROPEAN ECONOMIC COMMUNITY
ON TRADE IN JUTE PRODUCTS

JA
23.7.76

[Signature]
23.7.76

A G R E E M E N T

between the European Economic Community and the People's Republic of Bangladesh on trade in jute products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

of the other part,

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 Kingdom 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,

HAVING REGARD to the Commercial Cooperation Agreement between the People's Republic of Bangladesh and the Community,

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

CONSCIOUS of the particular importance of the production and export of jute and jute products for the economy of the People's Republic of Bangladesh,

DESIROUS of ensuring an increasing use of jute products and the orderly development of trade in jute products between the European Economic Community, hereinafter referred to as "the Community", and the People's Republic of Bangladesh,

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

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

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



Article 1

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

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Article 2

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

CA




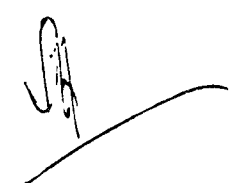
Article 3'

1. The Community shall not subject imports of the products defined under Article 1 to new quantitative restrictions.

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 Bangladesh applies such measures as are necessary to keep its exports within the limits set out in this Annex. The Community agrees to take all appropriate steps in order to facilitate and encourage the full utilisation of the agreed quotas.

2. The Community shall not object to the limits allocated in Annex C being exceeded in the event of additional demand developing on the market of the Community, taking also into account the level of the imports into the Community of raw jute, on the understanding that any additional quantity shall be fixed by mutual agreement between the parties.

3. Quantities set out in Annex C not taken up by anyone Member State of the Community may be used by another Member, in accordance with the procedures in force in the Community. The Community undertakes to consider as favorably as conditions in the Community market allow any request for re-allocation made by Bangladesh and to reply to this request within four weeks of its receipt.



Article 4

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 provided they are entered as such under an administrative system of control in force for that purpose within the Community.

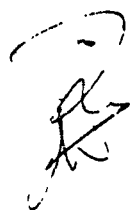
2. In any case, where Community authorities ascertain that the imports referred to in paragraph 1 have been retained for consumption within the Community, the latter will notify the Government of Bangladesh on a quarterly basis of the amounts involved. In such cases Bangladesh shall at the request of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

3. 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 counted against the ceilings established under this Agreement but have subsequently been re-exported from the Community, the authorities concerned will inform the Bangladesh authorities of the quantities involved and will authorize imports of the same quantities which shall not be counted against the ceilings fixed by the Agreement.



Article 5

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 Bangladesh, 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, Bangladesh 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 6

1. Within any one Agreement year, the unused portions of any 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 :

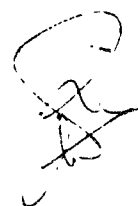
- from the category 4/5 to the category 7 and vice-versa provided that the quantities involved do not exceed 20% of the quantitative limit to which they are transferred:

2. Unused quantities, not exceeding 10% of one annual ceiling, may be carried over and added to the same 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 same ceiling for the following year. Quantities used in anticipation shall be deducted from the same ceiling of the subsequent 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 Bangladesh following written notification to the Community by the Bangladesh authorities.

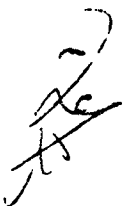
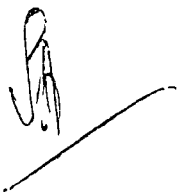


Article 7

1. The agreed ceilings 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.

2. Bangladesh undertakes to inform the Community, on a six monthly basis, of the total quantities covered by export authorisations issued by the Bangladesh authorities for all the jute products referred to in article 3 and, where appropriate, in article 5.

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



Article 8

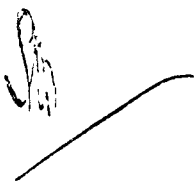
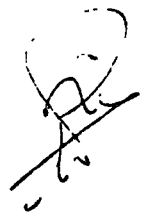
The implementation of this Agreement shall not disrupt the normal trade channels between Bangladesh and the Community.

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

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Article 9

Without prejudice to the policies of the Government of Bangladesh concerning the regulation of its exports according to the production situation and the external demand for the above-mentioned products, Bangladesh undertakes to take appropriate steps to ensure that the needs of the Community market and industries are met in a nondiscriminatory 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 their 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 examine the feasibility of promoting the use of jute products by means of publicity and marketing activities;
- to develop contacts between, and facilitate joint projects and programmes mutually agreed upon by, representatives of the jute trade and industries of both Bangladesh and the Community.

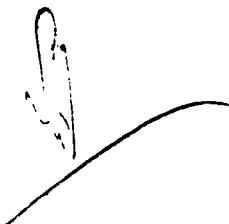
2. The Joint Cooperation Committee shall be composed of representatives of the People's Republic of Bangladesh and the Community.

3. The Joint Cooperation Committee shall be convened at the request of either Contracting Party, in any case at least once a year, and at a place mutually agreed upon.



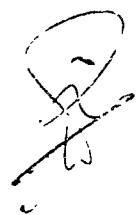
Article 11

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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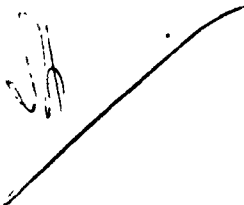
Article 12

The Annexes form an integral part of this Agreement.

A handwritten signature consisting of a vertical stroke followed by a horizontal stroke, with a long, sweeping flourish extending to the right.A handwritten signature featuring a large, circular loop at the top, with a vertical stroke descending from it, and a horizontal stroke crossing the vertical one near the bottom.

Article 13

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



Definition of categories of jute products covered by Annex 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 fabric 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 those 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 .
- Category 7 Jute fabrics (1) bleached, dyed or printed, either wholly or in part, of a width of more than 150 cm, irrespective of their weight per m².

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



Particulars on the implementation of the system of
double control as provided by Article 7

1. In the Community, the competent authorities shall accept, without delay, the import of products listed in Annex C of this Agreement upon production of the importer's request together with the original copy of the export permit (1).
2. The competent authorities in Bangladesh shall deliver export permits for all the products listed in Annex C of this Agreement within the limits of the ceilings set out in that Annex.
3. The export permit shall 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 delivered by the authorities and stating the ceiling under which the products fall.
4. In the Community the competent authorities shall accept, within reasonable limits, differences between the weight as stated in the import permit and the cargo weight or the imported weight. In Bangladesh the competent authorities shall, however, endeavour to reduce to a minimum such possible discrepancies.
5. In Bangladesh the competent authorities shall notify any withdrawal, or part withdrawal, of an export permit to the competent authorities in the Community. The latter shall, within the context of the administrative regulations governing such matters, take appropriate steps.
6. The competent authorities in Bangladesh shall forward to the competent authorities in the Community, through the Embassies of the Member States and directly to the Commission, every six months a survey of the delivery of export permits. Such surveys shall state, for every category of product, the net weight in metric tons of the authorised exports, their assignment to the various ceilings and the Member States of the Community, to which the goods have been consigned.

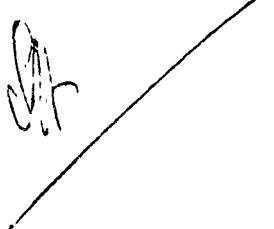
(1) In case where any import licence may be required by national procedures, such licences shall be issued automatically, within a limited number of days.

Indicative levels for the imports of jute yarn with reference
to article 5 of the Agreement

Metric tons

Benelux 3.950

United Kingdom 2.600





THE CONTRACTING PARTIES

The Contracting Parties agree to make a special effort to fulfill the tasks set out in Article 10 of the Agreement. To this end they will endeavour to facilitate annual round-table discussions between the industrial, commercial and research interests on both sides, and they undertake to examine the possibility of providing support for any programmes or projects recommended as a result of such discussions as likely to be of mutual benefit to them.

COMMISSION

DES

COMMUNAUTÉS EUROPÉENNES

Direction générale
des relations extérieures

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NOTE VERBALE

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The Directorate General for External Relations presents its compliments to the Mission of the People's Republic of Bangladesh to the European Communities and has the honour to refer to the Agreement on trade in jute products negotiated between Bangladesh and the Community and initialled today.

The Directorate General for External Relations wishes to inform the Government of Bangladesh that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Community is prepared to allow the provisions of the Agreement to apply de facto from today if the Government of the People's Republic of Bangladesh is disposed to do likewise.

The Directorate General for External Relations would be grateful if the Government of Bangladesh would confirm its agreement to the foregoing.

The Directorate General for External Relations avails itself of the opportunity to renew to the Mission of Bangladesh to the European Communities the assurances of its highest consideration.

Brussels, 23. VII. 1976

Mission of the People's Republic
of Bangladesh to the European Communities
rue Baron de Castro, 27
1040 Brussels





No. EC/EEC.-2/76-79

Directorate General of External Relations
No.
Date 23 July 1976
Aff.

BANGLADESH MISSION TO THE
EUROPEAN COMMUNITIES
RUE BARON DE CASSINO, 2
1040 BRUSSELS

23rd July, 1976

NOTE VERBALE

The Mission of the People's Republic of Bangladesh to the European Communities presents its compliments to the Directorate General of External Relations and has the honour to refer to Note Verbale No.D2 of 23rd July, 1976 worded as follows:-

"The Directorate General of External Relations presents its compliments to the Mission of the People's Republic of Bangladesh to the European Communities and has the honour to refer to the Agreement on trade in jute products negotiated between Bangladesh and the Community and initialled today.

The Directorate General for External Relations wishes to inform the Government of Bangladesh that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Community is prepared to allow the provisions of the Agreement to apply de facto from today if the Government of the People's Republic of Bangladesh is disposed to do likewise.

The Directorate General for External Relations would be grateful if the Government of Bangladesh would confirm its agreement to the foregoing.

The Directorate General for External Relations avails itself of the opportunity to renew to the Mission of Bangladesh to the European Communities the assurances of its highest consideration."

The Mission of the People's Republic of Bangladesh to the European Communities has the honour to confirm the Agreement of the Bangladesh authorities to apply de facto from today the provisions of the Agreement on trade in jute products negotiated between Bangladesh and the Community and initialled today.

The Mission of Bangladesh to the European Communities avails itself of this opportunity to renew to the Directorate General of External Relations the assurances of its highest consideration.

Directorate General of
External Relations,
European Communities,
201, Rue de La Loi,
1049 - Brussels.

