

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1517 final

Brussels, 25 September 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

opening, allocating and providing for the administration  
of a Community tariff quota for other woven fabrics of  
cotton falling within heading No 55.09 of the Common  
Customs Tariff originating in Israel

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(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Article 2 of the Agreement at present in force between the European Economic Community and Israël, read with Article 3 of Annex I thereto, provides for the opening of Community tariff quota of 300 tons for the importation into the Community of other cotton fabrics, originating in Israël, falling within the Tariff Heading No 55.09.
2. These provisions apply only to the six original Member States, since the "Protocol fixing certain provisions relating to the Agreement between the European Economic Community and Israël in consequence of the Accession of the new Member States to the European Economic Community" of 30 January 1973 (OJ No L 66, 13 March 1973) provides that as regards the new Member States the situation shall remain as before. The Protocol also provides that the contracting parties are to lay down before 1 January 1974 the transitional measures and adjustments which may appear necessary following the accession of the new Member States.

In July 1973, the Community opened negotiations with Israël with a view to concluding, by 1 January 1974, a new Agreement to replace the 1970 Agreement. However, in view of the present state of these negotiations, it is by no means certain that the Agreement could enter into force on 1 January 1975 but rather on a later date which might well be within the first half of 1975.

3. In view of the foregoing, the Commission believes that the possible necessity should be provided for of opening a tariff quota, under the current Agreement, in favour of Israël. Consequently, the relevant tariff quota should be opened by 1 January 1975 and therefore approved by the Council before 1 November 1975.

It is therefore necessary to initiate the procedures for opening the relevant tariff quota .

However, in view of the possible entry into force of a new Agreement it is proposed to confine the period of validity of this Community tariff quota for the year 1975 to the period not-covered by the new Agreement.

This is the object of the proposal annexed hereto.

4. The Regulations provide, in the usual way, for the splitting up of the tariff volumes into two parts, of which the first will be allocated among the Member States as quota shares and the second will be kept as reserve.
  
5. The allocation of the first part of each quota has been undertaken according to the rules generally applied hitherto. The total imports of each Member State for 1971 to 1973 have been expressed as a proportion of total Community imports over the same period. The resulting percentages have been applied State by State to the volume of the first part, the last digit of the number of metric tons being rounded off.
  
6. The proposed Regulation on other cotton fabrics provides for a single method of administration, to be applied by all Member States, namely the "as and when" method.

**Proposal for a  
REGULATION (EEC) No ... OF THE COUNCIL  
of .....**

**opening, allocating and providing for the administration of a Community tariff quota  
for other woven fabrics of cotton falling within heading No 55.09 of the Common  
Customs Tariff, originating in Israel**

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 the Agreement between the European Economic Community and the State of Israel, signed at Luxembourg on 29 June 1970, provides in Article 2 (1), **taken** together with Article 3 of Annex I, for the opening by the Community of an annual Community tariff quota of 300 metric tons of other woven fabrics of cotton falling within heading No 55.09 of the Common Customs Tariff originating in Israel; whereas pursuant to Article 1 of the said Annex the quota duty is equal to 50% of the Common Customs Tariff duty in respect of the product concerned; whereas therefore a Community tariff quota of 300 metric tons at duty rates of 6.5%, 7%, 7% and 7.5% for products falling within subheading Nos 55.09 A I, A II, B I and B II respectively should be opened for 1975;

Whereas the Community tariff quota in question should be opened for the year 1975; and whereas, however, because of the possibility of the entry into force during 1975 of a new Agreement in this regard between the European Economic Community and Israel, it is necessary to confine the period of validity of this tariff quota to **such period as is not covered by the new Agreement;**

Whereas equal and continuous access to the quota should be ensured for all Community importers and the rate of levy for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas a Community tariff arrangement based on an allocation between the Member States would seem to preserve the Community nature of the quota; whereas to represent as closely as possible the actual development of the market in the product in question the allocation should follow proportionately the requirements of the Member States calculated from both statistics of imports from Israel during a representative reference period and the economic outlook for the tariff period in question;

Whereas, during the past three years for which statistics are available, the corresponding imports by each of the Member States represent the following percentages of the imports into the Community from Israel of the products concerned:

	1971	1972	1973
Germany	89.9	94.5	89.8
Benelux	—	0.5	0.1
France	2.5	2.5	4.6
Italy	7.6	2.5	5.5

Whereas, in view of these figures and of the estimates submitted by certain Member States, initial quotas may be fixed approximately at the following percentages:

Germany	88.9
Benelux	1.3
France	4.5
Italy	5.3

Whereas, to take account of future import trends in the various Member States for the products concerned, each quota volume should be divided into two tranches, the first being allocated amongst the Member States and the second held as a reserve to cover at a later date the requirements of Member States who have used up their initial shares; whereas to give importers some certainty the first tranche of each Community tariff quota could be fixed at approximately 75% of the quota amounts;

Whereas the initial shares of the Member States may be used up at differing rates; whereas, therefore, to avoid disruption

of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this must be done by each Member State as each of its additional shares is almost used up, and as many times as the reserve allows; whereas each initial and additional share must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the tariff quotas have been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial proportion of a Member State's initial share remains unused it is essential that that Member State return a significant percentage thereof to the reserve, in order to prevent a part of the Community quota from remaining unused in one Member State while it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that Economic Union may be carried out by one of its members;

HAS ADOPTED THIS REGULATION:

*Article 1*

From 1 January 1975 until 31 December 1975 the Common Customs Tariff duties in respect of the products originating in Israel set out in the table below shall be partially suspended at the rates indicated for each of them, within the limits of an overall Community tariff quota of 300 metric tons:

CCT heading No	Description of goods	Rate of duty (%)
55.09	Other woven fabrics of cotton:	
	A. Containing 85% or more by weight of cotton:	
	I. Of a width of less than 85 cm	6.5
	II. Other	7.0
	B. Other:	
	I. Of a width of less than 85 cm	7.0
	II. Other	7.5

*Article 2*

1. A first tranche of 225 metric tons of the Community tariff quota referred to in Article 1 shall be allocated among the Member States. The respective individual shares, which subject to Article 5 shall be valid until the end of the period specified in Article 1, shall be as follows:

Germany	200	metric tons
Benelux	3	metric tons
France	10	metric tons
Italy	12	metric tons

2. A second tranche of 75 metric tons shall constitute the reserve.

*Article 3*

1. If 90% or more of a Member State's initial share as specified in Article 2 (1), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit, to the extent permitted by the amount of the reserve.

2. If, after its initial share has been used up, 90% or more of the second share drawn by a Member State has been used up, that Member State shall, in the manner provided in paragraph 1, draw a third share, equal to 7.5% of its initial share, rounded up where necessary to the next unit.

3. If, after its second share has been used up, 20% or more of the third share drawn by a Member State has been used up, that Member State shall, in like manner, draw a fourth share equal to the third.

This process shall continue to apply until the reserve is used up.

4. By way of derogation from paragraphs 1 to 3, a Member State may draw shares lower than those fixed in those paragraphs if there are grounds for believing that they may not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### Article 4

Additional shares drawn pursuant to Article 3 shall be valid until the end of the period specified in Article 1.

#### Article 5

A Member State which on 15 September 1975 has not used up its initial share shall return to the reserve not later than 10 October 1975 the unused portion exceeding 20% of the initial amount. It may return a greater portion if there are grounds for believing that it may not be used up.

Member States shall, not later than 10 October 1975, notify the Commission of the total quantities of the said goods imported up to and including 15 September 1975 and charged against the Community tariff quota and of any quantities of the initial share returned to the reserve.

#### Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and shall, as soon as it has been notified, inform each state of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 15 October 1975, of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

#### Article 7

1. Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated shares in the Community quota.

2. Member States shall ensure that importers of the said goods established in their territory have free access to the shares allocated to them.

3. Member States shall charge imports of the said goods against their shares as and when such goods are entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of imports charged in accordance with paragraph 3.

#### Article 8

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

#### Article 9

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

#### Article 10

In the event that the preferential tariff arrangement for imports into the Community of products as specified by Article 1 (1) is made the subject of a new Agreement between the European Economic Community and the State of Israel and that the said Agreement enters into force before 31 December 1974 this Regulation shall cease to have effect as on such date of entry into force.

#### Article 11

This Regulation shall enter into force on 1 January 1975.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council  
The President