

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 182 final.

Brussels, 23 April 1976.

Proposal for a
COUNCIL REGULATION

concerning import arrangements for certain textile
products originating in the Federal Republic of
Brazil

(submitted to the Council by the Commission)

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**PROPOSAL FOR A
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Brazil**

EXPLANATORY MEMORANDUM

1. By a decision of 18 March, 1975 the Council authorized the Commission to open negotiations with the Federative Republic of Brazil for the conclusion of an agreement on trade in textile products.

2. In accordance with the above Council decision and in consultation with the Article 113 Committee, the Commission conducted negotiations with Brazil in the months of October and December 1975, January, February and March 1976.

As a result of those negotiations, a draft agreement was drawn up and initialled by the Heads of the Delegations on 1 April 1976. The Commission will seize the Council of a recommendation for a regulation concluding the agreement.

3. The draft agreement provides in particular for voluntary restraint by the Brazilian authorities, within agreed quantitative limits, of exports of certain textile products to the Community, and for checks by the Community that the agreed limits are observed.

For the purpose of such checks, this proposal for a regulation deals with the introduction of arrangements subjecting imports into the Community of the products in question to quantitative limits.

4. Obviously the initialled agreement is concerned only with products originating in and coming from Brazil. The Brazilian authorities are therefore applying voluntary restraint only to direct exports to the Community. Products in the categories covered by the agreement, originating in Brazil may accordingly be exported freely to the Community via other non-member countries. The Community can appose such indirect exports since under the agreement it is obliged only to admit products originating in and coming from Brazil and accompanied by the export certificates specified by the agreement. Since such indirect exports run counter to the objective of the agreement, it is essential that the import arrangements introduced by the Community be applied to products originating in Brazil no matter which country they come from.

5. It is proposed that the Community quantitative limits be administered in accordance with the procedure for administering Community quantitative quotas laid down by Regulation (EEC) No 1023/70, in particular Article 11 thereof. Under this procedure the Council must establish criteria for the allocation of the quantitative limits.

The allocation criteria referred to are those which have guided the preparatory work in the Council for the adoption of the decision concerning the opening of bilateral negotiations in the context of the Arrangement regarding International Trade in Textiles. The allocation¹ will thus be based on those criteria and in particular on the results of the work already done.

6. The negotiated agreement provides that imports covered by a ceiling shall be accepted automatically and without delay by the Community authorities upon presentation of an export certificate issued by the Brazilian authorities certifying that the quantities have been set off against the ceilings. As regards administration by the Community, this stipulation means that the authorities of the Member States are obliged to grant import authorizations automatically and without delay upon presentation of an application accompanied by an export certificate, provided that the agreed limits are observed.

7. By Commission Regulation (EEC) No. 790/76 (2) of April 6, 1976, which entered into force on 8.4.1976, the Commission has, under the provision of Council Regulation No. 1439/74, established interim measures on Community imports of textile products affected by the Agreement with Brazil. This was done in order that the aims of that Agreement should not be evaded before the entry into force of the definitive import arrangements which are the object of the present proposal.

The above cited interim measures will therefore be replaced by the arrangements which are the object of the present proposal for a Regulation on which the Council, taking account of the time limits foreseen by Article 12 of Regulation (EEC) no. 1439/74, must rule, at latest 6 weeks after the entry into force (8 April 1976) of the interim measures in question.

The Commission therefore proposes that the Council adopt the draft regulation annexed hereto within the above mentioned time limit.

¹ This allocation will be the subject of a regulation to be adopted by the Commission, also on the basis of Regulation (EEC) No. 1023/70.

² OJ No. L 92 of 7.4.1976, p. 18

**PROPOSAL FOR A
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**concerning import arrangements for certain textile products
originating in the Federal Republic of Brazil**

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, within the framework of the Arrangement on International Trade
in Textiles, the European Economic Community and the Federative Republic
of Brazil have negotiated an Agreement on trade in textile products;
whereas the Commission has submitted to the Council a recommendation for a
Regulation concluding that Agreement;**

**Whereas, for the purpose of applying the Agreement which has been negotiated, import
arrangements for the products in question should be adopted and put into force
immediately;**

**Whereas the Agreement requires the Community to admit imports of certain
textile products within quantitative limits, the observance of which will
be guaranteed by an agreed system of bilateral checking;**

**Whereas appropriate provisions for 1976 and 1977 should therefore be fixed,
including the criteria for the allocation of the quantitative limits agreed
with Brazil;**

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Whereas, because of the considerable differences between the conditions now governing imports of the products concerned into the Member States and also because of the particular sensitivity of the Community's textile industry, standardisation of these import conditions can only be achieved gradually; whereas the criterion to be adopted for the allocation of the Community quantitative limits should therefore be the gradual adaptation to the supply requirements of the market of those admitted under current import conditions;

Whereas imports should be set off against the quantitative limits fixed for the year in which the goods were exported from Brazil;

Whereas those products which enter the Community's customs territory under inward processing or temporary admission arrangements and are re-exported therefrom in the same state or after processing should not be set off against the abovementioned quantitative limits,

HAS ADOPTED THIS REGULATION :

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Article 1

1. During 1976 and 1977 imports into the Community of the textile products listed in Annex A and originating in the Federal Republic of Brazil shall be subject to the quantitative limits agreed with the Federal Republic of Brazil which are set out in the said Annex.

2. These quantitative limits shall be allocated among the Member States in accordance with the procedure laid down in Council Regulation (EEC) No 1023/70 of 25 May 1970 establishing a common procedure for administering quantitative quotas¹, and in particular in Article 11 thereof, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit amounts to be carried over or brought forward from one year to another.

Nevertheless, the allocation shall be made on the basis of the import volumes admitted under the conditions currently applied in the Member States and shall provide for annual rates of increase that are appreciably higher for those Member States whose import volumes are relatively the lowest, in order to align them gradually to the supply requirements of the market.

3. The competent authorities of the Member States concerned shall, within the quantitative limits prescribed, automatically authorize the import of the products referred to in paragraph 1 immediately upon production by the importer of an export certificate granted by the competent authorities of Brazil, containing the details set out in Annex B.

4. Authorized imports shall be set off against the quantitative limits valid for the year during which the products were loaded on boardship in Brazil for export.

5. Products which enter the Community's customs territory under inward processing or other temporary admission arrangements and are re-exported therefrom in the same state or after processing shall not be set off against the limits referred to in paragraph 1.

¹OJ No L 124, 9.6.1970, p. 1

Article 2

The measures provided for in this Regulation shall replace those established under Commission Regulation (EEC) No 790/76 of 6 April 1976 amending the interim measures established with regard to imports of certain textile products originating in the Federal Republic of Brazil (1).

Article 3

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,

For the Council

(1) OJ No L 92, 7.4.1976, p. 18.

QUANTITATIVE LIMITS REFERRED TO IN ARTICLE 1

Category No.	CCT heading No.	NIMEXE code (1975)	Description	Units	Quantitative limits	
					1976	1977
1	55.05		Cotton yarn, not put up for retail sale	1,000 kg	26,500	28,090
2	ex 55.09	55.09-01;02;11;12; 13;14;15;16;17;19; 21;29;31;33;35;37; 38;39;41;49;68; ex 71;72;73;74;76; 77;78	Other woven fabrics of cotton - bleached and unbleached	1,000 kg	15,000	15,450
3	ex 55.09	55.09-03;04;05;51; 52;53;54;55;56;57; 59;61;63;64;65;66; 67;69;ex 71;81;82; 83;84;86;87;92;93; 97	Other woven fabrics of cotton - other than unbleached and bleached	1,000 kg	2,850	3,021
4	ex 62.02	62.02-11 -41,43,47 -71,73	Bed linen, table linen, toilet linen and kitchen linen ; curtains and other furnishing articles : ex B. Other than net curtains : - Bed linen : - of cotton - Table linen : - of cotton - Toilet linen and kitchen linen - of cotton	1,000 kg	6,000	6,360

Specifications referred to in Article 1 (3)

The export certificate granted by the Brazilian authorities ⁽¹⁾ for products covered by this Regulation shall specify or contain :

1. the destination, and in particular the Member State to which the goods are destined ;
2. the order number;
3. the name and address of the importer;
4. the name and address of the exporter;
5. the net weight, in kilogrammes or in metric tons, and the value of the products covered by the certificate;
6. the category against which the product has been debited by the Brazilian authorities and the description of the product;
7. a certificate to the effect that the quantity in question has been debited against the share of the Member State to which it is being sent of the agreed ceiling for exports to the Community, or, where appropriate, that the quantity is for immediate re-export or for re-export after processing outside the Community;
8. year during which the products were exported, that is, were placed on board in Brazil for export to the Community.

(1) Carteira de Comercio Exterior (CACEX)