

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 309 final

Brussels, 24 June 1976

## RECOMMENDATION FOR A COUNCIL REGULATION

concluding an Agreement between the European Economic  
Community and the Republic of India on trade in coir  
products

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(submitted to the Council by the Commission)

COM(76) 309 final

## EXPLANATORY MEMORANDUM

1. By decision of 16 February 1976 the Council authorized the Commission to open negotiations with India for the purpose of concluding an agreement on trade in coir products.
2. In accordance with that decision and in consultation with the Article 113 Committee the Commission conducted negotiations with India on 30 and 31 March and on 6 April 1976.
3. Following these negotiations a draft agreement was drawn up, comprising the following main points<sup>1</sup>:

confirmation that the almost total freedom from import restrictions existing in the Community will be maintained (quantitative restrictions still exist in one of the Member States);

continuation of a programme to suspend progressively the CCT duty, which the Community is implementing in the context of its offer regarding generalized tariff preferences for the product concerned (the current 60% reduction will be extended to 80% on 1 July 1976 and to 100% on 1 January 1978, while the full exemption from this duty already applying in the United Kingdom and Denmark will be maintained);

assurances from India regarding the supply on non-discriminatory terms of the raw materials needed by the Community coir products industry;

definition of the Joint Cooperation Committee's tasks, especially as regards the investigation of possibilities and the formulation of suggestions for cooperation on research and development on the production and uses of coir products.

After finding that the text of the draft agreement was in line with the conclusions of the negotiations, the heads of the delegations initialled it on 7 April 1976.

4. The Commission considers that the draft agreement in question represents a conclusion acceptable to the Community. It recommends to the Council that it should conclude this agreement by adopting the regulation a draft of which is annexed.

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<sup>1</sup>An earlier agreement between the Community and India (see OJ L 82, 24 March 1974) on the same products expired on 31 December 1975.

RECOMMENDATION FOR A COUNCIL REGULATION

concluding an Agreement between the European Economic Community and the Republic of India on trade in coir products

THE COUNCIL OF THE EUROPEAN COMMISSION,

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 coir 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 in coir products, the text of which is annexed hereto, is hereby concluded on behalf of the Community.

Article 2

The President of the Council shall give notification to the other Contracting Party that the procedures required for the entry into force of the Agreement have been completed on the part of the Community.

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 European Economic Community and the Republic of India on  
trade in coir 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 coir products and the orderly  
development of trade in these products between the European Economic  
Community, hereinafter referred to as "the Community", and the Republic  
of India,

NOTING the Joint Declaration of Intent on the development of trade  
relations with Ceylon, India, Malaysia, 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,

HAVING REGARD to the Commercial Cooperation Agreement between the  
European Economic Community and India,

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

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

Article 1

This Agreement shall apply to manufactured coir products, originating in and coming from India, as defined in Article 2.

Article 2

The Community shall, autonomously and as part of its offer relating to the granting of generalised tariff preference, apply to manufactured coir products originating in and coming from India, the duties of the Common Customs Tariff suspended in accordance with the rates and timetable indicated below :

CCT heading No	Description	Rate of reduction to be applied	
		1.7.76	1.1.78
58.02	Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not) :		
	A. Carpets, carpeting, rugs, mats and matting :		
	ex.I. Coir mats and matting, and tufted carpets, carpeting and rugs	80 %	100 %

Article 3

The Community shall not subject imports of the products referred to in Article 2, originating in and coming from India, to new quantitative restrictions. The Contracting Parties agree to take all necessary steps to enable the opportunities to import under existing quantitative restrictions to be fully used.

Article 4

The Republic of India and the Community shall exchange all necessary information relating to trade in coir products between the Contracting Parties.

Article 5

The implementation of this Agreement shall not disrupt the normal pattern of trade between India and the Community for the products concerned.

If one of the Parties informs the other that abnormal difficulties have arisen in connection with the use of normal pattern of trade, then the Contracting Parties shall consult each other on measures necessary to remedy the situation.

Article 6

Subject to the policies of the Government of the Republic of India relating to the regulation of its exports according to its production situation and the external demand for the said products, the Republic of India undertakes to take all necessary steps to ensure that the needs of the Community market and industries are met in a non-discriminatory manner.

Article 7

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

- to examine any problem which may arise as a result of the implementation of this Agreement, including the question of appropriate solutions to problems arising out of current quantitative restrictions ;

- to investigate possibilities of, and formulate suggestions for, cooperation in regard to :

- existing production methods,
  - research into and development of, new techniques of preparing and processing coir and manufacturing coir goods
- in order to expand the end uses of coir.

- to develop contacts between representatives of the trade and industry in coir of both India and the Community and facilitate the setting up of joint projects and programmes mutually agreed upon by both Parties.

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

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

#### Article 8

This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose. Subject to any such amendments as may be mutually agreed during its period of validity, the Agreement shall be valid until 31 December 1979.

#### Article 9

The Annexes constitute an integral part of this Agreement.

#### Article 10

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 .....

## DECLARATION OF THE COMMUNITY

The European Economic Community notes that the Government of the Republic of India levies a tax, at a rate of 15% ad valorem, on its exports of coir yarn. It considers that this tax, the incidence of which has been calculated at 6% of the sale price of coir products, constitutes a disadvantage for the coir industry of its Member States.

Taking account of the programme for the progressive suspension of duties under the Common Customs Tariff applied by the Community as part of its offer relating to the granting of generalized tariff preferences, set out in Article 2 of the Agreement, the Community reserves the right both to evaluate the practical effects of this tax on the coir industry of the Member States and, in any case before the start of the last phase of suspension of duties under the Common Customs Tariff, to seek an examination of the situation on the Community market for coir products by the Joint Cooperation Committee, set up under Article 7 of the Agreement.



## JOINT DECLARATION

1. The Contracting Parties undertakes to make a special effort to fulfill the tasks set out in Article 7 of the Agreement. To this end they will endeavour to provide annual round-table discussions between the industrial, commercial and research interests on both sides, and they undertake to examine the possibility of supporting any programmes or projects recommended as a result of such discussions which are likely to be of mutual benefit to these interests.

2. The Contracting Parties will keep under review the development of fiscal policies and their impact on the possibilities for the increased use of coir products, the orderly development of trade and possibilities of cooperation, having due regard to the needs and development programmes of the Republic of India in the coir sector and to the prospects of the coir industries in the Member States of the Community.