

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 677 final

Brussels, 16 November 1983

DRAFT

DECISION OF THE ACP-EEC CUSTOMS COOPERATION COMMITTEE

derogating from the definition of the concept of "originating products" to take account of the special situation of Mauritius with regard to certain items of fishing tackle

(submitted to the Council by the Commission)

COM(83) 677 final

EXPLANATORY MEMORANDUM

By letter No. 0715 of 23 June 1983, the ACP States requested on behalf of Mauritius a derogation from the rules of origin for certain fishing items. However, in accordance with explanatory note 10 on Article 30(1) of Protocol No. 1 to the Lomé Convention, more detailed information was necessary to examine the request. Therefore the three month delay for taking a decision on this subject began on the 29th August 1983, the date on which the supplementary information was received.

This derogation request concerns assembled fishing lines including tackle falling within Tariff heading No. ex 97.07.

These products are assembled in Mauritius on the basis of a joint venture managed by French and Mauritian partners in which the Mauritians hold majority shares. The firm was set up in 1974, employs about 100 Mauritians and manufactures 7 to 9 million pieces per year most of which are exported to France.

The raw materials used in the manufacture of fishing lines are imported from France, with the exception of the hooks which are bought from Norway and Japan to conform to the specific recommendations of the firm's customers. The firm has tried to find other sources of supply for the hooks but so far without success.

It should also be noted that due to employment problems in Mauritius at present, the firm in question will not be in a position to operate at a profit unless it is allowed to purchase its raw materials on certain markets so as to ensure that its products are more competitive than those manufactured in third countries.

Furthermore, it seems that the fishing line assembly industry is labour intensive and that the value added in Mauritius is around 60% to 70% of the value of the fishing items whereas the imported hooks represent around 20% to 25% of the value.

In this context it is important to recall that Article 155 of the second ACP-EEC Convention (applicable to Mauritius) provides for special treatment for island ACP States so as to aid them to overcome specific difficulties resulting from their geographical position. According to Article 30 of Protocol No. 1 to the Convention an examination of a request for a derogation from the rules of origin should in particular take account of this aspect.

In addition, this request should be grouped with similar requests made on several occasions by Kenya and Malawi (derogations for fishing flies) for which derogation from the origin rules were granted until the expiry of the second Lomé Convention (28.2.1985).

It should furthermore be noted that the manufacture of the Mauritian products takes place using the rules on cumulation of origin to a large extent as all the products used with the exception of the hooks are of Community origin.

In the light of the above, the Commission proposes that a derogation from the rules of origin be adopted for the abovementioned fishing items which would be valid until the date of expiry of the Convention.

DRAFT

DECISION OF THE ACP-EEC CUSTOMS COOPERATION COMMITTEE

derogating from the definition of the concept of "originating products" to take account of the special situation of Mauritius with regard to certain items of fishing tackle

THE CUSTOMS COOPERATION COMMITTEE,

Having regard to the Second ACP-EEC Convention signed at Lomé on 31 October 1979 ⁽¹⁾ (hereinafter referred to as "the Convention"),

Whereas Article 30 of Protocol 1 to the Convention, concerning the definition of the concept of "originating products" and methods of administrative cooperation, makes provision for derogations to be made from the rules of origin by the Customs Cooperation Committee, in particular to facilitate the development of existing industries or the creation of new industries;

Whereas the African, Caribbean and Pacific States (ACP) have requested a derogation from the definition set out in Protocol 1 for items of fishing tackle falling within heading ex 97.07 (assembled fishing lines including tackle);

Whereas non-originating products (hooks) are used in the manufacture of the said items of fishing tackle; whereas however Mauritius makes use of the possibilities offered by the cumulation systems on origin to obtain the other products used in the manufacture of the finished product;

Whereas any deflection of trade should be avoided; whereas this can be achieved by fixing a maximum percentage of non-originating products incorporated in the finished product;

Whereas in these circumstances a temporary derogation from the definition of the concept of originating products should be accorded to Mauritius,

(1) OJ No. L 347 of 22.12.1980, p.2

