

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 43 final.

Brussels, 7 February 1979

Proposal for a

COUNCIL REGULATION (EEC)

derogating from certain provisions concerning the definition  
of the concept 'originating products' contained  
in the Interim Agreement and in the Agreement on Cooperation  
between the European Economic Community  
and the Kingdom of Morocco

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(submitted to the Council by the Commission)

COM(79) 43 final.

## EXPLANATORY NOTE

### I. Presentation of the request

- a) Background : since 1 July 1976 the Kingdom of Morocco has from a derogation to the definition of the concept of originating products for textile products made in Morocco of headings 61.01, 61.02, 61.03 and 61.04 of the common customs tariff, with a six month quota of 1250 tonnes.
- b) In a letter dated 9 June 1978 the Government of the Kingdom of Morocco put to the Commission, via their Ambassador in Brussels, a request for the derogation to be extended for these products for three years.

### II. Opinion of the Commission

The Commission has carried out certain enquiries with the aim of determining if it was possible to use grey cloth of Community, Algerian or Tunisian origin, to establish the problems involved in the use of this cloth (quality, price, etc.) and to monitor the progress made to date with the intention to set up a local weaving industry and the extension of existing units.

It seems that there is a price problem in using Community cloth and a quality problem in using cloth from the other Maghreb countries.

Concerning the progress made to establish a local weaving industry, despite of the agreement of the Moroccan Government, the plans to set up a weaving plant with 600 employees at Settat has not been realized. Other enterprises have however expressed their interest in setting

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up plants for the production of cloth for shirts and the Industrial Development Office is studying such a project. The existing facilities have been extended and have increased their capacity by use of a total investment of 38.4 millions of Dirhams in 1977 as against 8.8 million in 1976.

In addition, a spinning industry has also been set up intended as the base for a whole weaving industry. Production has increased from 215,272 spindles of continuous thread and 9,656 "open ended" spindles in 1976 to 277,824 spindles of continuous thread and 9,856 "open ended" spindles in 1977. The increase in production of continuous thread concerns only the fine combed thread which, it is hoped, will be used in the context of the project of setting up a weaving industry at present under study in Morocco.

In view of the above, the Commission feels that an extension to the Derogation for the period 1 July 1978 to 30 June 1980 for a quantity of 2,500 tonnes per year would be sufficient to ensure that Moroccan industry can continue to operate until it is capable of supplying a product corresponding to the provisions of Protocol No. 2 to the Agreement.

**PROPOSAL FOR A  
COUNCIL REGULATION (EEC)**

derogating from certain provisions concerning the definition of the concept of 'originating products' contained in the Interim Agreement and in the Agreement on Cooperation, between the European Economic Community and the Kingdom of Morocco

**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 an Agreement on Cooperation (1) between the European Economic Community and the Kingdom of Morocco was signed in Rabat on 27 April 1976;

Whereas in order to take account of Morocco's special situation and to enable the industries concerned to adapt their production to the conditions required by the Protocol on the definition of the concept of 'originating products' annexed to those Agreements, it is necessary to provide for that State a derogation from certain provisions concerning the definition set out in that Protocol,

HAS ADOPTED THIS REGULATION:

*Article 1*

By way of derogation from the Protocols on the definition of the concept of 'originating products' and on methods of administrative cooperation, annexed to the Agreement on Cooperation between the European Economic Community and the Kingdom of Morocco, and subject to the conditions set out in the following Articles, the provisions of List A annexed to the said Protocols which apply to textile products manufactured in Morocco and being within heading Nos 61.01, 61.02, 61.03 and 61.04 of the Common Customs Tariff, shall be supplemented by the provisions in the table annexed hereto.

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

Done at Brussels,

*For the Council  
The President*

*Article 2*

The derogation referred to in Article 1 concerns the following amounts:

- from 1.7.1978 to 30.6.1979, 2500 tonnes
- from 1.7.1979 to 30.6.1980, 2500 tonnes.

*Article 3*

The EUR. 1 movement certificates issued under this Regulation shall be endorsed with one of the following phrases:

- 'TEXTILE DEROGATION',
- 'ABWEICHUNG FÜR TEXTILWAREN',
- 'DEROGATION TEXTILES',
- 'DEROGA TESSILI',
- 'AFWIJKING VOOR TEXTIELPRODUKTEN',
- 'UNDTAGELSESBESTEMMELSER FOR TEKSTILSTOF'.

The endorsement shall be inserted in box 7 'Remarks'.

*Article 4*

Every three months the customs authorities of the Kingdom of Morocco shall communicate to the Commission the quantities of the products for which the certificates mentioned in Article 3 have been issued. The Commission shall forward this information to the Member States.

*Article 5*

This Regulation shall enter into force on 1 July 1978.  
It shall apply until 30 June 1980.

**ANNEX**

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
61.01	Men's and boys' outer garments		Manufacture from unbleached cloth
61.02	Women's, girls' and infants' outer garments		Manufacture from unbleached cloth
61.03	Men's and boys' under garments including collars, shirt fronts and cuffs		Manufacture from unbleached cloth
61.04	Women's, girls' and infants' under garments		Manufacture from unbleached cloth