

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 131 final.

Brussels, 4 April 1977.

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COUNCIL REGULATION (EEC)

maintaining in force the import arrangements in the
Community ~~for~~ SERIALS UNIT shirts and blouses originating in the
Republic India

(submitted to the Council by the Commission)

COM(77) 131 final.



EXPLANATORY MEMORANDUM

Since early 1976 the Community has held consultations with India concerning the sharp and substantial rise in imports of cotton shirts and blouses which has taken place throughout the Community. Further rounds of consultations have been held this year in New Delhi and in Brussels without a mutually satisfactory solution yet being reached. The situation in the European shirt-making industry meanwhile continues to deteriorate and is aggravated by massive imports of cotton shirts and blouses from India(1).

A predominant proportion of the products in question are certified by the Indian authorities as being "goods made up by the cottage industry from [such] cotton handloom fabrics". In principle, such products should be free from quantitative limit under the bilateral Agreement on trade in textiles products between India and the Community. A smaller proportion of the products in question are industrially made and subject to the provisions of the Agreement for the establishment of quantitative limits. Due to technical developments in the manufacture and production of cotton shirts and blouses in the handloom sector of the Indian textile industry, it is no longer possible for Community authorities to establish whether a given product is or is not in conformity with the criteria of the Agreement i.e. that it is made up by "the cottage industry" from "cotton handloom fabrics". The distinction between these products and those made by normal industrial manufacturing processes has therefore become inoperable.

Taking into account the present impossibility of finding a mutually acceptable solution with India and given the massive quantities of goods involved which threaten irreparable damage to the European clothing industries, the most appropriate course of action is to subject cotton shirts and blouses to quantitative limit without distinction as to their manufacture.

(1) Community imports of women's cotton shirts and blouses		
'000 pieces	1975	10,093
	1976	27,226
Community imports of men's cotton shirts		
'000 pieces	1975	6,917
	1976	21,596

This, without prejudice to the provisions of the bilateral Agreement concerning industrially-made products properly licensed as such by the Indian authorities.

Commission Regulation (EEC) No 561/77 (1) was taken on 16.3.1977 to meet the urgency of the situation. The Commission's proposal for a Council Regulation to extend the measures mentioned above is annexed hereto. It is submitted in conformity with the requirements of Article 13 of Council Regulation (EEC) No 1439/74 of 6 June 1974. In these circumstances the Council is invited to adopt the proposed Regulation within the six week period dating from the entry into force of the Commission Regulation referred to above.

(1) OJ No L 71, 18.3.1977, p. 29

**Proposal for a
COUNCIL REGULATION (EEC)**

maintaining in force the import arrangements in the
Community for shirts and blouses originating in the
Republic of India

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 1439/74 of 4 June 1974 on
common rules for imports (1) and, in particular Article 13 thereof;

After consultation within the Advisory Committee established by Article 5
of that Regulation;

Having regard to the proposal from the Commission;

Whereas Commission Regulation (EEC) No 561/77 (2) of 16 March 1977 (2)
established rules concerning import arrangements in the Community for
shirts and blouses originating in the Republic of India;

Whereas the factors which justified the establishment of these rules still
exist; whereas they should consequently be maintained in effect until
31.12.1977;

Whereas these measures are without prejudice to the pursuit and the
outcome of consultations between the Community and the Republic of India;
whereas they may be adapted in the light of the results of such consul-
tations,

HAS ADOPTED THIS REGULATION :

(1) OJ No L 159, 15.6.1974, p. 1
(2) OJ No L 71, 18.3.1977, p. 29

Article 1

The rules whereby imports into the Community of shirts and blouses, of cotton, originating in the Republic of India are made subject to authorisation, which were adopted by Regulation (EEC) No 561/77, shall remain applicable, subject to the provisions of Article 2 hereof, until 31 December 1977.

Article 2

The quantitative limits set out in Article 1 of Regulation (EEC) No 561/77 shall be replaced as follows :

Category No	Nimexe Code	Description of goods	Quantity in '000 pieces (1977)
1	61.02-82	Women's, girls' and infants' outer garments : - Blouses and shirt blouses of cotton (1)	26 684
2	61.03-15	Men's and boys' under garments, including collars, shirt fronts and cuffs : - Shirts of cotton	18 862

The quantitative limits set out in the Annex to Commission Regulation (EEC) No 561/77 shall be replaced by those set out in the Annex to this Regulation.

Article 3

This Regulation shall enter into force on the 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) So far as Ireland is concerned, this category shall be deemed to include products falling within Nimexe Code ex 61.04-ex 95, namely shirts of cotton.

Annex

Quantitative limits established under Article 1
for cotton shirts and blouses originating in India

Category No	CCT heading No	Nimexe Code	Description of goods	Member States of destination	Quantity in '000 units (1977)
1	61.02	61.02-ex 82	Women's, girls' and infants' outer garments : - Blouses and shirt blouses of cotton (1)	D F I BNL UK IRL DK EEC	8 218 2 501 1 529 3 699 8 301 412 2 024 26 684
2	61.03	61.03-15	Men's and boys' undergarments, including collars, shirt fronts and cuffs : - Shirts of cotton	D F I BNL UK IRL DK EEC	7 465 795 2 389 2 307 5 450 108 348 18 862

The quantitative limits set out above shall apply to imports of cotton shirts and blouses without distinction as to the process by which they have been manufactured. Within these limits, the quantitative limits at present applied (2) in respect of industrially made products of the same categories shall remain in force.

(1) So far as Ireland is concerned this category shall be deemed to include products falling within Nimexe Code ex 61.04-ex 95, namely shirts of cotton

(2) These limits are set out in Articles 3 and 4 of Council Regulation (EEC) No 2 992/75 of 10 November 1975, OJ No L 297, 17.11.1975 and Annex A to Commission Regulation (EEC) No 3 364/75 of 23 December 1975, OJ No 333, 30.12.1975.

10