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### Legislation

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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.  
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## I

*(Acts whose publication is obligatory)*

## REGULATION (EEC) No 2991/75 OF THE COUNCIL

of 10 November 1975

on the tariff treatment applicable in the Community as originally constituted to a certain number of products imported from the new Member States

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Act of Accession <sup>(1)</sup>, and in particular the second paragraph of Article 33 thereof;

Having regard to the proposal from the Commission;

Whereas under Council Regulation (EEC) No 1615/74 <sup>(2)</sup> of 25 June 1974 amending Regulation (EEC) No 950/68 on the Common Customs Tariff, the conventional duty applied to products falling within subheading 85.21 D in the form of wafers not yet cut into chips was reduced to 9 %;

Whereas, under the Agreement with third countries signed as a result of the negotiations carried out pursuant to Article XXIV, paragraph 6 of the General Agreement on Tariffs and Trade and concluded on behalf of the Community by the Council Decision of 22 July 1974 the European Economic Community has undertaken to reduce the customs duties for various products on 1 January 1975 and to make additional reductions for some of those products on 1 January 1976;

Whereas, in order to maintain Community preference for these imports from the new Member States, the customs duties applicable thereto in the Community as originally constituted should be calculated taking into account the new duties consolidated in respect of third countries,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 January to 31 December 1975, the customs duties applicable in the Community as originally constituted to imports from the new Member States of the products listed in the Annex shall be those shown in respect of each of them.

2. The customs duties applicable during the 1976/77 marketing year in the Community as originally constituted to imports from the new Member States of offals of domestic bovine animals falling within subheadings 02.01 B II b) 1 and b) 2 shall be those shown below:

| CCT heading No | Description                                                                                                                                                                                                             | Duty applicable %                              |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| 1              | 2                                                                                                                                                                                                                       | 3                                              |
| 02.01          | Meat and edible offals of the animals falling within heading Nos 01.01 to 01.04 inclusive, fresh, chilled or frozen:<br><br>B. Offals:<br><br>II. Other:<br><br>b) Of domestic bovine animals:<br>1. Livers<br>2. Other | <br><br><br><br><br><br><br><br><br>2.2<br>1.4 |

<sup>(1)</sup> OJ No L 73, 27. 3. 1972, p. 14.

<sup>(2)</sup> OJ No L 174, 28. 6. 1974, p. 4.

*Article 2*

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels, 10 November 1975.

*For the Council*

*The President*

G. MARCORA

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## ANNEX

## Customs duties referred to in Article 1 (1)

| CCT heading No on 1 January 1976 | Description                                                                                                                                                                                                                                                                       | Duty applicable %                           |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 1                                | 2                                                                                                                                                                                                                                                                                 | 3                                           |
| 01.01                            | Live horses, asses, mules and hinnies:<br>A. Horses:<br>II. For slaughter (a) .....                                                                                                                                                                                               | 0.8                                         |
| 02.01                            | Meat and edible offals of the animals falling within heading No 01.01, 01.02, 01.03 or 01.04. fresh, chilled or frozen:<br>A. Meat:<br>I. Of horses, asses, mules and hinnies .....<br>B. Offals:<br>II. Other:<br>a) Of horses, asses, mules and hinnies .....<br>d) Other ..... | 1.6<br><br>2.0<br>0.6                       |
| 02.04                            | Other meat and edible meat offals, fresh, chilled or frozen:<br>A. Of domestic pigeons and domestic rabbits.....                                                                                                                                                                  | 2.2                                         |
| 08.02                            | Citrus fruits, fresh or dried:<br>A. Oranges:<br>I. Sweet oranges, fresh:<br>a) From 1 April to 30 April .....<br>b) From 1 May to 15 May .....<br>c) From 16 May to 15 October .....<br>D. Grapefruit .....                                                                      | 5.2<br>2.4<br>1.6<br>1.6                    |
| 08.04                            | Grapes, fresh or dried:<br>B. Dried:<br>I. In immediate containers of a net capacity of 15 kg or less .....<br>II. Other .....                                                                                                                                                    | 1.6<br>1.6                                  |
| 08.06                            | Apples, pears and quinces, fresh:<br>A. Apples:<br>II. Other:<br>c) From 1 April to 31 July .....                                                                                                                                                                                 | 2.4 with a min. of 0.50 u.a. per 100 kg net |

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

| CCT heading No on 1 January 1976 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Duty applicable %                                                                                  |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 1                                | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3                                                                                                  |
| 08.06<br>(cont'd)                | B. Pears:<br><br>II. Other:<br>b) From 1 April to 15 July .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2.8 with a min. of 0.60 u.a. per 100 kg net                                                        |
| 08.10                            | Fruit (whether or not cooked) preserved by freezing, not containing added sugar:<br><br>ex A. Strawberries, raspberries, blackcurrants, red currants, bilberries, blackberries (brambleberries), mulberries and cloudberrries:<br>— Bilberries, blackberries (brambleberries), mulberries and cloudberrries .....                                                                                                                                                                                                                          | 7.2                                                                                                |
| 08.11                            | Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption:<br><br>D. Bilberries .....                                                                                                                                                                                                                                                                                                                     | 3.2                                                                                                |
| 16.04                            | Prepared or preserved fish, including caviar and caviar substitutes:<br><br>B. Salmonidae .....                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1.4                                                                                                |
| 20.06                            | Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit:<br><br>B. Other:<br>II. Not containing added spirit:<br><br>a) Containing added sugar, in immediate packings of a net capacity of more than 1 kg:<br><br>6. Pears:<br>aa) With a sugar content exceeding 13 % by weight .....<br><br>bb) Other .....<br><br>b) Containing added sugar, in immediate packings of a net capacity of 1 kg or less:<br><br>6. Pears:<br>aa) With a sugar content exceeding 15 % by weight .....<br><br>bb) Other ..... | 8 + (compensatory amount)<br>8.0<br><br><br><br><br><br><br><br>8.8 + (compensatory amount)<br>8.8 |

| CCT<br>heading<br>No<br>on 1 January 1976 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Duty<br>applicable<br>‰                     |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 1                                         | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3                                           |
| 20.06<br>(cont'd)                         | B. II. c) Not containing added sugar, in immediate packings of a net capacity:<br>1. Of 4.5 kg or more:<br>cc) Pears .....<br>2. Of less than 4.5 kg:<br>aa) Pears .....                                                                                                                                                                                                                                                                                         | 8.4<br>8.4                                  |
| 24.01                                     | Unmanufactured tobacco, tobacco refuse:<br>A. Tobacco of a value, per package, not less than 280 u.a. per 100 kg net weight:<br>I. Flue cured Virginia type and light air cured Burley type (including Burley hybrids) (a) .....                                                                                                                                                                                                                                 | 2.8 with a maximum of 9 u.a. per 100 kg net |
| 37.02                                     | Film in rolls, sensitized, unexposed, perforated or not:<br>A. Of a width of 35 mm or less:<br>II. Other .....                                                                                                                                                                                                                                                                                                                                                   | 1.6                                         |
| 38.14                                     | Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive, preparations and similar prepared additives for mineral oils:<br>A. Anti-knock preparations based on tetraethyl-lead (ethyl fluid) .....<br>B. Other:<br>I. For lubricants:<br>b) Other .....<br>II. Anti-knock preparations based on tetramethyl-lead, on ethylmethyl-lead or on mixtures of tetraethyl-lead and tetramethyl-lead .....<br>III. Other ..... | 2.6<br>1.8<br>1.8<br>1.8                    |
| 39.01                                     | Condensation, polycondensation and polyaddition products, whether or not modified or polymerized, and whether or not linear (for example, phenoplasts, aminoplasts, alkyds, polyallyl esters, and other unsaturated polyesters, silicones):<br>C. Other:<br>IV. Polyamides .....                                                                                                                                                                                 | 3.2                                         |
| 44.05                                     | Wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 mm:<br>B. Coniferous wood, of a length of 125 cm or less and of a thickness of less than 12.5 mm .....                                                                                                                                                                                                                                                              | 1.0                                         |

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

| CCT<br>heading<br>No<br>on 1 January 1976 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Duty<br>applicable<br>‰                   |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1                                         | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3                                         |
| 48.01                                     | Paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets:<br><br>C. Kraft paper and kraft board:<br>II. Other .....                                                                                                                                                                                                                                                                                                                                                                                      | 2.1                                       |
| 48.21                                     | Other articles of paper pulp, paper, paperboard or cellulose wadding:<br><br>B. Napkins and napkin liners, for babies, put up for retail sale .....                                                                                                                                                                                                                                                                                                                                                                                  | 2.0                                       |
| 73.22                                     | Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment .....                                                                                                                                                                                                                                                                        | 1.0                                       |
| 84.06                                     | Internal combustion piston engines:<br><br>B. Outboard motors of a cylinder capacity of:<br>II. More than 325 cc .....<br><br>C. Other engines:<br>II. Compression ignition engines:<br>a) Marine propulsion engines:<br>2. Other (a) .....<br>b) Other:<br>2. Other .....                                                                                                                                                                                                                                                           | 1.6<br><br><br><br><br><br><br>1.6<br>2.4 |
| 84.10                                     | Pumps (including motor pumps and turbo pumps) for liquids, whether or not fitted with measuring devices, liquid elevators of bucket, chain, screw band and similar kinds:<br><br>B. Other pumps:<br>I. Pumps having a pressure capacity of 20 bars or more                                                                                                                                                                                                                                                                           | 1.5                                       |
| 84.23                                     | Excavating, levelling, tamping, boring and extracting machinery, stationary or mobile, for earth, minerals or ores (for example, mechanical shovels, coal-cutters, excavators, scrapers, levellers and bulldozers), piledrivers, snow-ploughs, not self-propelled (including snow-plough attachments):<br><br>A. Excavating, levelling, tamping, boring and extracting machinery for earth, minerals or ores:<br>I. Self-propelled, track-laying or wheeled, not capable of running on rails:<br>a) Scrapers .....<br>c) Parts ..... | 1.8<br><br><br><br><br>1.8                |

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

| CCT<br>heading<br>No<br>on 1 January 1976 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Duty<br>applicable<br>% |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 1                                         | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3                       |
| 85.21                                     | Thermionic, cold cathode and photo-cathode valves and tubes (including vapour or gas filled valves and tubes, cathode-ray tubes, television camera tubes and mercury arc rectifying valves and tubes); photocells, mounted piezo-electric crystals, diodes, transistors and similar semi-conductor devices, electronic microcircuits:<br><br>D. Diodes, transistors and similar semi-conductor devices, electronic microcircuits:<br>I. Wafers not yet cut into chips .....                                                                                                  | 1.8                     |
| 87.01                                     | Tractors (other than those falling within heading No 87.07), whether or not fitted with power take-offs, winches or pulleys:<br><br>C. Other:<br>II. Other .....                                                                                                                                                                                                                                                                                                                                                                                                             | 2.8                     |
| 87.02                                     | Motor vehicles for the transport of persons, goods, or materials (including sports motor vehicles, other than those of heading No 87.09):<br><br>B. For the transport of goods or materials:<br>II. Other:<br>a) With either a spark ignition or a compression ignition engine:<br>1. Motor lorries with either a spark ignition engine of a cylinder capacity of 2 800 cc or more or a compression ignition engine of a cylinder capacity of 2 500 cc or more:<br>aa) Dumpers of a cylinder capacity:<br>1.1 Of less than 10 000 cc .....<br>2.2 Of 10 000 cc or more ..... | 3.4<br>4.0              |
| 90.24                                     | Instruments and apparatus for measuring, checking or automatically controlling the flow, depth, pressure or other variables of liquids or gases, or for automatically controlling temperature (for example, pressure gauges, thermostats, level gauges, flow meters, heat meters, automatic oven-draught regulators) not being articles falling within heading No 90.14:<br><br>A. Pressure gauges (manometers) .....<br><br>C. Other .....                                                                                                                                  | 1.8<br>1.8              |

## REGULATION (EEC) No 2992/75 OF THE COUNCIL

of 10 November 1975

concluding the Agreement between the European Economic Community and the Republic of India on trade in textile products and laying down provisions for its application

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 Council Regulation (EEC) No 1023/70 <sup>(1)</sup> of 25 May 1970 establishing a common procedure for administering quantitative quotas, and in particular Article 2 thereof;

Having regard to the proposal from the Commission;

Whereas the Agreement negotiated between the European Economic Community and the Republic of India on trade in textile products should be included;

Whereas the Community is obliged under the Agreement to permit the import of certain textile products within quantitative limits to which India undertakes to adhere by applying voluntary restraint in respect of its exports to the Community; whereas it is therefore necessary to introduce Community quantitative quotas, to fix the volume thereof for 1975, 1976 and 1977 and to establish the criteria for their allocation, with account being taken of the system of double checking provided for in the Agreement;

Whereas in view of the considerable disparities in the conditions to which imports of the products in question into the Member States are currently subject, and in view of the particularly sensitive nature of the textile industry in the Community, the standardization of these import conditions can only be achieved by progressive stages; whereas these quotas should be allocated taking into account, in particular, the fact that the volumes admitted under the present import conditions are being adapted by progressive stages to market supply requirements;

Whereas the Agreement provides in respect of certain other textile products for the suspension by the Community of the quantitative import restrictions

together with a special consultation procedure enabling safeguard measures to be adopted where there is a risk of market disruption; whereas, in accordance with this procedure, India has undertaken to apply voluntary restraint in respect of its exports to certain Member States; whereas the voluntary restraint in question will be administered in accordance with the system of double checking provided for in the Agreement;

Whereas it is therefore necessary to retain provisionally quantitative restrictions on imports of these products into the Member States concerned, to suspend quantitative restrictions in the other Member States and subsequently to replace these various measures by liberalization measures which will be uniform throughout the Community;

Whereas products brought into the customs territory of the Community under the inward processing traffic system or temporary entry arrangements and re-exported from that territory without further processing or after undergoing working should not be subject to the Community quantitative quotas or to the voluntary restraint measures adopted in respect of exports to certain Member States,

HAS ADOPTED THIS REGULATION:

*Article 1*

The Agreement between the European Economic Community and the Republic of India on trade in textile products is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Regulation.

*Article 2*

The President of the Council shall notify the other Contracting Party that, as regards the Community, the procedures necessary for the entry into force of the Agreement have been completed.

<sup>(1)</sup> OJ No L 124, 8. 6. 1970, p. 1.

*Article 3*

1. Imports into the Community of the textile products set out below originating in and coming

from India shall be subject to Community quantitative quotas and the volumes of the quotas for 1975, 1976 and 1977 are shown for each of these products:

| CCT heading No       | Description                                               | Volume (in metric tons) |        |        |
|----------------------|-----------------------------------------------------------|-------------------------|--------|--------|
|                      |                                                           | 1975                    | 1976   | 1977   |
| 55.09                | Other woven fabrics of cotton                             | 34 940                  | 37 390 | 40 000 |
| of which<br>ex 55.09 | Woven fabrics of cotton other than unbleached or bleached | 3 500                   | 3 750  | 4 000  |
| ex 61.02             | Women's cotton shirts and blouses                         | 954                     | 954    | 1 014  |
| ex 62.02             | Cotton household linen                                    | 7 592                   | 8 015  | 8 544  |

However the volume of the quotas fixed for 1975 are reduced by the amount of imports affected in that year before the entry into force of the Agreement.

2. The quotas shall be allocated, in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 1023/70, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit carryover and anticipation from year to year.

The allocation shall be made, however, on the basis of the import volumes admitted on the conditions currently applied in the Member States and shall provide for annual rates of increase that are appreciably higher for the Member States whose import volumes are relatively the lowest in such a way as to adapt them by progressive stages to market supply requirements.

3. Import authorizations shall be granted in accordance with the system of double checking defined in Annex V to the Agreement.

4. Products brought into the customs territory of the Community under the inward processing traffic system or temporary entry arrangements and re-exported from that territory without further processing or after undergoing working shall not be set off against the quotas provided for in paragraph 1.

*Article 4*

1. Imports into the Community of the textile products set out below originating in and coming from India shall not be subject to quantitative restrictions except that for 1975, 1976 and 1977 imports into the Member States indicated on the table below shall be limited to the quantities indicated in the table.

| CCT heading No | Description                                          | Member State   | Quantities      |                 |                 |
|----------------|------------------------------------------------------|----------------|-----------------|-----------------|-----------------|
|                |                                                      |                | 1975            | 1976            | 1977            |
| 55.08          | Terry towelling and similar terry fabrics, of cotton | United Kingdom | 450 metric tons | 481 metric tons | 515 metric tons |
| ex 60.04       | T-shirts                                             | France         | 2 250 000 units | 2 407 500 units | 2 575 990 units |
| ex 61.03       | Men's cotton shirts                                  | United Kingdom | 663 960 units   | 710 437 units   | 760 167 units   |
| ex 61.05       | Cotton handkerchiefs                                 | United Kingdom | 4 344 933 dozen | 4 649 078 dozen | 4 974 512 dozen |

However, the quantities fixed for the year 1975 shall be reduced by the amount of imports effected in that year before the entry into force of the Agreement.

2. Import authorizations shall be issued by the competent authorities of the Member States concerned in accordance with the system of double checking defined in Annex V to the Agreement.

3. Products introduced into the customs territory of the Community under the inward processing traffic system or temporary entry arrangements and re-exported from that territory without further processing or after undergoing working shall not be set off against the quantities provided for in paragraph 1.

4. The quantities provided for under paragraph 1 may be adapted in accordance with the procedure provided for in Article 11 of Regulation (EEC) No 1023/70.

#### *Article 5*

Imports into the Community of the textile products referred to below, originating in and coming from India and accompanied by a certificate issued and endorsed by the relevant Indian authorities in accordance with Annex IV to the Agreement, shall not be subject to quantitative restrictions:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weight of manmade fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;
- (iii) traditional Indian folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

#### *Article 6*

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

Articles 3, 4 and 5 shall apply from the date of entry into force of the Agreement.

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

Done at Brussels, 10 November 1975.

*For the Council*

*The President*

G. MARCORA

**AGREEMENT**

**between the European Economic Community and the Republic of India on trade in textile products**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE REPUBLIC OF INDIA,

of the other part,

DESIRING to ensure the orderly and equitable development of trade in textiles between the European Economic Community (hereinafter referred to as the Community) and India;

HAVING regard to the provisions of the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Geneva Arrangement) and especially Article 4 thereof;

HAVE DECIDED, in a spirit of mutual cooperation and in accordance with the Geneva Arrangement, to conclude this Agreement and to this end have designated as Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF INDIA:

WHO HAVE AGREED AS FOLLOWS:

*Article 1*

1. The Parties recognize and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textiles shall be governed by the provisions of the Geneva Arrangement.

2. This Agreement shall apply to trade in those categories of textile products, originating in and dispatched from India, which are listed in Annexes I and II hereto and to those referred to in Article 5.

3. India agrees to establish quantitative limits on exports to the Community in accordance with the schedule set out in Annex I. Quantities of the quota

shares set out in Annex I not taken up by a Member State of the Community may be re-allocated to another Member State within the limits decided by the Community in accordance with the procedures in force in the Community. The Community undertakes to respond within four weeks of its receipt to any request made by India for such reallocation. It is understood that any reallocation so effected would not need to be confined within any limits set in flexibility provisions established elsewhere in this Agreement.

*Article 2*

1. The Community undertakes, in respect of the categories of textile products to which this

Agreement applies and subject to the satisfactory operation of this Agreement, not to introduce new quantitative restrictions, to suspend the application of any at present in force and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement provided that exports to the Community of such textile products originating in and dispatched from India do not exceed the quantitative limits established under the provisions of this Agreement.

2. The Indian Government undertakes to take the appropriate measures to ensure that the quantitative limits established under this Agreement are not exceeded.

3. The Community shall not object to the aforementioned quantitative limits being exceeded in the event of additional demand developing on the market of the Community, on the understanding that the additional quantities shall be fixed by common agreement between both Parties.

4. Both Parties undertake to cooperate in implementing the measures necessary for the purpose of this Article.

#### *Article 3*

1. Imports into the Community of those textile products to which this Agreement applies which are for immediate re-export or for inward processing and subsequent re-export outside the Community shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within the Community.

2. In any case where Community authorities ascertain that imports described in paragraph 1 have been retained for consumption within the Community, the latter will notify the Government of India on a quarterly basis of the amounts involved. India shall in such cases and at the request of the Community, charge such amounts against the quantitative limit or limits in question for the current Agreement year or for the next following Agreement year.

3. In any case where the competent authorities within the Community ascertain under an administrative system of control in force that imports of textile products to which this Agreement applies have been charged against quantitative limits established under this Agreement but subsequently re-exported outside the Community, the competent authority concerned will inform the Indian authorities of the quantities involved and authorize imports of the same quantities which shall not be charged to the quantitative limits under the Agreement.

#### *Article 4*

1. The following Indian textile products shall, subject to the conditions indicated hereafter, be admitted into the Community without quantitative limit:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;
- (iii) traditional Indian folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

2. Admission into the Community of these products without quantitative limit shall be subject to the satisfactory operation of agreed arrangements for certification.

#### *Article 5*

1. Both Parties agree to enter promptly into consultations with each other, at the request of either and in conformity with the provisions of the Geneva Arrangement, on any matter concerning their trade in textiles and in particular on any problems arising from the application of this Agreement. Consultations held under the provisions of this Article shall be approached by both Parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

2. The Community may, in particular, whenever conditions in its market give rise to real risks of market disruption, request consultations with India in accordance with the procedures set out in paragraph 5 with regard to the products referred to below and to those listed in Annex II.

3. If, in the opinion of the Community, imports into the Community of textile products of fibres other than cotton in direct competition with those

listed in Annex I and II cause real risks of market disruption, the Community may request consultations with India under identical conditions to those specified in paragraph 5.

4. If an excessive concentration of trade in any specific product within the categories listed in Annex I causes a real risk of market disruption in respect of that product, the Community may request consultations with India under identical conditions to those specified in paragraph 5.

5. In those cases defined in paragraphs 2, 3 and 4, India shall limit, in accordance with the Community's request, exports of the products or categories of products in question, destined for the Community market or for its market in one or more of its Member States, pending a mutually satisfactory conclusion to the said consultations, at a level indicated by the Community which, at an annual rate, shall not be lower than 107 % of the imports recorded for the said product or category thereof during the 12 months ending three months before that in which the request for consultation was made.

6. Consultations shall be held at the request of India in order to review the need for the maintenance or modification of any quantitative limit established under this Article, whenever market conditions which led to the establishment of such quantitative limit no longer prevail.

#### Article 6

If, having regard to the provisions of the Geneva Arrangement, India considers that as a result of the quantitative limits established under this Agreement, it is being placed in an inequitable position as compared with a third country, India may request consultations with the Community with a view to taking appropriate action consistent with both Parties' international rights and obligations.

#### Article 7

1. (a) Within any one Agreement year, unused portions of quantitative limits established under this Agreement may be transferred to another quantitative limit so established, under the conditions set out below.

(b) Transfers may only be effected under this Agreement as follows:

(i) into category 55.09 (other woven fabrics of cotton) and, therein, into subcategory ex 55.09 (cotton fabrics other than grey

and bleached) from any other category shown in Annex I, provided such transfers do not exceed 10 % of the quantitative limit for the category or subcategory into which they are made;

(ii) between the categories:

— ex 61.02 (Nimexe No 87) (women's shirts and blouses, of cotton)

— ex 62.02 (Nimexe Nos 11, 41, 43, 47, 71 and 73) (cotton household linens),

provided such transfers do not exceed 10 % of the quantitative limit for the category into which they are made;

(iii) from category 55.09 (other woven fabrics of cotton) into

(aa) — subcategory ex 55.09 (cotton fabrics, other than grey and bleached)

— category ex 62.02 (Nimexe Nos 11, 41, 43, 47, 71 and 73) (cotton household linens),

provided such transfers do not exceed 7 % of the quantitative limit for the category or subcategory into which they are made;

(bb) category ex 61.02 (Nimexe No 87) (women's shirts and blouses of cotton) provided that such transfers do not exceed 5 % of the quantitative limit for the category into which they are made.

2. Portions of any quantitative limit established under this Agreement which are not used during any Agreement year may be carried over and added to the corresponding quantitative limit in the following Agreement year, within a limit of 10 % of the latter.

3. Within a limit of 10 % of each of the quantitative limits established under this Agreement, advance deliveries shall be authorized from the corresponding quantitative limit established for the following Agreement year. Amounts delivered in advance shall be deducted from the quantitative limits for the products in question for the following Agreement year.

4. The flexibility provisions set out in paragraphs 1, 2 and 3 shall not, in any given Agreement year,

result in a quantitative limit for any category being exceeded by more than the following percentage of the quantitative limit for that category for that Agreement year:

|                                                                        |      |
|------------------------------------------------------------------------|------|
| 55.09 (other woven fabrics of cotton)                                  | 20 % |
| ex 55.09 (cotton fabrics, other than grey or bleached)                 | 20 % |
| ex 61.02 (Nimexe No 87) (women's shirts and blouses of cotton)         | 15 % |
| ex 62.02 (Nimexe Nos 11, 41, 43, 47, 71, 73) (cotton household linens) | 20 % |

5. The flexibility provisions set out in paragraphs 1, 2 and 3 may only be applied by India following written notification to the Community by the Indian authorities.

#### Article 8

India shall endeavour to ensure that exports of all textile products for which quantitative limits may be established under this Agreement are spaced out as evenly as possible over each of the Agreement years, due account being taken, in particular, of seasonal factors.

#### Article 9

The two Parties agree to exchange all useful information concerning their mutual trade in textiles in order to ensure the successful implementation of this Agreement.

#### Article 10

1. The Parties agree that the quantitative limits established under this Agreement shall be managed under a system of double checking, the details of which are set out in Annex V.

2. India therefore agrees to furnish the Community with precise statistical information, on a quarterly basis, of all export authorizations issued by the Indian authorities for all categories of textile exports to the Community to which this Agreement applies.

3. The Community will likewise forward to the Indian authorities, on a quarterly basis, precise statistical information of imports of such products into the Community.

#### Article 11

1. Both Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and India are maintained.

2. Should the Community inform India that the application of this Agreement has given rise to

difficulties regarding the maintenance of existing commercial relations between importers in the Community and their suppliers in India, the Parties agree to consult together in accordance with the procedures set out in Article 5.

#### Article 12

Without prejudice to the other provisions of this Agreement, India agrees that quantitative restrictions with regard to imports into Ireland of the following textile products from India may be maintained until 30 June 1977 at the latest:

| CCT heading No | Description                             |
|----------------|-----------------------------------------|
| 55.05          | Cotton yarn, not put up for retail sale |
| 55.06          | Cotton yarn, put up for retail sale     |
| 55.07          | Cotton gauze                            |

#### Article 13

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territories where the Constitution of the Republic of India applies.

#### Article 14

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for the purpose <sup>(1)</sup>. It shall remain in force until 31 December 1977.

2. This Agreement shall apply with effect from 1 January 1975.

3. Either Party may at any time propose modifications to this Agreement or denounce it provided that notice is given at least 120 days before the expiry of any 12-month period; in the latter event the Agreement will come to an end at the expiry of the said 12-month period.

4. The Annexes to this Agreement shall form an integral part thereof.

#### Article 15

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German and Italian languages, each of these texts being equally authentic.

<sup>(1)</sup> The date of entry into force will be published in the *Official Journal of the European Communities*.

## ANNEX I

Products for which India will exercise restraint towards the whole Community from the entry into force of this Agreement

The Community hereby notifies India that the quantitative limits for the textile products listed below will be allocated between the Member States as follows:

| Products category or subcategory                                              | Member State   | Quantitative limits (in metric tons) |        |        |
|-------------------------------------------------------------------------------|----------------|--------------------------------------|--------|--------|
|                                                                               |                | 1975                                 | 1976   | 1977   |
| 55.09<br>Other woven fabrics of cotton                                        | Germany        | 4 590                                | 5 512  | 6 412  |
|                                                                               | France         | 3 836                                | 4 480  | 5 221  |
|                                                                               | Italy          | 1 000                                | 1 300  | 1 690  |
|                                                                               | Benelux        | 1 687                                | 2 025  | 2 355  |
|                                                                               | United Kingdom | 22 825                               | 22 939 | 23 054 |
|                                                                               | Ireland        | 136                                  | 163    | 195    |
|                                                                               | Denmark        | 866                                  | 971    | 1 073  |
|                                                                               | EEC            | 34 940                               | 37 390 | 40 000 |
|                                                                               | Germany        | 343                                  | 419    | 498    |
|                                                                               | France         | 366                                  | 432    | 502    |
|                                                                               | Italy          | 219                                  | 267    | 318    |
|                                                                               | Benelux        | 273                                  | 322    | 360    |
|                                                                               | United Kingdom | 1 810                                | 1 819  | 1 828  |
|                                                                               | Ireland        | 70                                   | 70     | 71     |
|                                                                               | Denmark        | 419                                  | 421    | 423    |
|                                                                               | EEC            | 3 500                                | 3 750  | 4 000  |
| ex 61.02<br>(Nimexe No 87)<br>Women's shirts and blouses of cotton            | Germany        | 250                                  | 250    | 268    |
|                                                                               | France         | 115                                  | 115    | 128    |
|                                                                               | Italy          | 130                                  | 130    | 139    |
|                                                                               | Benelux        | 148                                  | 148    | 150    |
|                                                                               | United Kingdom | 122                                  | 122    | 140    |
|                                                                               | Ireland        | 5                                    | 5      | 5      |
|                                                                               | Denmark        | 184                                  | 184    | 184    |
|                                                                               | EEC            | 954                                  | 954    | 1 014  |
| ex 62.02<br>(Nimexe Nos 11, 41, 43, 47, 71 and 73)<br>Cotton household linens | Germany        | 2 291                                | 2 556  | 2 789  |
|                                                                               | France         | 138                                  | 207    | 310    |
|                                                                               | Italy          | 197                                  | 256    | 333    |
|                                                                               | Benelux        | 292                                  | 315    | 400    |
|                                                                               | United Kingdom | 4 008                                | 4 008  | 4 028  |
|                                                                               | Ireland        | 9                                    | 13     | 21     |
|                                                                               | Denmark        | 657                                  | 660    | 663    |
|                                                                               | EEC            | 7 592                                | 8 015  | 8 544  |

## ANNEX II

## Products subject to special consultation procedures under Article 5 of the Agreement

| CCT heading No                                                          | Description                                                                                                        |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 55.08<br>ex 60.04<br>ex 61.03 (Nimexe No 15)<br>ex 61.05 (Nimexe No 30) | Terry towelling and similar terry fabrics, of cotton<br>T-shirts<br>Men's shirts of cotton<br>Cotton handkerchiefs |

## ANNEX III

1. In accordance with Article 5 of the Agreement, consultations have been held between the Parties regarding imports from India into the Community of the textile products listed below.
2. As agreed in the consultations mentioned above, India shall limit exports of the products listed below to the regions of the Community market and to the quantitative limits indicated.

| CCT heading No          | Description                                          | Community region to which restriction is applied | Annual quantity (with effect from 1 January 1975) |
|-------------------------|------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|
| 55.08                   | Terry towelling and similar terry fabrics, of cotton | United Kingdom                                   | 450 metric tons                                   |
| ex 60.04                | T-shirts                                             | France                                           | 2 250 000 units                                   |
| ex 61.03 (Nimexe No 15) | Men's shirts of cotton                               | United Kingdom                                   | 663 960 units                                     |
| ex 61.05 (Nimexe No 30) | Cotton handkerchiefs                                 | United Kingdom                                   | 4 344 933 dozen                                   |

3. Should the quantitative limits referred to above remain in force for a further period or periods of 12 months, the level for that period shall not be lower than the level specified for the preceding 12-month period, increased by not less than 7 %.

## ANNEX IV

## Handloom and textile handicraft articles

1. In accordance with Article 12 (3) of the Geneva Arrangement, the Community and India have agreed, in Article 4 of the Agreement that, subject to certain conditions, Indian exports of certain handloom and textile handicraft products would be admitted into the Community without quantitative limit. The conditions set out in Article 4 (2) of the Agreement specify that admission of such products into the Community without quantitative limit shall be subject to the satisfactory operation of agreed arrangements for certification.
2. The Community and India hereby agree that in carrying out the provisions of Article 4 of the Agreement the following form of certificate shall be used.

*'Certificate in regard to cotton handloom fabrics and products thereof*

Name and address of manufacturer,

Name and address of exporter,

Name and address of importer within the Community,

Description of goods,

Quantity (metric tons),

Name of ship or flight number,

Port or airport of destination.

This is to certify that the above shipment consists of:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;
- (iii) traditional Indian folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

Signed .....

3. The bodies which shall be authorized to issue the above certificates are the Textile Commissioner in Bombay, or one of his branch offices in Ahmedabad, Amritsar, Calcutta, Coimbatore, Kanpur and Madras.
4. In addition, such descriptive certificate shall be endorsed by a Government agency to the effect that the consignment is approved for export, without any quantitative ceilings, as provided for in the Agreement and in the Geneva Arrangement.

## ANNEX V

## System of double checking

As agreed between the Parties in Article 10 of the Agreement, the administration of textile imports from India will be based on a system of double checking. The details of this system have been agreed between the Parties and are set out below.

The competent authorities within the Community will, automatically and without delay, accept imports of textile products on submission of the importer's application together with the original export licence. The competent authorities within the Community shall be entitled to require the presentation of an export licence in respect of goods originating in India of the categories shown in Annex I and (in any case where the provisions of Article 5 have been invoked) of Annex II. These export licences will be issued by the Indian authorities up to the total amount of the agreed ceilings.

The export licences issued by the Indian authorities shall be applicable to the products subject to restraint under the Agreement.

The export licence must specify:

1. destination,
2. serial number,
3. importer's name and address,
4. exporter's name and address,
5. net weight (in kilogrammes or metric tons) and value,
6. category and description of product,
7. the issue of a certificate by the Indian authorities showing that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, is for immediate re-export or for inward-processing and subsequent re-export outside the Community.

The competent authorities within the Community will not raise difficulties in the event of a discrepancy between the weight indicated in the export licence and the shipment or import weight provided it is within reasonable limits, while the Indian authorities, for their part, will endeavour to keep any discrepancies to a minimum.

In the event of total or partial withdrawal of an export licence, the Indian authorities will notify the competent authorities within the Community of such total or partial withdrawal. The competent authorities within the Community will take the appropriate measures in accordance with their existing administrative provisions.

The Indian authorities will forward to the competent authorities within the Community, via the embassies of the Member States of the Community and directly to the Commission, quarterly returns showing the total net weight in metric tons covered by the export licences issued against the quantitative limits for exports to the Community, as well as the allocation of these export licences amongst the Member States of the Community, for all categories of textile exports to the Community subject to quantitative limits under this Agreement.

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## ANNEX VI

## Conversion factors

In the course of negotiating the Agreement, it was noted that restrictions previously in force in one Member State had been expressed in square yards, whereas under the Agreement metric weight units are used for the Community as a whole. It was further noted that in order to arrive at base levels for quantitative limits in the new Agreement the relationship between square yards and metric tons had been directly derived from customs statistics relating to imports of the products in question from India.

The Indian delegation expressed concern lest, nevertheless, the effect of this change might prove to be restrictive in terms of the trade opportunities provided. For the avoidance of doubt, it was confirmed on behalf of the Community that the change of unit of measurement was in no way intended to have this effect.

It was further agreed that for a transitional period of two years (1975 and 1976) the Customs authorities of the Member State concerned (the United Kingdom) would maintain a running check on both the tonnage and square yardage of imports from India and that if during this transitional period the square yard equivalent of the quantitative limits expressed in metric tons was not reached, additional imports would be accepted to a level not exceeding the square yard equivalent derived as indicated above. In case a new ratio emerges by the end of 1976, the quantitative limit for 1977, expressed in metric tons, will be fixed on the basis of the new ratio and appropriate growth factor.

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## ANNEX VII

## Exchange of letters on cotton household linens

Sir,

In concluding the negotiations held between the Government of India and the European Economic Community which have led this day to the signing of an Agreement regarding the trade in textile products, I have the honour to confirm the following record of understanding:

In the view of the Indian delegation the quantitative limits for the products falling within category ex 62.02 (cotton household linens) for the years 1976 and 1977, as shown in Annex I, did not take fully into account the potential of Indian exports to the Community market.

A review will be held, at the request of India, in order to assess the position and to determine, on a mutually agreed basis, whether and to what extent an upward revision of the quantitative limits in question should be made.

I should be grateful for your confirmation that the above correctly represents our understanding in the matter.

Please accept, Sir, the assurances of my highest consideration.

*For the Government of the Republic of India.*

Sir,

I have the honour to refer to your letter of today's date in the following terms:

'In concluding the negotiations held between the Government of India and the European Economic Community which have led this day to the signing of an Agreement regarding the trade in textile products, I have the honour to confirm the following record of understanding:

In the view of the Indian delegation the quantitative limits for the products falling within category ex 62.02 (cotton household linens) for the years 1976 and 1977, as shown in Annex I, did not take fully into account the potential of Indian exports to the Community market.

A review will be held, at the request of India, in order to assess the position and to determine, on a mutually agreed basis, whether and to what extent an upward revision of the quantitative limits in question should be made.

I should be grateful for your confirmation that the above correctly represents our understanding in the matter.'

I confirm that this correctly sets out our understanding in the matter.

Please accept, Sir, the assurances of my highest consideration.

*For the Council of the European Communities.*

## REGULATION (EEC) No 2993/75 OF THE COUNCIL

of 10 November 1975

concluding the Agreement between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products and laying down provisions for its application

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 Council Regulation (EEC) No 1023/70 <sup>(1)</sup> of 25 May 1970 establishing a common procedure for administering quantitative quotas, and in particular Article 2 thereof;

Having regard to the proposal from the Commission;

Whereas the Agreement negotiated between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products should be concluded;

Whereas the Community is obliged under the Agreement to permit the import of certain textile products within quantitative limits to which Pakistan undertakes to adhere by applying voluntary restraint in respect of its exports to the Community; whereas it is therefore necessary to introduce Community quantitative quotas, to fix the volume thereof for 1975, 1976 and 1977 and to establish the criteria for their allocation, with account being taken of the system of double checking provided for in the Agreement;

Whereas in view of the considerable disparities in the conditions to which imports of the products in question into the Member States are currently subject, and in view of the particularly sensitive nature of the textile industry in the Community, the standardization of these import conditions can only be achieved by progressive stages; whereas these quotas should be allocated taking into account, in particular, the fact that the volumes admitted under the present import conditions are being adapted by progressive stages to market supply requirements;

Whereas the Agreement provides in respect of another textile product for the suspension by the Community of the quantitative import restrictions together with a special consultation procedure

enabling safeguard measures to be adopted where there is a risk of market disruption; whereas, in accordance with this procedure, Pakistan has undertaken to apply voluntary restraint in respect of its exports to certain Member States; whereas the voluntary restraint in question will be administered in accordance with the system of double checking provided for in the Agreement;

Whereas products brought into the customs territory of the Community under the inward processing traffic system or temporary entry arrangements and re-exported from that territory without further processing or after undergoing working should not be subject to the Community quantitative quotas or to the voluntary restraint measures adopted in respect of exports to certain Member States,

HAS ADOPTED THIS REGULATION:

*Article 1*

The Agreement between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Regulation.

*Article 2*

The President of the Council shall notify the other Contracting Party that, as regards the Community, the procedures necessary for the entry into force of the Agreement have been completed.

*Article 3*

1. Imports into the Community of the textile products set out below originating in and coming from Pakistan shall be subject to Community quantitative quotas and the volumes of the quotas for 1975, 1976 and 1977 are shown for each of these products:

<sup>(1)</sup> OJ No L 124, 8. 6. 1970, p. 1.

| CCT heading No                | Description                                                | Volume<br>(in metric tons) |        |        |
|-------------------------------|------------------------------------------------------------|----------------------------|--------|--------|
|                               |                                                            | 1975                       | 1976   | 1977   |
| 55.09<br>of which<br>ex 55.09 | Other woven fabrics of cotton                              | 17 038                     | 18 230 | 19 510 |
|                               | Woven fabrics of cotton, other than unbleached or bleached | 1 002                      | 1 040  | 1 075  |
| ex 62.02                      | Bed linen, toilet linen and kitchen linen, of cotton       | 1 750                      | 1 873  | 2 004  |

However the volume of the quotas fixed for 1975 are reduced by the amount of imports affected in that year before the entry into force of the Agreement.

2. The quotas shall be allocated, in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 1023/70, in such a way as to ensure the expansion and orderly development of trade in textiles and to permit carryover and anticipation from year to year.

The allocation shall be made, however, on the basis of the import volumes admitted on the conditions currently applied in the Member States and shall provide for annual rates of increase that are appreciably higher for the Member States whose import volumes are relatively the lowest in such a way as to adapt them by progressive stages to market supply requirements.

3. Import authorizations shall be granted in accordance with the system of double checking defined in Annex III to the Agreement.

4. Products brought into the customs territory of the Community under the inward processing traffic system or temporary entry arrangements and re-exported from that territory without further processing or after undergoing working shall not be set off against the quotas provided for in paragraph 1.

#### Article 4

Imports into the Community of cotton table linen under heading No ex 62.02 of the Common Customs

Tariff, originating in and coming from Pakistan, shall not be subject to quantitative restrictions.

#### Article 5

Imports into the Community of the textile products referred to below, originating in and coming from Pakistan and accompanied by a certificate issued and endorsed by the relevant Pakistani authorities in accordance with Annex II to the Agreement, shall not be subject to quantitative restrictions:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weights of man-made fibres; being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;
- (iii) traditional Pakistani folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

*Article 6*

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

Articles 3, 4 and 5 shall apply from the date of entry into force of the Agreement.

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

Done at Brussels, 10 November 1975.

*For the Council*

*The President*

G. MARCORA

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**AGREEMENT**

**between the European Economic Community and the Islamic Republic of Pakistan on  
trade in textile products**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN,

of the other part,

DESIRING to ensure the orderly and equitable development of trade in textiles between the European Economic Community (hereinafter referred to as the Community) and the Islamic Republic of Pakistan (hereinafter referred to as Pakistan);

HAVING REGARD to the provisions of the Arrangement regarding International Trade in Textiles (hereinafter referred to as the Geneva Arrangement) and especially Article 4 thereof;

HAVE DECIDED, in a spirit of mutual cooperation and in accordance with the said Geneva Arrangement, to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN:

WHO HAVE AGREED AS FOLLOWS:

*Article 1*

1. The Parties recognize and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and duties under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textiles shall be governed by the provisions of the Geneva Arrangement.

2. This Agreement shall apply to trade in those categories of textile products, originating in and dispatched from Pakistan, which are listed below and to those referred to in Article 5 (4).

| CCT heading No | Nimexe No     | Description                                         |
|----------------|---------------|-----------------------------------------------------|
| 55.09          | All Nos       | Other woven fabrics of cotton                       |
| ex 62.02       | 11, 71 and 73 | Bed linen, toilet linen and kitchen linen of cotton |

3. Pakistan agrees to establish quantitative limits on exports to the Community in accordance with Annex I. Quantities of the quota shares set out in Annex I not taken up by a Member State of the Community may be reallocated to another Member

State within the limits decided by the Community in accordance with the procedures in force in the Community. The Community undertakes to respond within four weeks of its receipt to any request made by Pakistan for such reallocation. It is understood that any reallocation so effected would not need to be confined within any limits set in flexibility provisions established elsewhere in this Agreement.

#### *Article 2*

1. Pakistan undertakes to ensure that its exports to the Community of textile products to which this Agreement applies do not exceed the quantitative limits established under the provisions thereof and shall cooperate with the Community in implementing the measures recognized in this Agreement as necessary for this purpose.

2. The Community undertakes, in respect of the categories of textile products to which this Agreement applies, and subject to the satisfactory operation of this Agreement, not to introduce new quantitative restrictions, to suspend the application of any at present in force and to refrain from invoking the provisions of Article 3 of the Geneva Arrangement provided that exports to the Community of such textile products originating in and dispatched from Pakistan do not exceed the quantitative limits established under the provisions of this Agreement.

#### *Article 3*

1. Imports into the Community of those textile products to which this Agreement applies, which are for immediate re-export or for inward processing and subsequent re-export outside the Community shall not be subject to quantitative limits established under this Agreement, provided they are entered as such under an administrative system of control in force for this purpose within the Community.

2. In any case where Community authorities ascertain that imports described in paragraph 1 have been retained for consumption within the Community, the latter will notify the Government of Pakistan on a quarterly basis of the amounts involved. Pakistan shall in such cases and at the request of the Community, charge such amounts against the quantitative limit or limits in question for the current Agreement year or for the next following Agreement year.

3. In any case where the competent authorities within the Community ascertain under an

administrative system of control in force that imports of textile products to which this Agreement applies have been charged against quantitative limits established under this Agreement but subsequently re-exported outside the Community, the competent authority concerned will inform the Pakistani authorities of the quantities involved and authorize imports of the same quantities which shall not be charged to the quantitative limits under the Agreement.

#### *Article 4*

1. The following Pakistani textile products shall, subject to the conditions indicated hereafter, be admitted into the Community without quantitative limit:

(i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);

(ii) goods made up by the cottage industry from such cotton handloom fabrics;

(iii) traditional Pakistani folklore handicraft textile products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

2. Admission into the Community of these products without quantitative limit shall be subject to the satisfactory operation of agreed arrangements for certification.

#### *Article 5*

1. Both Parties agree to enter promptly into consultations with each other, at the request of either and in accordance with the provisions of the Geneva Arrangement, on any matter concerning their mutual trade in textiles and in particular on any problems arising from the application of this Agreement. Consultations held under the provisions of this Article shall be approached by both Parties in a spirit of compromise and with a view to the conciliation of differences existing between them.

2. Any request for consultations under this Agreement shall be accompanied by a factual statement of the reasons and justifications for such a request.

3. The two Parties, unless agreed otherwise, will consult as soon as possible within 30 days of the request for such consultations, and will make their best efforts to complete such consultations within 30 days of their commencement.

4. Notwithstanding the generality of the provisions of paragraphs 1, 2, 3 and 7, the Community may at any time request consultations with Pakistan:

- (a) whenever conditions in its market are such that a limitation of further trade in cotton table linen (CCT heading No ex 62.02, Nimexe Nos 41, 43 and 47) may be necessary to eliminate real risks of market disruption;
- (b) whenever imports into the Community of textile products of fibres other than cotton in direct competition with those which are within the categories listed in Article 1 (2) and paragraph 4 (a) of this Article cause or threaten to cause a real risk of market disruption such that the quantitative limits established under this Agreement could be evaded;
- (c) whenever an excessive concentration of trade in any specific products within the categories listed in Article 1 (2) and paragraph 4 (a) of this Article causes or threatens to cause a real risk of market disruption in respect of that product.

5. Pending a mutually satisfactory solution to the consultations described in paragraph 4, Pakistan shall limit exports of the product(s) in question to the Community to the greater of:

- (i) 107 % of the exports of such product(s) to the Community during the most recent 12-month period preceding the month in which the request for consultations was made for which statistics are available to the two Parties; or
- (ii) the average annual exports of such product(s) from Pakistan to the Community for the most recent three-year period preceding the month in which the request for consultations was made, for which statistics are available to the two Parties.

6. The procedure referred to in paragraph 5 will only be resorted to sparingly and will be implemented in a manner consistent with the principles and objectives of the Geneva Arrangement.

7. In the event that the Parties are unable to reach agreement during the consultations provided for in this Article, either of the Parties may, as a signatory to the Geneva Arrangement, refer the matter to the Textiles Surveillance Body in accordance with Article 11 of the Geneva Arrangement. Either Party, choosing to adopt such a course of action, shall immediately notify the other of its intention.

#### *Article 6*

If, having regard to the provisions of the Geneva Arrangement, either Party considers that it is being placed in an inequitable position in respect of trade in textiles as compared with a third country, that Party may request consultations with the other with a view to seeking equitable solutions. Such consultations will be held and concluded promptly. The Parties will take such appropriate remedial measures as may be mutually acceptable and consistent with their international rights and obligations, including the making of any necessary reasonable modification to this Agreement.

#### *Article 7*

1. (a) Within any one Agreement year, unused portions of quantitative limits established under this Agreement may be transferred to another quantitative limit so established, under the conditions set out below.

(b) Transfers may only be effected under this Agreement as follows:

- (i) into category 55.09 (other woven fabrics of cotton) and, therein, into subcategory ex 55.09 (cotton fabrics, other than grey or bleached) from category ex 62.02 (Nimexe Nos 11, 71 and 73) (bed linen, toilet linen and kitchen linen, of cotton), provided that such transfers do not exceed 10 % of the quantitative limit for the category or subcategory into which they are made;
- (ii) into category ex 62.02 (Nixeme Nos 11, 71 and 73) (bed linen, toilet linen and kitchen linen, of cotton) from category 55.09 (other woven fabrics of cotton),

provided that such transfers do not exceed 7 % of the quantitative limit of the category into which they are made;

- (iii) within category 55.09 (other woven fabrics of cotton), into subcategory ex 55.09 (cotton fabrics, other than grey or bleached), provided that such transfers do not exceed 7 % of the quantitative limit for the subcategory into which they are made.

2. Portions of any quantitative limit established under this Agreement which are not used during any Agreement year may be carried over and added to the corresponding quantitative limit in the following Agreement year, within a limit of 10 % of the latter.

3. Within a limit of 10 % of each of the quantitative limits established under this Agreement, advance deliveries shall be authorized from the corresponding quantitative limit established for the following Agreement year. Amounts delivered in advance shall be deducted from the quantitative limits for the products in question for the following Agreement year.

4. The flexibility provisions set out in paragraphs 1, 2 and 3 shall not, in any given Agreement year, result in any quantitative limit for any category being exceeded by more than 15 % of the quantitative limit for that category for that Agreement year.

#### Article 8

Pakistan shall ensure that exports of all textile products restrained under this Agreement are spaced out evenly over each of the Agreement years, due account being taken, in particular, of seasonal factors.

#### Article 9

The Parties recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical matters. Pakistan therefore agrees to furnish to the Community precise statistical information, on a quarterly basis, on all export authorizations issued by the Pakistani authorities for all categories of textile exports to the Community to which this Agreement applies.

#### Article 10

Subject to the satisfactory operation of this Agreement and the communication of the relevant statistical data indicated in Article 9, the Parties agree that the quantitative limits established under this Agreement shall be managed under a system of double checking, consisting of export licences and automatic counterpart import licences.

#### Article 11

1. Both Parties shall take all possible measures to ensure that traditional channels and methods of trade between the Community and Pakistan are maintained.

2. Should the Community inform Pakistan that the application of this Agreement has given rise to difficulties regarding the maintenance of existing commercial relations between importers in the Community and their suppliers in Pakistan the Parties agree to consult together in accordance with the procedures set out in Article 5.

#### Article 12

Without prejudice to the other provisions of this Agreement, Pakistan agrees that quantitative restrictions with regard to imports into Ireland of the following textile products from Pakistan may be maintained until 30 June 1977 at the latest in accordance with the rights enjoyed by Ireland under the Treaty by which that country acceded to the European Communities.

| CCT<br>heading No | Description                             |
|-------------------|-----------------------------------------|
| 55.05             | Cotton yarn, not put up for retail sale |
| 55.06             | Cotton yarn, put up for retail sale     |
| 55.07             | Cotton gauze                            |

#### Article 13

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for the purpose <sup>(1)</sup>. It shall remain in force until 31 December 1977.

<sup>(1)</sup> The date of entry into force will be published in the *Official Journal of the European Communities*.

2. This Agreement shall apply with effect from 1 January 1975.

4. The Annexes to this Agreement shall form an integral part thereof.

3. Either party may at any time propose modifications to this Agreement or denounce it provided that notice is given at least 120 days before the expiry of any 12-month period; in the latter event the Agreement will come to an end on the expiry of the said 12-month period.

*Article 14*

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German and Italian languages, each of these texts being equally authentic.

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## ANNEX I

Products for which Pakistan will exercise restraint towards the whole Community from the entry into force of the Agreement

The Community hereby notifies Pakistan that the quantitative limits for the textile products listed below will be allocated between the Member States as follows:

| Products category or subcategory                                   | Member State   | Quantitative limits (in metric tons) |        |        |
|--------------------------------------------------------------------|----------------|--------------------------------------|--------|--------|
|                                                                    |                | 1975                                 | 1976   | 1977   |
| 55.09<br>Other woven fabrics of cotton                             | Germany        | 1 650                                | 2 028  | 2 437  |
|                                                                    | France         | 1 080                                | 1 327  | 1 595  |
|                                                                    | Italy          | 1 729                                | 2 049  | 2 399  |
|                                                                    | Benelux        | 905                                  | 1 075  | 1 256  |
|                                                                    | United Kingdom | 10 326                               | 10 378 | 10 430 |
|                                                                    | Ireland        | 677                                  | 680    | 683    |
|                                                                    | Denmark        | 671                                  | 693    | 710    |
|                                                                    | EEC            | 17 038                               | 18 230 | 19 510 |
|                                                                    | Germany        | 75                                   | 85     | 95     |
|                                                                    | France         | 67                                   | 76     | 84     |
|                                                                    | Italy          | 58                                   | 65     | 72     |
|                                                                    | Benelux        | 38                                   | 43     | 48     |
|                                                                    | United Kingdom | 381                                  | 386    | 390    |
|                                                                    | Ireland        | 296                                  | 297    | 298    |
|                                                                    | Denmark        | 87                                   | 88     | 88     |
| of which<br>ex 55.09<br>Cotton fabrics other than grey or bleached | EEC            | 1 002                                | 1 040  | 1 075  |
|                                                                    | Germany        | 285                                  | 333    | 387    |
|                                                                    | France         | 152                                  | 183    | 212    |
|                                                                    | Italy          | 257                                  | 274    | 291    |
|                                                                    | Benelux        | 261                                  | 265    | 270    |
|                                                                    | United Kingdom | 454                                  | 474    | 497    |
|                                                                    | Ireland        | 6                                    | 7      | 8      |
|                                                                    | Denmark        | 335                                  | 337    | 339    |
|                                                                    | EEC            | 1 750                                | 1 873  | 2 004  |
|                                                                    | Germany        | 285                                  | 333    | 387    |
|                                                                    | France         | 152                                  | 183    | 212    |
|                                                                    | Italy          | 257                                  | 274    | 291    |
|                                                                    | Benelux        | 261                                  | 265    | 270    |
|                                                                    | United Kingdom | 454                                  | 474    | 497    |
|                                                                    | Ireland        | 6                                    | 7      | 8      |
|                                                                    | Denmark        | 335                                  | 337    | 339    |
|                                                                    | EEC            | 1 750                                | 1 873  | 2 004  |

## ANNEX II

## Handloom and textile handicraft articles

1. In accordance with Article 12 (3) of the Geneva Arrangement, the Community and Pakistan have agreed, in Article 4 of the Agreement that, subject to certain conditions Pakistani exports of certain handloom and textile handicraft products would be admitted into the Community without quantitative limit. The conditions set out in Article 4 (2) of the Agreement specifies that admission of such products into the Community without quantitative limit shall be subject to the satisfactory operation of agreed arrangements for certification.
2. The Community and Pakistan hereby agree that in carrying out the provisions of Article 4 of the Agreement the following form of certificate shall be used.

*'Certificate in regard to cotton handloom fabrics and products thereof*

Name and address of manufacturer,

Name and address of exporter,

Name and address of importer within the Community,

Description of goods,

Quantity (metric tons),

Name of ship or flight number,

Port or airport of destination.

This is to certify that the above shipment consists of:

- (i) cotton handloom fabrics of the cottage industry, containing not more than 5 % by weight of man-made fibres, being fabrics which are both traditionally of the kind woven on handlooms and actually woven on a loom for which the motive power is provided entirely by the operators (that is where the three primary movements of weaving, namely shedding, picking and beating, are induced by hand or foot and no other source of power is used);
- (ii) goods made up by the cottage industry from such cotton handloom fabrics;
- (iii) traditional Pakistani folklore handicraft textiles products cut, sewn or otherwise fabricated by hand in cottages which are units of the cottage industry.

Signed .....

3. The body which shall be authorized to issue the above certificates is the Export Promotion Bureau, Government of Pakistan.
4. In addition such descriptive certificate shall be endorsed by a Government agency to the effect that the consignment is approved for export, without any quantitative ceilings, as provided for in the Agreement and in the Geneva Arrangement.

*ANNEX III*

## System of double checking

1. As agreed between the Parties in Article 10 of the Agreement, the administration of textile imports from Pakistan will be based on a system of double checking. The details of this system have been agreed between the Parties and are set out below.
  2. The authorities of the Member States of the Community will, automatically and without delay, accept imports of cotton textile products on submission of the importer's application together with the original export licence. These export licences will be issued by the Pakistani authorities up to the total amount of the agreed ceilings.
  3. The export licences issued by the Pakistani authorities shall be applicable to the products subject to restraint under the Agreement.
  4. The export licence must specify:
    - (1) destination,
    - (2) serial number,
    - (3) importer's name and address,
    - (4) exporter's name and address,
    - (5) net weight (in kilogrammes or metric tons) and value,
    - (6) category and description of product,
    - (7) the issue of a certificate by the Pakistani authorities showing that the quantity has been debited against the agreed ceiling for exports to the Community or, where appropriate, if for immediate re-export or for inward processing and subsequent re-export outside the Community.
  5. The authorities of the Member States of the Community will not raise difficulties in the event of a discrepancy between the weight indicated in the export licence and the shipment or import weight provided it is within reasonable limits, while the Pakistani authorities, for their part, will endeavour to keep any discrepancies to a minimum.
  6. In the event of total or partial withdrawal of an export licence, the Pakistani authorities will notify the authorities of the Member States of the Community of such total or partial withdrawal. The authorities of the Member States of the Community will take the appropriate measures in accordance with their existing administrative provisions.
  7. The Pakistani authorities will forward to the authorities of the Member States of the Community, via the embassies of the Member States of the Community and directly to the Commission, quarterly returns showing the total net weight in metric tons covered by the export licences issued against the ceilings for exports to the Member States of the Community, for all categories of textile exports to the Community to which the Agreement applies.
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## ANNEX IV

## Conversion factors

1. In the course of negotiating the Agreement, it was noted that restrictions previously in force in one Member State had been expressed in square yards, whereas under the Agreement metric weight units are used for the Community as a whole. It was further noted that in order to arrive at base levels for quantitative limits in the new Agreement the relationship between square yards and metric tons had been directly derived from customs statistics relating to imports of the products in question from Pakistan.
  2. The Pakistani delegation expressed concern lest, nevertheless, the effect of this change might prove to be restrictive in terms of the trade opportunities provided. For the avoidance of doubt, it was confirmed on behalf of the Community that the change of unit of measurement was in no way intended to have this effect.
  3. It was further agreed that for a transitional period of two years (1975 and 1976) the Customs authorities of the Member State concerned (the United Kingdom) would maintain a running check on both the tonnage and square yardage of imports from Pakistan and that if during this transitional period the square yard equivalent of the quantitative limits expressed in metric tons was not reached, additional imports would be accepted to a level not exceeding the square yard equivalent derived as indicated above. In case a new ratio emerges by the end of 1976, the quantitative limit for 1977 expressed in metric tons, will be fixed on the basis of the new ratio and appropriate growth factor.
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