

12.6.72

Official Journal of the European Communities

No L 134/31

COUNCIL DECISION**of 20 December 1971****on the conclusion of an Agreement between the European Economic Community and the Government of Japan on trade in cotton textiles****(72/212/EEC)****THE COUNCIL OF THE EUROPEAN COMMUNITIES,**

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the Recommendation of the Commission;

Whereas by a Decision of 6 February 1970 the Council authorised the Commission to conduct bilateral negotiations with certain third countries on behalf of the European Economic Community in connection with the renewal of the Long-Term Arrangement regarding trade in cotton textiles;

Whereas a draft Agreement between the European Economic Community and the Government of Japan has been drawn up which is acceptable to the Community,

HAS DECIDED AS FOLLOWS:

Article 1

An Agreement with the Government of Japan on trade in cotton textiles, together with the Exchanges of Letters

relating thereto, is concluded on behalf of the European Economic Community.

The texts of the Agreement and of the Exchanges of Letters are annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the texts referred to in Article 1 and to confer on him the powers required in order to bind the Community.

Done at Brussels, 20 December 1971.

For the Council

The President

M. PEDINI

Agreement

between the European Economic Community and the Government of Japan on trade in cotton textiles

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part, and

THE GOVERNMENT OF JAPAN, of the other part,

DESIRING to ensure the development of the trade in cotton textiles between Japan and the European Economic Community (hereinafter called the 'Community') in an orderly manner in accordance with the provisions of the Long-Term Arrangement regarding international trade in cotton textiles (hereinafter called the 'Geneva Arrangement') and in particular Article 4 thereof;

HAVE AGREED, in a spirit of mutual cooperation, as follows:

Article 1

This Agreement shall apply to the cotton textiles originating in and coming from Japan and listed in the Annex to the Agreement.

Article 2

For the duration of the Agreement and by virtue of the provisions contained therein or annexed thereto, the Community undertakes not to introduce new quantitative restrictions and to suspend the application of those at present in force and agrees not to invoke the provisions of Article 3 of the Geneva Arrangement so long as imports into the Community of cotton textiles originating in and coming from Japan do not exceed the agreed quantities.

The Government of Japan undertakes to take appropriate measures to ensure that the agreed ceilings are observed and to cooperate with the Community in implementing the measures recognized as necessary to that end.

Article 3

(a) Overall ceiling

The agreed total annual quantity for the duration of the Agreement shall be 12 745 metric tons.

(b) Ceilings by groups of categories

The total annual quantity shall be divided between the two groups of categories of products as follows:

Group I

	<i>Metric tons</i>
Woven fabrics of cotton, unbleached or bleached, whether or not mercerized	5 910

Group II

Other woven fabrics of cotton, made-up articles and miscellaneous articles of cotton	6 835
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(c) Specific ceilings

Within the ceilings by groups categories established under (b), specific ceilings may be agreed on the basis of the list of products annexed to this Agreement, in order

to avoid excessive concentration of trade in certain products.

If, in one of the yearly periods, the Community finds that deliveries of certain products for which no specific ceiling has been fixed have rapidly and substantially increased, it may request that a specific ceiling be fixed. Where such a request is made consultations shall be initiated between the two Parties without delay in order to agree upon the specific ceiling for the product in question.

Article 4

1. Up to 10% of the quantity fixed for Group II may be transferred to Group I.

An unused quantity within a specific ceiling may be transferred to another specific ceiling, up to 10% of the specific ceiling to which the transfer is made.

An unused quantity within a specific ceiling may be assigned within the category to other products not subject to specific ceilings.

2. A quantity within the ceiling for one of the two groups of categories which has not been used during a yearly period may, within a limit of 10% of the ceiling in question, be carried forward and added to the ceiling for the same group for the following yearly period, provided that the unused quantity has not been transferred or carried forward to another head.

An unused quantity within a specific ceiling may, within a limit of 10% of the ceiling in question, be carried forward and added to the same specific ceiling for the following yearly period, provided that the unused quantity has not been transferred or carried forward to another head.

3. Within a limit of 10% of each of the agreed ceilings, advance deliveries shall, if the Government of Japan so requests in writing in good time, be authorized against the ceilings established for the following yearly period; the Government of Japan shall, however, endeavour to ensure that exports of cotton textiles of all categories are phased as evenly as possible over each yearly period, due account being taken, in particular, of seasonal factors. Amounts delivered in advance shall be deducted from the ceilings for the following yearly period.

Article 5

The two Parties hereby agree that the ceilings shown in the Agreement shall be administered under dual supervision.

Article 6

The two Parties hereby agree to exchange all information on exports of cotton textiles from Japan to the Community and on the corresponding imports into the Community. Each Party shall, for the purposes of the Agreement, apply the classification, at its disposal and shall cooperate with the other Party in facilitating comparison of the information supplied.

Article 7

If the Community should inform the Government of Japan that the application of the Agreement has given rise to difficulties affecting maintenance of trade relations between importers in the Community and their suppliers in Japan, the two Parties shall consult each other to determine what measures are necessary to ensure that these trade relations are maintained.

Article 8

The two Parties undertake to consult each other, at the request of either and at least once a year, on all problems arising out of the implementation of the Agreement.

Article 9

This Agreement shall enter into force on the date of its signature and shall apply from 1 October 1970 for three years.

Either Party may denounce the Agreement by giving notice to that effect at least 120 days before the expiry of any yearly period. In that event it shall expire at the end of that period.

The Annex to this Agreement shall form an integral part thereof.

Article 10

This Agreement is drawn up in two copies in the Dutch, French, German, Italian and Japanese languages, each of these texts being equally authentic.

ANNEX

LIST OF COTTON TEXTILE PRODUCTS REFERRED TO IN ARTICLE 1 OF THE AGREEMENT

Group of categories	Categories	Description of products
GROUP I		WOVEN FABRICS OF COTTON, UNBLEACHED OR BLEACHED, WHETHER OR NOT MERCERIZED
	B	WOVEN FABRICS OF COTTON, UNBLEACHED
	B 1	Terry towelling and similar terry fabrics
	B 2	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing less than 85 % by weight of cotton
	B 3	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing 85% or more by weight of cotton, plain weave, weighing more than 70 g but not more than 130 g/m ² , of a width of more than 115 cm but not more than 165 cm, made only with a yarn numbered less than 55 000 m/kg (English number 32)
	B 4	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing 85% or more by weight of cotton, plain weave, weighing not more than 130 g/m ² other than those under B 3
	B 5	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing 85% or more by weight of cotton, plain weave, of a cotton weight of more than 130 g but not more than 200 g/m ² , of a width of at least 85 cm but not more than 115 cm
	B 6	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing 85% or more by weight of cotton, plain weave, weighing more than 130 g but not more than 200 g/m ² of a width of more than 115 cm
	B 7	Woven fabrics other than gauze or terry towelling and similar terry fabrics, containing 85% or more by weight of cotton, of a width of at least 85 cm, other than plain weave
	B 8	Other woven fabrics
	C	WOVEN FABRICS OF COTTON OTHER THAN UNBLEACHED
	C 1	Bleached, whether or not mercerized
GROUP II		OTHER WOVEN FABRICS OF COTTON, MADE-UP ARTICLES AND MISCELLANEOUS ARTICLES OF COTTON
	C 2	Gauze other than unbleached or bleached
	C 3	Terry towelling and similar terry fabrics, other than unbleached or bleached
	C 4	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading No 55.08 and fabrics falling within heading No 58.05)
	C 5	Woven fabrics other than gauze or terry towelling and similar terry fabrics, dyed
	C 6	Woven fabrics other than gauze or terry towelling and similar terry fabrics, printed
	C 7	Woven fabrics other than gauze or terry towelling and similar terry fabrics, made with yarns of various colours

Group of categories	Categories	Description of products
GROUP III	D	MADE-UP HOUSEHOLD ARTICLES OF COTTON
	D 1	Bed linen
	D 2	Tablé linen
	D 3	Terry toilet linen and terry kitchen linen
	D 4	Other household articles
	E	ARTICLES OF APPAREL OF COTTON
	E 1	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized
	E 2	Undergarments, knitted or crocheted, not elastic or rubberized
	E 3	Outer garments and other articles, knitted or crocheted, not elastic or rubberized. Articles other than knitted or crocheted fabrics, elastic or rubberized
	E 4	Men's and boy's trousers and breeches of woven fabric
	E 5	Men's and boys' other outer garments of woven fabric
	E 6	Women's, girls' and infants' outer garments of woven fabric
	E 7	Men's and boys' shirts of woven fabric
	E 8	Men's and boys' other undergarments of woven fabric
	E 9	Women's, girls' and infants' undergarments of woven fabric
	E 10	Handkerchiefs
	E 11	Other articles of apparel and clothing accessories
	F	MISCELLANEOUS FABRICS AND MADE-UP ARTICLES OF COTTON
	F 1	Travelling rugs and blankets
	F 2	Floorcloths, dishcloths, dusters and the like
	F 3	Pneumatic mattresses
	F 4	Other

Letter No 1 — 1 With reference to Article 1 of the 'Geneva Arrangement' (without prejudice)

2 The state of liberalization and the 105% clause

Letter No 2 — Area of application

Letter No 3 — 1 Re-exportation

2 Transit (freedom of trade)

Letter No 4 — Correlation table

Letter No 1

Brussels,

Your Excellency,

At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

1. The Community notes that this Agreement is concluded within the framework of the Geneva Arrangement. Its special procedures are, therefore, intended to solve the specific problems of cotton textiles and in no way prejudice the solution of problems which may arise in other sectors.
2. No provision of the Agreement shall be interpreted as affecting the present state of liberalization of cotton textile products between Member States of the Community and Japan.
3. It is understood that the Community will request the fixing of a specific ceiling under Article 3 (c) of the Agreement only where a rapid and substantial increase in deliveries of the products in question causes, or threatens to cause, disturbance of the market.

Pending the conclusion of the consultations provided for in the abovementioned Article, the Government of Japan will, from the date of the request, maintain its exports of the products in question at a level corresponding, *pro rata temporis*, to 105% of exports during the most recent twelve-month period for which statistics are available.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.

*On behalf of the Council of the
European Communities*

To His Excellency

Mr Isao Abe,

Head of the Japanese Mission
to the European Communities

Letter No 1

Brussels,

Sir,

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

'At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

1. The Community notes that this Agreement is concluded within the framework of the Geneva Arrangement. Its special procedures are, therefore, intended to solve the specific problems of cotton textiles and in no way prejudice the solution of problems which may arise in other sectors.
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I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.'

I have the honour to confirm that the Government of Japan is in agreement with the contents of the above letter.

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

*Head of the Japanese Mission
to the European Communities*

To Mr.

Letter No 2

Brussels,

Your Excellency,

At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

Bene lux

As regards the Kingdom of the Netherlands this Agreement shall apply only to the European territory of that Kingdom.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.

*On behalf of the Council of
the European Communities*

To His Excellency

Mr Isao Abe,

Head of the Japanese Mission
to the European Communities

Letter No 2

Brussels,

Sir,

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

'At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on , of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

Bene lux

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I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.'

I have the honour to confirm that the Government of Japan is in agreement with the contents of the above letter.

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

*Head of the Japanese Mission
to the European Communities*

To Mr

Letter No 3

Brussels,

Your Excellency,

At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

1. All exports to the Community shall be counted against the agreed ceilings. If additional supplies are required for re-exportation to third countries after processing, the authorities of the Member States of the Community may issue special import authorisations for which corresponding export licences will be issued without the amount being counted against the agreed ceilings.

The Commission will inform the Government of Japan thereof each quarter.

2. The Agreement shall in no way impede merchants in Community countries from freely engaging, as they have done in the past, in trade with third countries.

This principle shall apply not only to business carried out under transit arrangements but also to transactions involving goods that do not enter the customs territory of the Community.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.

*On behalf of the Council of
the European Communities*

To His Excellency

Mr Isao Abe,

Head of the Japanese Mission
to the European Communities

Letter No 3

Brussels,

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This principle shall apply not only to business carried out under transit arrangements but also to transactions involving goods that do not enter the customs territory of the Community.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.'

I have the honour to confirm that the Government of Japan is in agreement with the contents of the above letter.

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

*Head of the Japanese Mission
to the European Communities*

To Mr

Letter No 4

Brussels,.....

Your Excellency,

At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on....., of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

A correlation table between the list of cotton textile products referred to in Article 1 of the Agreement and the list of corresponding headings under NIMEXE will be prepared by experts of both Parties as soon as possible.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.

*On behalf of the Council of
the European Communities*

To His Excellency

Mr Isao Abe,

Head of the Japanese Mission
to the European Communities

Letter No 4

Brussels,.....

Sir,

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

'At the conclusion of the negotiations between the Government of Japan and the European Economic Community which led to the signature, on..... of the Agreement on Trade in Cotton Textiles, I have the honour to confirm that the two Parties have agreed as follows:

A correlation table between the list of cotton textile products referred to in Article 1 of the Agreement and the list of corresponding headings under NIMEXE will be prepared by experts of both Parties as soon as possible.

I shall be obliged if you will confirm that your Government is in agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.'

I have the honour to confirm that the Government of Japan is in agreement with the contents of the above letter.

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

*Head of the Japanese Mission
to the European Communities*

To Mr.....

**Notice relating to the Agreement between the European Economic Community and the Government of
Japan on trade in cotton textiles**

The Agreement between the European Economic Community and the Government of Japan on trade in cotton textiles which the Council decided to conclude on 20 December 1971, was signed at Brussels on 7 February 1972. In accordance with Article 9 thereof the Agreement entered into force on the day of its signature.

The Agreement was signed on behalf of the Council of the European Communities by Mr Wolfgang Ernst, Director in the Directorate-General for External Trade of the Commission of the European Communities.

and on behalf of the Government of Japan by His Excellency, Mr Isao Abe, Ambassador Extraordinary and Plenipotentiary, Head of the Japanese Mission to the European Communities.