

## COMMISSION REGULATION (EC) No 1084/2005

of 8 July 2005

## amending Annexes II, III and V to Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries <sup>(1)</sup>, and in particular Article 19 thereof,

Whereas:

- (1) On 1 January 2005, with the expiry of the WTO Agreement on Textile and Clothing, quotas on the imports of textile and clothing product categories were eliminated vis-à-vis WTO Members.
- (2) On 13 December 2004, ahead of the liberalisation of the quotas, the Community introduced by Council Regulation (EC) No 2200/2004 <sup>(2)</sup> a surveillance system for the 35 textile product categories concerned by the liberalisation.
- (3) Paragraph 242 of the Working Party Report of the Accession of the People's Republic of China <sup>(3)</sup> (the PRC) to the WTO (the Textile Specific Safeguard Clause, or TSSC) introduced the possibility of specific safeguard measures on Chinese textile exports. It states that, where a WTO Member believed that imports of Chinese origin of textiles were, due to market disruption, threatening to impede the orderly development of trade in these products the Member could request consultations with the PRC with a view to easing or avoiding such market disruption.
- (4) By Regulation (EC) No 138/2003 <sup>(4)</sup>, the Council inserted Article 10a in Regulation (EEC) No 3030/93 in order to transpose paragraph 242 of the Working Party Report into Community legislation.
- (5) On 6 April 2005, the Commission adopted indicative guidelines on the application of Article 10a of Regulation (EEC) No 3030/93 concerning a textiles specific safeguard clause (the Guidelines).
- (6) The European Commission requested and held consultations with the PRC in the framework of paragraph 242 of the Working Party Report on the PRC's Accession to the WTO and Article 10a of Regulation (EEC) No 3030/93 for the product categories in which imports originating in the PRC were believed to threaten to impede, due to market disruption, the orderly development of trade. Such consultations were concluded on 10 June 2005 and led to a mutually satisfactory solution for 10 product categories. The result of the consultations is reflected in a Memorandum of Understanding on the export of certain Chinese Textile and Clothing Products to the European Union between the European Commission and the Ministry of Commerce of the People's Republic of China of the same date.
- (7) The Memorandum of Understanding covers imports from the PRC into the Community of ten product categories: category 2 (cotton fabrics), category 4 (T-shirts), category 5 (pullovers), category 6 (trousers), category 7 (blouses), category 20 (bed linen), category 26 (dresses), category 31 (brassieres), category 39 (table and kitchen linen) and category 115 (flax or ramie yarn). The corresponding customs codes are those listed in Annex I to Regulation (EEC) No 3030/93.
- (8) The Commission believes that imports of Chinese origin of those categories, due to the existence or threat of market disruption, threaten to impede the orderly development of trade within the meaning of paragraph 242 of the Working Party Report on the PRC's Accession to the WTO and Article 10a of Regulation (EEC) No 3030/93 for the following reasons.
- (9) Imports of category 2 (cotton fabrics) originating in the PRC increased by 71 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 124 % of the alert level specified by the Guidelines (the alert level). Imports of this category from all countries increased slightly, by 4 %, during the same period. However, the average price of Chinese origin imports has decreased by 21 % (according to import surveillance data), much faster than the average price of other countries (- 2 % based on January-March Eurostat data). This situation is more acute as regards imports of products of sub-category 2A (denim fabrics), as imports from China in the first quarter of 2005 increased by 102 % as compared with the same period of 2004, whilst total imports increased by 15 % and average unit prices dropped by 20 %.

<sup>(1)</sup> OJ L 275, 8.11.1993, p. 3. Regulation as last amended by Commission Regulation (EC) No 930/2005 (OJ L 162, 23.6.2005, p. 1).

<sup>(2)</sup> OJ L 374, 22.12.2004, p. 1.

<sup>(3)</sup> Document WT/MIN(01)3 of 10 November 2001.

<sup>(4)</sup> OJ L 23, 28.1.2003, p. 1.

- (10) Imports of category 4 (T-shirts) originating in the PRC increased by 199 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 197 % of the alert level. Imports of this category from all countries increased by 24 %, during the same period. The average price of Chinese origin imports has decreased by 37 %.
- (11) Imports of category 5 (pullovers) originating in the PRC increased by 530 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 194 % of the alert level. Imports of this category from all countries increased by 14 %, during the same period. The average price of Chinese origin imports has decreased by 42 %.
- (12) Imports of category 6 (trousers) originating in the PRC increased by 413 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 312 % of the alert level. Imports of this category from all countries increased by 18 %, during the same period. The average price of Chinese origin imports has decreased by 14 %.
- (13) Imports of category 7 (blouses) originating in the PRC increased by 256 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 207 % of the alert level. Imports of this category from all countries increased by 4 %, during the same period. The average price of Chinese origin imports has decreased by 30 %.
- (14) Imports of category 20 (bed linen) originating in the PRC increased by 158 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 107 % of the alert level. Imports of this category from all countries increased by 6 %, during the same period. The average price of Chinese origin imports has decreased by 34 %.
- (15) Imports of category 26 (dresses) originating in the PRC increased by 219 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 212 % of the alert level. Imports of this category from all countries increased by 1 %, during the same period. The average price of Chinese origin imports has increased by 2 % as reported by the surveillance system. However, actual Eurostat figures for the first quarter show a large price drop of 42 %.
- (16) Imports of category 31 (brassieres) originating in the PRC increased by 110 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 145 % of the alert level. Imports of this category from all countries increased by 6 %, during the same period. The average price of Chinese origin imports has decreased by 37 %.
- (17) Imports of category 39 (table and kitchen linen) originating in the PRC increased by 64 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 110 % of the alert level. Imports of this category from all countries increased by 10 %, during the same period. The average price of Chinese origin imports has decreased by 39 %.
- (18) Imports of category 115 (flax or ramie yarn) originating in the PRC increased by 55 % in volume in the first four months of 2005, when compared to the same period in 2004. This brings imports of this category to 150 % of the alert level. Imports of this category from all countries increased by 40 %, during the same period. The average price of Chinese origin imports has remained stable (it has increased by 3 % according to import surveillance figures or remained unchanged according to Eurostat). However, it should be noticed that the average unit price of Chinese origin imports is less than half the average price practiced by the Community producers.
- (19) The import levels for textile and clothing products from the PRC and other implementation arrangements set out in the Memorandum of Understanding should be transposed in Regulation (EEC) No 3030/93.
- (20) Article 27 of Annex III of Regulation (EEC) No 3030/93 should be amended to further detail the provisions for data transmission by Member States in the framework of the system of the a posteriori statistical surveillance for certain textiles products.
- (21) Regulation (EEC) No 3030/93 should therefore be amended accordingly.
- (22) The Regulation shall enter into force on the third day after its publication in order to provide for a rapid implementation of the Memorandum of Understanding.
- (23) The measures provided for in this Regulation are in accordance with the opinion of the Textile Committee set up by Article 17 of Regulation (EEC) No 3030/93,

HAS ADOPTED THIS REGULATION:

*Article 1*

Annexes II, III and V to Regulation (EEC) No 3030/93 are amended as set out in the Annex to this Regulation.

*Article 2*

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

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

Done at Brussels, 8 July 2005.

*For the Commission*  
Peter MANDELSON  
*Member of the Commission*

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## ANNEX

1. Annex II is replaced by the following:

## 'ANNEX II

**EXPORTING COUNTRIES REFERRED TO IN ARTICLE 1**

Belarus  
China  
Russia  
Serbia  
Ukraine  
Uzbekistan  
Vietnam'

2. Annex III is amended as follows:

- (a) Article 27 is replaced by the following:

## 'Article 27

Textile products listed in tables C and D shall be subject to a system of a posteriori statistical surveillance. That surveillance should be administered in accordance with the scheme laid down in Article 308d of Commission Regulation (EEC) No 2454/93 (\*). After release for free circulation of the products, the competent authorities of the Member States shall notify the Commission, if possible on a weekly basis but not less frequently than by the 12th of each month for the preceding month, of the total quantities imported and their value, indicating the date of release into free circulation of the products, origin of the products and order number. Such information shall indicate the combined nomenclature code and where appropriate the TARIC subdivisions, the category of products to which they belong, and where applicable the supplementary units required for that nomenclature code. The information has to be in a format compatible with the Surveillance system managed by Directorate-General for Taxation and Customs Union.

(\*) OJ L 253, 11.10.1993, p. 1. Regulation as last amended by Regulation (EC) No 883/2005 (OJ L 148, 11.6.2005, p. 5).'

- (b) Article 28(6) is replaced by the following:

'6. This number shall be composed of the following elements:

— two letters identifying the exporting country as follows:

- Belarus = BY
- China = CN
- Serbia = XS
- Uzbekistan = UZ
- Vietnam = VN

— two letters identifying the intended Member State of destination, or group of such Member States, as follows:

- AT = Austria
- BL = Benelux
- CY = Cyprus
- CZ = Czech Republic
- DE = Federal Republic of Germany

- DK = Denmark
- EE = Estonia
- GR = Greece
- ES = Spain
- FI = Finland
- FR = France
- GB = United Kingdom
- HU = Hungary
- IE = Ireland
- IT = Italy
- LT = Lithuania
- LV = Latvia
- MT = Malta
- PL = Poland
- PT = Portugal
- SE = Sweden
- SI = Slovenia
- SK = Slovakia

— a one-digit number identifying the quota year or the year under which exports were recorded, in the case of products listed in table A of this Annex, corresponding to the last figure in the year in question, e.g. “5” for 2005 and “6” for 2006.

— a two-digit number identifying the issuing office in the exporting country,

— a five-digit number running consecutively from 00001 to 99999 allocated to the specific Member State of destination.’

(c) Table B is replaced by the following:

‘Countries and categories subject to the system of surveillance

Third country	Group	Category	Unit
China	I A	1	tonnes
		3	tonnes
		of which 3a	tonnes
		ex 20	tonnes
	I B	8	1 000 pieces
	II A	9	tonnes
		22	tonnes
		23	tonnes
	II B	12	1 000 pairs
		13	1 000 pieces
		14	1 000 pieces
		15	1 000 pieces
		16	1 000 pieces
	17	1 000 pieces	

Third country	Group	Category	Unit
		28	1 000 pieces
		29	1 000 pieces
		78	tonnes
		83	tonnes
	III A	35	tonnes
	III B	97	tonnes
	IV	117	tonnes
		118	tonnes
		122	tonnes
	V	136A	tonnes
		156	tonnes
		157	tonnes
		159	tonnes
		163	tonnes'

3. Annex V is replaced by the following:

'ANNEX V

**COMMUNITY QUANTITATIVE LIMITS**

(a) **Applicable for the year 2005**

(The complete description of the goods is shown in Annex I)

Third country	Category	Unit	Community quantitative limits
			2005
Belarus	GROUP I A		
	1	tonnes	1 585
	2	tonnes	5 100
	3	tonnes	233
	GROUP I B		
	4	1 000 pieces	1 600
	5	1 000 pieces	1 058
	6	1 000 pieces	1 400
	7	1 000 pieces	1 200
	8	1 000 pieces	1 110
	GROUP II A		
	9	tonnes	363
	20	tonnes	318
	22	tonnes	498
	23	tonnes	255
	39	tonnes	230
	GROUP II B		
	12	1 000 pairs	5 958
	13	1 000 pieces	2 651
	15	1 000 pieces	1 500
	16	1 000 pieces	186
	21	1 000 pieces	889
	24	1 000 pieces	803
	26/27	1 000 pieces	1 069
	29	1 000 pieces	450
	73	1 000 pieces	315
	83	tonnes	178

Third country	Category	Unit	Community quantitative limits
			2005
	GROUP III A		
	33	tonnes	387
	36	tonnes	1 242
	37	tonnes	463
	50	tonnes	196
	GROUP III B		
	67	tonnes	339
	74	1 000 pieces	361
	90	tonnes	199
	GROUP IV		
	115	tonnes	87
	117	tonnes	1 800
118	tonnes	448	
Serbia <sup>(1)</sup>	GROUP I A		
	1	tonnes	
	2	tonnes	
	2a	tonnes	
	3	tonnes	
	GROUP I B		
	5	1 000 pieces	
	6	1 000 pieces	
	7	1 000 pieces	
	8	1 000 pieces	
	GROUP II A		
	9	tonnes	
GROUP II B			
15	1 000 pieces		
16	1 000 pieces		
GROUP III B			
67	tonnes		
Vietnam <sup>(2)</sup>	GROUP I B		
	4	1 000 pieces	
	5	1 000 pieces	
	6	1 000 pieces	
	7	1 000 pieces	
	8	1 000 pieces	
	GROUP II A		
	9	tonnes	
	20	tonnes	
	39	tonnes	
	GROUP II B		
	12	1 000 pairs	
	13	1 000 pieces	
	14	1 000 pieces	
	15	1 000 pieces	
	18	tonnes	
	21	1 000 pieces	
	26	1 000 pieces	
	28	1 000 pieces	
	29	1 000 pieces	
	31	1 000 pieces	
68	tonnes		
73	1 000 pieces		
76	tonnes		
78	tonnes		
83	tonnes		

Third country	Category	Unit	Community quantitative limits
			2005
	GROUP III A		
	35	tonnes	
	41	tonnes	
	GROUP III B		
	10	1 000 pairs	
	97	tonnes	
	GROUP IV		
	118	tonnes	
	GROUP V		
	161	tonnes	

(<sup>1</sup>) Quantitative restrictions for Serbia do not apply pursuant to the Agreement between the European Community and Serbia on trade in textile products (OJ L 90, 8.4.2005, p. 36). The European Community retains the right to reapply quantitative restrictions under certain circumstances.

(<sup>2</sup>) Quantitative restrictions for Vietnam are suspended pursuant to the Agreement between the European Community and the Government of the Socialist Republic of Vietnam on market access (OJ L 75, 22.3.2005, p. 35). The European Community retains the right to reapply quantitative restrictions under certain circumstances.

**(b) Applicable for the years 2005, 2006 and 2007**

(The complete description of the goods is shown in Annex I)

Third country	Category	Unit	Community quantitative limits		
			11 June to 31 December 2005 ( <sup>1</sup> )	2006	2007
China	GROUP I A				
	2 (including 2a)	tonnes	26 217	61 948	69 692
	GROUP I B				
	4	1 000 pieces	150 985	540 204	594 225
	5	1 000 pieces	68 974	199 704	219 674
	6	1 000 pieces	104 045	348 072	382 880
	7	1 000 pieces	24 761	80 493	88 543
	GROUP II A				
	20	tonnes	6 451	15 795	17 770
	39	tonnes	5 521	12 349	13 892
	GROUP II B				
	26	1 000 pieces	7 959	27 001	29 701
	31	1 000 pieces	96 086	225 692	248 261
	GROUP IV				
115	tonnes	1 911	4 740	5 214	

(<sup>1</sup>) Imports into the Community of products which were shipped before 11 June 2005 but presented for free circulation on or after that date shall not be subject to quantitative limits. Import authorisations for such products shall be granted automatically and without quantitative limits by the competent authorities of the Member States, upon adequate proof, such as the bill of lading, and the presentation of a signed declaration by the importer, that the goods have been shipped before that date. By way of derogation of Article 2(2) of Regulation (EEC) No 3030/93, imports of goods shipped before 11 June 2005 shall also be released for free circulation upon the presentation of a surveillance document issued in accordance with Article 10a(2a) of Regulation (EEC) No 3030/93.

Import authorisations for goods shipped between 11 June 2005 and 12 July 2005 shall be granted automatically and cannot be denied on the grounds that there are no quantities available within the 2005 quantitative limits. However, the import of all products shipped from 11 June 2005 will be counted against the 2005 quantitative limits.

The granting of import authorisations will not require the presentation of the corresponding export licenses for goods shipped before China has put in place its export licensing system (20 July 2005).

Applications for import licences for the import, from the date of entry into force of this Regulation, of goods that have been shipped between 11 June 2005 and 19 July 2005 (inclusive) should be presented to the competent authorities of a Member State no later than 15 August 2005.'