

WORLD TRADE ORGANIZATION

G/TMB/N/477

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Textiles Monitoring Body

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AGREEMENT ON TEXTILES AND CLOTHING

Communication from the European Communities

The following communication, dated 8 June 2004, from the Delegation of the European Commission, is being circulated to WTO Members for their information.

European Commission
Permanent Delegation
to the International Organizations in Geneva

Head of Delegation

Geneva, 8 June 2004

Subject: Your letter dated 27 May
Ref: TMB/100

Dear Mr Szepesi,

Referring to your letter of 27 May (TMB/100) concerning the deliberations of the TMB during its meeting on 17-18 May about EU enlargement as of 1 May, I would like to inform you of the following:

As from 1 May 2004, the European Union includes ten new member States. The Act of Accession establishes in Article 6 (7) that the new member States must apply the common trade policy concerning textiles and that the already existing quantitative restrictions applied by the Community on imports of textile and clothing products are to be adjusted to take account of the accession of the new member States to the Community. These quantitative restrictions, already notified to the TMB, applicable to imports of certain textile products from third countries into the enlarged Community have consequently been adjusted so as to cover equally imports into the ten new member States, and the Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries has been amended accordingly. The new Council Regulation amending Council Regulation (EC) No 3030/93 has been published under Council Regulation No 487/04 in the *Official Journal of the European Union*, No L79 on 17 March 2004. (See enclosed. Obviously, for the purpose of this communication, information therein only applies to WTO Members).

It is pointed out that the Community does not consider this extension of the geographical application of existing restrictions to constitute new restrictions in the sense of Article 2.4 of the ATC. This extension was necessary to realize the enlargement process whilst ensuring the maintenance and unhampered functioning of the expanded internal EU market in the interest of all economic operators, including exporters. The option of maintaining the import regime into the new member States unchanged but without allowing free circulation within the Community was not considered to be in the general interest of neither exporters, Community operators nor consumers. On overall terms, the general incidence of enlargement has to be considered in the longer term and can as such not be considered more restrictive than the situation prior to 1 May. The Community's notification to the TMB of 17 March about elimination of restrictions on schedule as foreseen by the ATC by the end of 2004 remains valid also for the enlarged Community of 25 members.

When adjusting and increasing the quantities from EU 15 to EU 25 the European Communities have used a methodology which takes into account the traditional imports into the new member States, using a formula consisting of the average of the last three years' imports into the ten new member States originating in third countries, adjusted *pro rata temporis*.

Sincerely yours,

(signed)

p.o. Peter Thompson

Carlo Trojan
Ambassador

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(Please see for enclosure pdf. file)