Imports of textile products: proof of origin and common rules

2010/0272(COD) - 06/10/2010 - Legislative proposal

PURPOSE: the repeal of Council Regulation (EC) No 1541/98 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community and the amendment of Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries.

PROPOSED ACT: Regulation of the European Parliament and of the Council

BACKGROUND: the requirements regarding the presentation of proof of origin for textile products were introduced with a view to ensuring the correct application of measures on products to which quantitative restrictions applied and to avoid market disruption caused by imports from the People's Republic (PR) of China.

Regulation (EC) No 1541/98 provides for the conditions of acceptance of proofs of origin for certain textile products originating in third countries and falling within Section XI of the Combined Nomenclature, listed in Annex I to Regulation (EEC) No 3030/93.

In recent years, the import measures applied by the Union to textile products have gradually decreased in their number and impact. Quantitative restrictions on imports originating in countries which are WTO Members were eliminated with the expiry of the WTO Agreement on Textile and Clothing in 2005. Special safeguard provisions for imports of textiles and apparel products originating in the PR of China and covered by the Agreement on Textiles and Clothing (ATC) ended on 31 December 2008 and the regime of double-checking surveillance system of imports categories originating in the PR of China expired.

The management of imports of textile products from third countries, not members of the WTO, subject to remaining quantitative restrictions is based on import authorisations and not on proofs of origin.

The presentation of a proof of origin has no value when a system of surveillance is applied for the categories of products not subject to quantitative restrictions. Given that the products can be imported without any constraints, there is no reason for demanding guarantees regarding their origin.

As a consequence, given that the Union trade policy measures in textiles sector are limited and can be managed without proofs of origin, it is proposed to repeal Council Regulation (EC) No 1541/98 and, in parallel, to amend the related provisions of Council Regulation (EEC) No 3030/93.

IMPACT ASSESSMENT: the Commission looked at two possible options:

- ***Option 1***: no legislative action (which does not appear to be consistent with Community law and the recognised need for simplification) and,
- ***Option 2****:* legislative action (this would contribute to improving the regulatory environment for industry and align the rules relating to textile imports with those of other industrial products, for which the presentation of certificates of origin is not compulsory).

The Commission's preferred option is Option 2 since its objective is to remove from the Union set of rules a legal instrument which is unnecessary.

LEGAL BASE: Article 207(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposal repeals Regulation (EC) No 1541/98 and amends the relevant provisions of Regulation (EEC) No 3030/93 regarding the conditions of acceptance of proofs of origins.

FINANCIAL IMPLICATIONS: the proposal has no implication for the Union budget as it does not involve any additional expenditure.