

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 242

Brussels, 22 May 1975

Proposal for a Council Regulation
maintaining in effect the rules whereby
imports into the Federal Republic of Germany
and Benelux countries of synthetic socks originating
in the Republic of Korea are subject to import
authorisations

(submitted by the Commission to the Council)

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Explanatory Statement

1. For several years, and particularly since 1971, the European producers of synthetic socks have been subjected to growing pressure, especially in the German and Benelux markets, from imports from South East Asia, and principally from Korea. This pressure has manifested itself on the quantitative level by a sharp and substantial increase in imports which have risen from 9 million pairs in 1971 to about 40 million pairs in 1974 in Germany, and from 3.9 million pairs in 1971 to more than 10 million pairs in 1974 in Benelux. Furthermore, the abnormal prices offered by the Korean exporters, less than half the European price, have adversely affected the Community producers.

2. The combination of these two factors, quantity and price, has allowed the Korean exporters to capture a large share of the market, approximately 20% in Benelux and in Germany. This development has been at the expense of the knitwear producers in the regions affected, whose production has decreased considerably during the past four years. It has also had very serious effects on the already precarious position of employment in this sector.

3. Various methods have been employed in an attempt to resolve this crisis, notably the establishment of Community surveillance over imports of these products⁽¹⁾ and the opening of consultations with the Korean authorities within the context of the Arrangement Regarding International Trade in Textiles, with a view to imposing some restraint on the Korean exporters.

4. However, in view of the delays which necessarily accompany such negotiations and the imminent worsening of the position of the Community producers which may be foreseen by reason of the very large number of import licences granted within the last few months, it seems justified and necessary that the Community should take immediate action, that is, it should temporarily limit imports in conformity with Article 3, paragraph 6 of the aforesaid Arrangement.

5. This measure has been restricted for the moment to those regions of the Community which are the most directly affected, that is, to Germany and the Benelux. With regard to the level of limitation, in accordance with Annex B of the Arrangement, the last twelve months have been taken as a reference base by the Commission.

6. The Commission considers that these measures should be maintained in effect for six months and, in accordance with the provisions of Regulation (EEC) No. 1439/74, Article 12, paragraph 6, is submitting to the Council the attached proposal for a Regulation regarding measures appropriate to be taken in this field.

(1) O.J. No. L 316 of 26.11.1974, page 7.

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maintaining in effect the rules whereby imports
into the Federal Republic of Germany and the Benelux countries of
synthetic socks originating in the Republic of Korea are subject to
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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No. 1439/74⁽¹⁾ on common rules for imports and in particular article 13 thereof;

The Committee set up under article 5 of the said Regulation having been consulted;

Having regard to the proposal from the Commission;

Whereas by Regulation (EEC) No. of May 1975, the Commission established rules whereby imports into the Federal Republic of Germany and the Benelux countries of synthetic socks originating in the Republic of Korea were made subject to authorisation;

Whereas the factors which justified the establishment of these rules are still present and whereas it is consequently necessary to maintain them in effect for a period of six months ;

HAS ADOPTED THIS REGULATION

(1) O.J. No. L 159 of 15.6.1974, page 1.

Article 1

1. The rules whereby imports into the Federal Republic of Germany and the Benelux countries of synthetic socks originating in the Republic of Korea are subject to authorisation which were adopted by Commission Regulation (EEEC) No. of May 1975 shall remain applicable for a period of 6 months from the date of its entry into force.

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

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

Done at Brussels,

For the Council
The President