

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (76) 449 Final

Brussels, 20 August 1976

Proposal for a Council Regulation

maintaining in effect the rules whereby imports into
Denmark of synthetic socks originating in Taiwan are
subject to import authorisation

(submitted to the Council by the Commission)

Explanatory Memorandum

1. By Regulation (EEC) No. 1954/76 (1) the Commission established a system of authorisations for imports into Denmark of synthetic socks originating in Taiwan.

2. For the reasons set out in the preamble to the said Regulation, the Commission considers that these measures should be maintained in effect until 31 December 1977 and, in accordance with the provisions of Article 12 (6) of Regulation (EEC) No. 1439/74 (2) 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 213 of 6.8.76

(2) O.J. No. L 159 of 15.6.1974

Proposal for a Council Regulation
maintaining in effect the rules whereby imports into
Denmark of synthetic socks originating in Taiwan are
subject to import authorisations

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) of 4 June 1974
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. 1954/76 of 5.8.76 (2), the Commission
established rules whereby imports into Denmark of synthetic socks originating
in Taiwan 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 until 31 December 1977;

HAS ADOPTED THIS REGULATION :

Article 1

1. The rules whereby imports into Denmark of synthetic socks originating
in Taiwan are subject to authorisation which were adopted by Commission
Regulation (EEC) No. of shall remain applicable until
31 December 1977.

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

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

(2) O.J. No. L 213 of 6.8.76

Article 1

The following fourth indent is added to Article 2(2)(b) of Directive 75/432/EEC:

"- in the United Kingdom, in the form of a scheme of cost escalation cover, provided that the terms of the scheme are made progressively more restrictive."

Article 2

This Directive is addressed to the Member States.

Done at Brussels,

For the Council,

The President

Proposal for a Council Directive amending Directive 75/432/EEC
on aids to shipbuilding

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 92(3)(d) and 113 thereof,

Having regard to the proposal from the Commission,

Whereas Directive 75/432/EEC on aid to shipbuilding establishes a
new category of aid which may be considered compatible with the
common market,

Whereas Directive 75/432/EEC stipulates uniform principles, as required
by Article 113 of the Treaty, for the application of price guarantee schemes
for exports of ships to non-member countries,

Whereas, more particularly, Article 2(2)(b) and (3) of the said Directive
specifies the terms on which such schemes may be operated,

Whereas, therefore, the United Kingdom scheme of cost escalation cover,
which aims to facilitate the restructuring of British shipbuilding
by keeping enough business going for the restructuring to be made in
an orderly and progressive fashion, may be brought within the Directive
if it conforms to these uniform principles,

Whereas Directive 75/432/EEC should be amended accordingly,

HAS ADOPTED THIS DIRECTIVE:

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Originally, goods imported from other Member States for incorporation into ships being built in the United Kingdom did not qualify for the scheme; but this discrimination has now been removed.

Furthermore, by setting 20 February 1977 as the date for review of the scheme, the British Government has also complied with the requirement of degressivity.

Directive 75/432/EEC provides for notification of individual cases of application (Article 2(3)).

5. The UK Government has two basic reasons for introducing this scheme:
 - (a) shipowners are losing confidence in yards which are due to be nationalized;
 - (b) competition on prices and credit terms is extremely keen.

The result has been a fall-off in orders placed with British shipyards, and many are actually threatened with closure.

6. In order to assist the restructuring of British shipbuilding, which is faced with the same general crisis as shipbuilding throughout the world but in more serious terms for structural reasons, the present proposal for amendment of Directive 75/432/EEC declares the scheme to be compatible with the common market, subject to the conditions referred to at paragraph 4 above. The conditions are the same as those imposed by the Directive on the French guarantee scheme (Article 2(2)(b)).

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Explanatory Memorandum

1. Council Directive 75/432/EEC on aid to shipbuilding establishes a category of aids to shipbuilding which may be considered compatible with the common market for the purpose of Article 92(3)(d) and harmonizes aids for the export of ships to non-member countries under Article 113.

2. As regards price guarantees, the Directive authorizes only the French scheme, since no others were in operation when the Directive was issued.

3. The United Kingdom Government has now decided to bring in a scheme of cost escalation cover which will operate on sales of ships by British yards both to British and to non-Community shipowners.

Where the sale is on credit, assistance may be given to cover any increase of between 7 % and 17 % per annum in the variable part of the price (approx. 70 % of the price). In the case of cash contracts the band is widened to 15 %. A premium of 1 % of the insured portion of the contract is payable in advance for each year of the risk's duration. The recipient may also opt for a threshold of assistance of between 7 and 15 %.

4. The proposed amendments ^{to Directive 75/432/CEE} were made possible only when the British Government amended its original scheme.

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