

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 255 final.

Brussels, 2 June 1977.

PROPOSAL FOR A  
COUNCIL REGULATION

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maintaining the arrangements making the importation into  
the Benelux countries of jute yarn originating in the  
Kingdom of Thailand subject to authorisation

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(submitted to the Council by the Commission)

COM(77) 255 final.



## EXPLANATORY MEMORANDUM

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1. By Commission Regulation (EEC) No. 969/77 of 4 May 1977<sup>(1)</sup>, adopted pursuant to Article 12 of Regulation (EEC) No. 1439/74, imports into the Benelux countries of jute yarn originating in the Kingdom of Thailand were made subject to authorization; the authorizations are to be issued for a quantity which will be such as to ensure that the total volume of imports in 1977 does not exceed 4,030 tonnes.

2. These measures were taken in order to remedy the market disruption caused in the Benelux countries by the sharp and substantial increase in the imports in question.

Since 1975, Thai exports of jute yarn to the Community and in particular to the Benelux countries have increased very substantially. Exports to the Benelux countries rose from 1,145 tonnes in 1975<sup>(2)</sup> to 4,459 tonnes in 1976, including temporary imports, which represents an increase of 300%. Imports from Thailand accounted for 73.3% of total Benelux imports in 1976 as against 42% in 1975.

Moreover, the prices of Thai jute yarn are considerably lower than the prices ruling on the Benelux market; depending on the kind of yarn, the difference varies between 10% and 40% but is about 30% in most cases.

This sharp increase in low-priced imports of Thai jute yarn has unquestionably caused disruption of the Benelux market, the situation being all the more serious since that market is shrinking as a result of various factors: for example, contraction of outlets as a consequence of competition from synthetic substitutes in manufacturing, contraction of the formerly substantial demand for carpet yarn as a result of the tufted carpet boom. Belgian production of jute yarn has fallen from 76,000 tonnes in 1970 to the present figure of around 35,000 tonnes. In the same period the workforce declined from 4,400 to 2,100 persons and the number of firms was reduced from twenty-five to thirteen.

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(1) O.J. No. L 115, 6.5.1977, p. 12

(2) 1973 : 556 tonnes.

3. As early as 1975 the Community drew the attention of the Thai authorities to the seriousness of the situation and requested their cooperation in seeking a solution. The Community was also concerned to ensure fair play with regard to other supplier countries (India and Bangladesh) which, within the framework of the generalized tariff preferences, have given undertakings to exercise voluntary restraint.

Consultations took place between Thailand and the Community in January and February last. A further consultation took place in April, without a mutually acceptable solution having been found; on this occasion it was specified, however, that the measure that the Community would be forced to take would not prejudice the continuation of consultations with a view to reaching such a solution.

4. The Commission therefore considers that, given the situation and the fact that the factors making for disruption persist, it is essential that the arrangements which were adopted as an interim protective measure, making importation subject to authorization, should be maintained.

It is pointed out that the interim protective measure adopted by the Commission pursuant to Article 12 of the above-mentioned Regulation (EEC) No. 1439/74 expires six weeks following its entry into force unless it is confirmed by the Council.

Accordingly the Commission, in accordance with Article 12(6) of that Regulation (EEC) No. 1439/74, submits to the Council the following proposal for a regulation on the appropriate measures to be adopted in this matter.

PROPOSAL FOR COUNCIL REGULATION No.

of

maintaining the arrangements making the importation into the Benelux countries of jute yarn originating in the Kingdom of Thailand subject to authorization

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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 of 4 June 1974 on common rules for imports<sup>(1)</sup>, and in particular Article 13 thereof,

Consultations having taken place within the Advisory Committee set up under Article 5 thereof,

Having regard to the proposal from the Commission,

Whereas by Regulation (EEC) No. 969/77 of 4 May 1977<sup>(2)</sup> the Commission made the importation into the Benelux countries of jute yarn originating in the Kingdom of Thailand subject to authorization;

Whereas the reasons justifying the introduction of these measures persist and whereas the measures should accordingly be maintained until 31 December 1977,

HAS ADOPTED THIS REGULATION :

Article 1

The arrangements for the authorization of imports into the Benelux countries of jute yarn originating in the Kingdom of Thailand, adopted by Regulation (EEC) No. 969/77, shall remain applicable until 31 December 1977.

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(1) OJ No. L 159, 15.6.1974, p. 1

(2) OJ No. L 115, 6.5.1977, p. 12

Article 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 the Member States.

Done at Brussels,

For the Council  
The President