

European Communities

EUROPEAN PARLIAMENT

Working Documents

1982-1983

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DOCUMENT 1-51/82

MOTION FOR A RESOLUTION

tabled by Mr Michael WELSH

pursuant to Rule 47 of the Rules of Procedure

on Italian man made fibre industries

The European Parliament,

- having regard to the Treaty of Rome and particularly Articles 92 and 93 thereof,
- noting that in 1977 the Commission acting under Article 93(1) for the Treaty requested a suspension of any general or regional aid that might increase capacity in the manufacture of man made fibres,
- noting that owing to continuing problems of over capacity in that sector the Commission on 29 July 1981 extended this suspension for a further two years,
- aware that in 1979 the Commission approved a plan by the 11 leading man made fibre manufacturers to reduce capacity voluntarily by 400 thousand tonnes,
- noting that the 1981 target capacity for the Italian manufacturers was set at 600 thousand tonnes,
- noting that in 1979 the losses sustained by the four leading Italian manufacturers were as follows:

ANIC	Lit 57 bn
Montefibre	Lit 111 bn
SNIA Viscosa	Lit 32 bn
SIR Finanziaria	Lit 809 bn

and that according to the Italian state investment bank Mediobanca the man-made fibre operations were responsible for most or all of these losses in the first three of these companies and of a substantial part in the fourth,

- noting that the combined losses for the man-made fibre activities of these companies have been estimated to have amounted to Lit 350 bn in 1980, and to have been of the same order in 1981,
- aware that substantial proportions of the equity in these companies is directly or indirectly state owned,
- noting that in spite of mounting losses these companies have been regularly increasing their capital and deferring repayment of preferential loans,
- aware that in at least one case a proportion of the wages of the labour force have been born by the Casa D'Integrazione,

Considers that there are substantial grounds for believing that the Italian man-made fibre industry is able to maintain a wholly artificial level of capacity thanks to effective Government subsidies;

Believes that should this be the case these practices would constitute a major distortion of the market to the detriment of other Community manufacturers;

Requests the Commission to undertake a full investigation of alleged state intervention in the Italian man-made fibre industries and report in detail to Parliament;

Instructs its President to forward copies of this resolution to the President of the Commission and the Italian Ministers of Financial and Economic Affairs.

