

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 251 final
Brussels, 30 May 1975

Proposal for a
COUNCIL REGULATION (EEC)

maintaining in effect the rules for the suspension of the issue of authorisations for imports into the Federal Republic of Germany of woven cotton fabrics, unbleached and bleached originating in the Federative Republic of Brazil

(submitted to the Council by the Commission)

EXPLANATORY STATEMENT

1. By Regulation No. of May 1975, the Commission established rules for the suspension of the issue of licences for imports into the Federal Republic of Germany of woven cotton fabrics, unbleached and bleached originating in the Federative Republic of Brazil.

This decision, taken as a holding measure based on Council Regulation (EEC) No. 1439/74⁽¹⁾ on common rules for imports, and in particular Article 12 thereof, was taken after consultation of the Advisory Committee set up under the above mentioned Regulation and after consultations between the Community and the Brazilian authorities in the context of the Arrangement Regarding International Trade in Textiles.

2. The reason for which this decision was taken was the serious situation of market disruption in Germany caused by a sharp increase in imports of woven cotton fabrics, unbleached and bleached from Brazil.

The principal factors showing market disruption were presented as follows:

- the production of the German cotton fabric industry was stagnant in 1974. In December 1974, orders decreased by 33% compared with November of the same year;
- the level of utilisation of productive capacity which was 77% at the end of 1974 has dropped to about 63% since the beginning of 1975;
- the employment situation is also bad, to the extent that in the entire textile industry unemployment and short-time working have increased as follows :

	January 1974	January 1975
short - time	24.100	36.500
unemployment	33.100	40.200

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

- in contrast to the extremely critical situation of the industry, imports from Brazil of the products concerned, which are not subject to quantitative restrictions in Germany, increased significantly :

1971	226 tonnes
1972	2.706 "
1973	3.763 "
1974	4.364 "

These figures represent an increase of 61% between 1972 and 1974. In the same period total imports into Germany of these products increased notably less rapidly - about 9%.

The situation has been further aggravated in the first months of 1975 since from 1st January - 17th April import licences for cotton fabrics from Brazil have been issued or endorsed for a total of 10,800 tonnes.

Furthermore, these imports are carried out at prices considerably lower than those prevailing for comparable products on the German market :

average price for German products	12.02 DM/kg
average price for South-East Asian products	7.49 DM/kg
average Brazilian price	6.32 DM/kg

3. Whilst the negotiations will open shortly between the Community and Brazil for the conclusion of an agreement on trade in textile products within the context of the Arrangement Regarding International Trade in Textiles; and having regard to the delays which necessarily accompany such negotiations, the Commission considers the maintenance in effect of the rules for the suspension of import authorisations to be necessary up to 31.5.1976. In accordance with the provisions of paragraph 6, article 12 of Regulation (EEC) No. 1439/74 it is therefore submitting to the Council the attached proposal for a Regulation regarding measures appropriate to be taken in this matter.

Proposal for a
COUNCIL REGULATION

of

maintaining in effect the rules for the suspension
of the issue of authorisations for imports into the
Federal Republic of Germany of woven cotton fabrics
unbleached and bleached originating in the Federative
Republic of Brazil

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 for the suspension of the issue of authorisations for imports into the
Federal Republic of Germany of woven cotton fabrics, unbleached and bleached
originating in the Federative Republic of Brazil;

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

HAS ADOPTED THIS REGULATION :

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

Article 1

1. The rules for the suspension of the issue of authorisations for imports into the Federal Republic of Germany of woven cotton fabrics, unbleached and bleached originating in the Federative Republic of Brazil, which were adopted by Regulation (EEC) No. of May 1975 shall remain applicable up to 31.5.1976.

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, the

For the Council
The President