

GENERAL AGREEMENT ON TARIFFS AND TRADE

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EUROPEAN COMMUNITIES - IMPORTS OF FROZEN COD FILLETS

The following communication, dated 25 September 1981, has been received from the delegation of the Commission of the European Communities, with the request that it be circulated to contracting parties.

In accordance with the Understanding Regarding Consultation, Dispute Settlement and Surveillance, the Commission of the European Communities communicates the following information:

By Regulation No. 2156/81 of 28 July 1981 the Commission of the European Communities has decided to introduce temporary measures for certain cod fillets under the tariff heading 03.01 B II (b) 1 imported into the United Kingdom and Ireland with effect from 3 August 1981.

These measures prohibit the import and sale in the United Kingdom and Ireland of the cod fillets referred to above, until 20 November 1981, unless imports comply with the reference prices for the products in question.

The Community price régime in this sector is designed to avoid or remove any disturbance to the marketing of fish products which could be caused by sales at lower than normal value i.e. at abnormally low prices. The system applies both to imported and domestic products. The latter must be withdrawn from the market at certain price levels and this condition constitutes effectively a restriction on the amounts of domestic fish permitted to be marketed. Clearly, for these measures to be effective, it is necessary to have mechanism whereby an equivalent discipline is enforced on imported products also (especially when the international competitive situation in the sector reflects very different national support policies), in order to avoid injury or the threat of injury to the domestic fishing industry.

The market for cod in certain areas of the Community has been particularly disturbed during recent months due to abnormally low prices associated with persistent imports under the relevant reference prices. These reference prices are fixed at the level corresponding to the withdrawal price, at which Community producers withdraw fish from the market in order to avoid further price decreases.

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The difficulties which have necessitated the present temporary measures are part of a more fundamental modification in the overall condition of the fisheries sector, which have adversely affected the Community market since the widespread extension of fishery zones by coastal States. The distortion of the established pattern of international production and trade in fish products has had a particularly negative effect on the Community which has been transformed into a major importer of fish products. These changes have rendered the internal Community market more vulnerable to disturbance through frequent imports at abnormally low prices.

The Commission is prepared to consult with any contracting party which has a substantial interest in the products in question.

