<u>RESTRICTED</u> L/4678 26 June 1978 Limited Distribution

Original: French

ARTICLE XIX - ACTION TAKEN BY THE EUROPEAN ECOMOMIC COMMUNITY

Preserved Cultivated Mushrooms

The following communication, dated 16 June 1978, has been received from the Permanent Delegation of the Commission of the European Communities.

I have the honour to advise you, for the information of the CONTRACTING PARTIES, that under Regulation (EEC) No. 1102/78 of 25 May 1978 (0.J. No. L/139/78), as amended by Regulation (EEC) No. 1307/78 of 15 June 1978 (0.J. No. L/158/78), the Commission of the European Communities has adopted protective measures, as from 26 May 1978, in respect of imports of preserved cultivated mushrooms (CCT sub-heading No. ex 20.02A) by deciding to suspend the issue of import licences.

This action has been taken because of the large number of import licence applications received for this product since the beginning of the year. Indeed, up to 23 May 1978, licence applications had already covered a total of 40,914 tons, whereas for the whole of 1977, imports totalled 32,900 tons. In addition, in certain cases the offer prices were particularly low. Such a situation, at a time when stocks are at a level well above that for 1977, is causing serious injury to Community producers.

These measures are not applied to third countries that are able to ensure that their exports do not exceed a reasonable quantity, consistent with the need to avoid any disturbance of the Community market. At the present time, the Feople's Republic of China is in this situation.

The Commission is prepared to enter into consultation with any contracting party having a substantial interest as exporter to the Community that wishes to examine with it the action under reference.