

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/4994
20 June 1980

Limited Distribution

Original: French

ARTICLE XIX - ACTION TAKEN BY THE EUROPEAN ECONOMIC COMMUNITY

Mushrooms

The following communication, dated 11 June 1980, has been received from the delegation of the European Communities.

I have the honour to advise you, for the information of the CONTRACTING PARTIES, of the following action taken by the European Economic Community (EEC) in the mushroom sector.

A safeguard measure applicable to EEC imports of cultivated mushrooms (sub-heading No. 20.02 A of the Common Customs Tariff) was introduced in 1978 (see GATT document L/4678 of 26 June 1978). No contracting party requested consultations under Article XIX regarding that action. Following bilateral consultations with the principal supplying countries of the EEC, the measure was amended several times in the course of 1978 and 1979. As from 15 May 1980, the safeguard measure was suspended after the principal suppliers had given assurances that they would pursue in respect of exports of those products to the EEC a policy that would avoid the risks of serious injury.

In order to avoid any deflection of trade by other countries that could disturb the market, with effect from 16 May 1980 imports of preserved mushrooms have been brought under a system of surveillance allowing the EEC to follow market trends. In addition, the Commission of the European Communities has successively introduced several regulations of limited scope. These measures are notified below:

1. The Commission of the European Communities has adopted a safeguard measure in respect of EEC imports of cultivated mushrooms in brine (sub-heading 07.03 E of the Common Customs Tariff) from third countries. The situation in regard to cultivated mushrooms in brine has deteriorated because the product thus processed, exported by certain producers, evades the objectives pursued by the relaxation measure described above. With effect from 15 April 1980, all imports of this

product into the EEC have accordingly been made subject to production of an import document. These import documents are issued to traditional importers on the basis of imports in 1977 and 1978, within limits fixed periodically by the Commission. Provision is also made for the grant of licences to new suppliers.

2. The Commission of the European Communities has adopted a safeguard measure in respect of EEC imports of preserved cultivated mushrooms (sub-heading No. 20.02 A of the Common Customs Tariff) originating in Hong Kong and Spain. Imports of this product had been liberalized as from 16 May. During the period following that date, however, licence applications to import from those two countries were substantially in excess of the volume of traditional imports from those countries. The EEC market being thus exposed to the threat of serious injury, the Commission found itself obliged to refuse to grant any import licences until such time as a solution to the difficulties could be found.

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

